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Quarterly Activities Report to 30 September 2020

HIGHLIGHTS

- Extra Fast Charge (“EFC”) test results for EV batteries developed by Magnis Partner, C4V, yielded a potential game changer for EV manufacturers.
- Following the ongoing success of EFC results using unoptimized cells, for the next qualification phase, battery cells optimised for very fast charge will be used.
- Demonstration program in New York commenced for a Public Transit Technology and Innovation Program funded by the NYSERDA, with a proposal to develop EFC system utilising extended-life batteries provided by C4V.
- Abt Associates report highlights batteries to be produced by iM3NY will be the greenest in the market.
- New York Battery Plant financing discussions progress.
- The announcement on 4 September 2020 of a \$7.65 million capital raising via a placement of 45,000,000 ordinary shares at 17 cents per share to new local and overseas institutional investors, new sophisticated investors and existing shareholders.
- Queensland State Government approves Townsville Lithium-ion Battery Manufacturing Plant Feasibility Study.
- Senior Management Team bolstered by new appointments.

Magnis Energy Technologies Ltd (ASX:MNS) [“Magnis” or the “Company”] is pleased to present its Quarterly Activities Report and overview of operations for the period ended 30 September 2020 [“Quarter”, “Reporting Period”].

OPERATIONAL UPDATES

C4V Extra Fast Charge Batteries Potential Game Changer

In July 2020, the Company announced that Extra Fast Charge (“EFC”) test results for electric vehicles (“EV”) batteries developed by Magnis Partner, Charge CCCV, LLC. (“C4V”), had yielded a potential game changer for EV manufacturers.

Having attracted global attention in recent times, EFC shortens the charging times required by traditional EV charging, enabling operational flexibility, convenience to consumers, and potential increase in run time for in-service EVs.

Battery cells optimised for very fast charging are required to maximise charging energy efficiency and battery life. Magnis technology partner, C4V, is at the forefront of this technology development and has been working with end users being commercial EV manufacturers, to develop a future proof design for EFC batteries with a focus on low cost and sustainable practices.

C4V Extra Fast Charge Batteries – Advances to Optimised Commercial Cells

Following the ongoing success of EFC results using unoptimised cells, in September 2020, the Company announced that for the next phase of Original Equipment Manufacturer (OEM) qualification, battery cells optimised for very fast charge are to be used.

Several European OEM’s have expressed interest in the C4V technology with initial discussions being undertaken and confidentiality agreements executed.

C4V – New York Public Transport

During the Quarter, a demonstration program in New York commenced for a Public Transit Technology and Innovation Program, funded by the New York State Energy Research and Development Authority (“NYSERDA”), with a proposal to develop EFC system utilising extended-life batteries provided by C4V.

The technology is planned to be developed in Binghamton, New York US, and tested at BAE Systems before being installed for some New York City bus routes, with the aim of removing 500,000 metric tons of carbon dioxide annually from the New York City metro area, whilst increasing energy efficiency and lowering upfront costs versus the current system.

Consolidated Edison will be responsible for charging, with bus stops equipped with robotic arms that have the ability reach down from the overhead electric wires and connect to the buses’ batteries to recharge them in 5 to 10 minutes.

The demonstration program follows the award of a US\$175,000 grant by NYSERDA, with this amount being matched by Bus manufacturer BAE Systems (LON:BA)..

Batteries Produced by iM3NY to be the Greenest on the Market

During the Quarter, Magnis announced that a report sponsored by NYSERDA and prepared by world renowned Abt Associates, was released on the Life Cycle Assessment for C4V lithium-ion battery cells for electric vehicles. CV4 Generation-1 lithium-ion batteries with a qualified supply chain, were highlighted as the greenest in the market. These batteries will be the first produced in mass scale by IM3NY in Endicott NY, with Magnis directly and indirectly owning approximately 58% of IM3NY.

New York Battery Plant Financing

During the quarter significant progress was made towards the financing of the New York Battery Plant. Potential debt and equity providers have advanced discussions with proposals expected during the December quarter.

Queensland State Government Approves Townsville Lithium-ion Battery Manufacturing Plant Feasibility Study

The Queensland Department of State Development, Tourism and Innovation approved payment of the final claims by Imperium3 Townsville Pty Ltd [iM3TSV] relating to the Feasibility Study and associated finance plan in relation to its proposed \$3 billion lithium-ion battery plant in Townsville. Magnis owns one third of iM3TSV.

Following receipt of the approval, the iM3TSV Board has formally approved the investment decision to proceed with the next stage of the project development of the 18 GWh lithium-ion battery cell manufacturing facility in Townsville.

The next phase of the project is now underway which includes obtaining:

- Development Approvals. Over the coming months, a development application will be completed and submitted to Townsville City Council for formal consideration and approval.
- Project Funding. iM3TSV's project funding will be executed in accordance with National Australia Bank's advice.

CORPORATE UPDATES**Placement Raises \$7.65m**

On 4 September 2020, Magnis announced it had received firm commitments from institutional, professional and sophisticated investors to raise \$7.65 million via a placement of 45,000,000 ordinary shares at 17 cents per share, via joint lead managers Aitken Murray Capital Partners Pty Ltd and Foster Stockbroking Pty Ltd.

The placement was oversubscribed and strongly supported by new local and overseas institutional investors, new sophisticated investors and existing shareholders. Funds raised are to be used for working capital purposes and to advance all projects with the focus being on near-term cell manufacturing from the Company's majority owned Lithium-Ion Battery Plant in New York and battery technology programs.

Frank Giordano Appointed as Company Secretary and Legal Counsel

Mr Frank Giordano was appointed as Company Secretary and Legal Counsel of the Company replacing Mr Douglas Richardson, who resigned as Company Secretary. Mr Giordano has over 30 years' legal, company secretarial and compliance experience gained in various listed and private companies, and has held senior roles with Insurance Australia Group (ASX:IAG), Babcock and Brown, Amber Infrastructure Group, and Australian Industry and Development Corporation/AIDC Ltd.

He is admitted as a Solicitor of the Supreme Court of NSW and holds a current practising certificate from the Law Society of NSW, holds a Bachelor of Economics, Bachelor of Laws, and Masters' degrees in Law and Taxation from the University of Sydney, is a Fellow of both the Governance Institute of Australia and the Chartered Governance Institute, and a member of the Australian Institute of Company Directors, and the Association of Corporate Counsel, Australia.

Rod Chittenden Appointed as Nachu Graphite Project Director

During the Quarter, Rod Chittenden was appointed at Nachu Graphite Project Director, with over 40 years of experience in the minerals industry across Africa, Australia and South America, both in executive management roles and metallurgical project development roles from exploration to production.

Having largely resided in Africa for more than a decade and served as CEO of Magnis when the Nachu Graphite Project was discovered, he spearheaded initial geological and metallurgical programs. Mr Chittenden also played a key role in the commissioning of Paladin Energy's (ASX:PDN) Langer Heinrick and Kayelekera projects, and previously worked for major miners, including Newcrest (ASX:NCM) and Barrick Gold (NYSE:GOLD)

Jack Robertson Appointed as Strategic Manager, Batteries [Part-time]

In September 2020, Jack Robertson was appointed as Strategic Manager, Batteries [part-time]. He has over three decades of experience working in governments and private enterprises locally and overseas, with a broad range of experiences and skillset in the technical, regulatory, political, marketplace expansion, advocacy and public relations fields. He has also held roles in corporate marketing, public grants management, transport and infrastructure.

Currently Mr Robertson works with a Sydney based registered lobbying firm providing political and corporate advocacy to major national and international clients.

Change in Auditor

During the Quarter, in accordance with section 327C(1) and (2) of the Corporations Act, 2001 [Cth], Hall Chadwick Melbourne Audit [Hall Chadwick] was proposed to be appointed as the auditor for the Company, subject to the satisfactory negotiation and execution of a formal engagement letter. Once appointed, Hall Chadwick will hold office until the date of the Company's 2020 Annual General Meeting [AGM]. A resolution at the next AGM will be presented to allow the Company's shareholders to approve the appointment of Hall Chadwick post the AGM.

This followed the receipt of notification on 22 July 2020 by BDO East Coast Partnership [BDO] of the consent by Australian Securities & Investments Commission to the resignation of BDO as the Company's auditor.

Notice of ceasing to be a Substantial Shareholder

AL Capital Holding Pty Ltd and Yunhui Lin announced to the ASX on 31 July 2020 that they had ceased to be substantial shareholders in the Company.

Termination of Negma Subscription Agreement

On 8 September 2020, Magnis announced that it had terminated the Negma Group Ltd Subscription Agreement dated 27 September 2019 following the Company's successful capital raising announced on 4 September 2020.

Expiry of Options

During the Reporting Period, Magnis announced that the following unlisted options expired:

- 1,000,000 unlisted stock options at \$0.70 exercise price with an original expiry of 31 October 2022.

This announcement has been authorised for release by the Board of Magnis Energy Technologies Ltd.

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