



FOR RELEASE : 30 APRIL 2021

Quarterly Activities Report to 31 March 2021

HIGHLIGHTS

- **Magnis partner, Charge CCCV, LLC., to supply battery for US Government project**
- **Magnis completes oversubscribed A\$34 million placement**
- **IM3NY acquires machinery from lithium-ion cell manufacturer**
- **Battery experts hired to lead production at NY battery plant**
- **New directors appointed to the Magnis Board**
- **Magnis undertakes various activities relating to advancing the Nachu project towards development**

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 31 March 2021 (“**Quarter**”).

OPERATIONAL UPDATES

Magnis partner, Charge CCCV, LLC., to supply battery for US Government funded project

In January 2021, the Company announced that its partner, Charge CCCV, LLC. (“**C4V**”), had been selected to participate in a United States Government project for the Department of Energy focused on grid stabilisation.

IM3NY acquires machinery from lithium-ion cell manufacturer

IM3NY purchased machinery from lithium-ion cell manufacturer A123 Systems to reduce overall capex requirements whilst accelerating production. Magnis has a direct and indirect holding of approximately 58% of IM3NY.

Battery experts hired to lead production at NY Battery Plant

Magnis announced in March 2021 that IM3NY had appointed experts to lead production at the New York Battery Plant in Endicott, New York. The new team boasts experience in manufacturing, development, sales, and marketing along with day-to-day operations in the lithium-ion battery industry.

Magnis undertakes various activities to advance the Nachu project to development

While there were no substantive mining exploration or mine development activities Magnis executed several actions related to advancing the Nachu project towards development including:

- Finalising drilling and development of new water bores within the Nachu Special Mining Lease (SML) area;
- Progressing the establishment of the resettlement village including the approval of Town Planning and Cadastral Survey Drawings, receipt of Building Permit from Ruangwa District Council for the development of 59 houses, and commencement of land clearing; and
- The Local Content Plan and Corporate Social Responsibility Agreement have been approved by the Mining Commission and Local District Council (respectively).

Approximately US\$40,000 was spent on the above activities during the Quarter.

During the Quarter, Magnis charitably donated construction materials to the village of Mihewe for the building of a medical clinic project.

Tenements

Magnis' licences in Tanzania include the following:

- SML 550/2015 - This is the Special Mining Licence of 29.77 km² that covers the Nachu Graphite Project; and
- PL10929/2106 - is the prospecting licence that surrounds the SML and is the licence that contains the various other graphite mineralized areas that were discovered and reported during 2012 to 2015.

CORPORATE UPDATES

Magnis completes oversubscribed A\$34 million placement

In February 2021, the Company raised \$34 million via a placement of 121,428,572 ordinary shares at 28 cents per share to institutional, professional and sophisticated investors. Each share will have a free attaching unlisted option, with a strike price at 50 cents and a 2-year expiry date.

New directors appointed to the Magnis Board

On 29 March 2021, Magnis announced the appointment of four new non-executive directors to the Board. Mona E. Dajani is a global expert in renewable energy, lawyer and advisor to the Biden Administration and the US Department of Energy; Richard Petty is an adviser on significant projects and investments in Asia and a former B20 member; Zarmeen Pavri is a highly experienced ESG and impact fund specialist and Mugunthan Siva is an experienced fund manager.

At the next Annual General Meeting, shareholders will be recommended to consider approving a grant of 2,000,000 unlisted options (having an exercise price of \$A0.70c, and expiration date of three (3) years from the date of issue), for each of the four (4) recently appointed non-executive directors. The purpose of the resolutions is part of the Company's ongoing commitment to seek to align the interests of its shareholders with those of the Board and management.

Related party payments

Payments to related parties (or their associates) of the Company are disclosed in section 6 of the Appendix 5B for the Quarter. The payments for the Quarter comprise directors' fees, consulting fees, and payments made for services provided by an associate of a related party.

Changes in securities on issue

During the Quarter, Magnis advised that 250,000 unlisted options exercisable at \$0.70 with an original expiry date of 18 June 2021 had expired.

Magnis also issued 108,309,719 fully paid ordinary shares during the Quarter.

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

Frank Poullas
Executive Chairman
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Appendix 5B

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Name of entity

Magnis Energy Technologies Ltd

ABN

26 115 111 763

Quarter ended ("current quarter")

31 March 2021

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (9 months) \$A'000
1.	Cash flows from operating activities		
1.1	Receipts from customers	-	-
1.2	Payments for		
	(a) exploration & evaluation (if expensed)	-	-
	(b) development	-	(8)
	(c) production	-	-
	(d) staff costs	(851)	(1,678)
	(e) administration and corporate costs	(1,771)	(3,519)
1.3	Dividends received (see note 3)	-	-
1.4	Interest received	26	37
1.5	Interest and other costs of finance paid	-	-
1.6	Income taxes paid	-	-
1.7	Government grants and tax incentives	-	-
1.8	Other (provide details if material)	16	117
1.9	Net cash from / (used in) operating activities	(2,580)	(5,051)
2.	Cash flows from investing activities		
2.1	Payments to acquire:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	(503)	(506)
	(d) exploration & evaluation (if capitalised)	(196)	(779)
	(e) investments in iM3NY, Charge CCCV	-	-
	(f) other non-current assets	-	-
2.2	Proceeds from the disposal of:		
	(a) entities	-	-
	(b) tenements	-	-

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (9 months) \$A'000
	(c) property, plant and equipment	(6)	245
	(d) investments	-	-
	(e) other non-current assets	-	-
2.3	Cash flows from loans to other entities*	-	(7)
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	-	-
2.6	Net cash from / (used in) investing activities	(705)	(1,047)

* Short-term loans to/from Charge CCCV, Imperium3 Townsville + Imperium3 NY

3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	30,327	37,425
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	-	-
3.4	Transaction costs related to issues of equity securities or convertible debt securities	(2,261)	(2,197)
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 (provide details if material)^	-	-
3.10	Net cash from / (used in) financing activities	28,066	35,228

^ Repayment of lease liabilities

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	5,039	720
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(2,580)	(5,051)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(705)	(1,047)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	28,066	35,228
4.5	Effect of movement in exchange rates on cash held	(86)	(116)
4.6	Cash and cash equivalents at end of period	29,734	29,734

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	29,734	5,039
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)	29,734	5,039

6. Payments to related parties of the entity and their associates

- 6.1 Aggregate amount of payments to related parties and their associates included in item 1
- 6.2 Aggregate amount of payments to related parties and their associates included in item 2

**Current quarter
\$A'000**

321

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Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments

7. Financing facilities

Note: the term 'facility' includes all forms of financing arrangements available to the entity.

Add notes as necessary for an understanding of the sources of finance available to the entity.

- 7.1 Loan facilities
- 7.2 Credit standby arrangements
- 7.3 Other (please specify)
- 7.4 **Total financing facilities**

**Total facility amount
at quarter end
\$A'000**

**Amount drawn at
quarter end
\$A'000**

-

-

-

-

-

-

-

-

7.5 Unused financing facilities available at quarter end

-

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

n/a

8. Estimated cash available for future operating activities	\$A'000
8.1 Net cash from / (used in) operating activities (Item 1.9)	(2,580)
8.2 Capitalised exploration & evaluation (Item 2.1(d))	(196)
8.3 Total relevant outgoings (Item 8.1 + Item 8.2)	(2,776)
8.4 Cash and cash equivalents at quarter end (Item 4.6)	29,734
8.5 Unused finance facilities available at quarter end (Item 7.5)	-
8.6 Total available funding (Item 8.4 + Item 8.5)	29,734
8.7 Estimated quarters of funding available (Item 8.6 divided by Item 8.3)	10.7

8.8 If Item 8.7 is less than 2 quarters, please provide answers to the following questions:

1. Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?

Answer: n/a

2. Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?

Answer: n/a

3. Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?

Answer: n/a

Compliance statement

- This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- This statement gives a true and fair view of the matters disclosed.

Date: 30 April 2021

Authorised by: .. By the Board of Directors
(Name of body or officer authorising release – see note 4)

Notes

- This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
- If this quarterly cash flow 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 cash flow 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.
- 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.
- If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – e.g. Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
- If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.