

FOR RELEASE: 31 MARCH 2023

ASX:
MNSOTCQX:
MNSEFFSE:
U1P

iM3NY Update

- **Bridging finance provided to iM3NY LLC to assist with plant enhancements and additional working capital**
- **Certification process is continuing, now with two independent certifiers**

Magnis Energy Technologies Ltd (“**Magnis**”, or the “**Company**”) (**ASX: MNS; OTCQX: MNSEF; FSE: U1P**) is pleased to provide an update from iM3NY of which the Company is the major shareholder.

Bridging Finance

Following the Company's recent successful capital raise, Magnis has provided bridging finance to iM3NY LLC (“**LLC**”) for the benefit of its subsidiary Imperium 3 New York Inc (“**Inc**”) as it progresses its long-term funding initiatives (currently being advised by HSBC Americas) to increase annual plant capacity. The terms of the bridging finance can be found in **Annexure A**. The bridging finance will assist with enhancing production efficiencies to meet customer demand as well as providing additional working capital as iM3NY finalises independent certification and its long-term funding plans.

If Magnis was to convert the bridging finance into equity (instead of it being repaid), the ownership level in LLC would increase materially above the current level of 62%, with a corresponding increase in the asset value of its holding in LLC.

Independent Certification

As previously advised, in order to meet customer orders, the cells produced must be certified to UN38.3, a United Nations standard applicable to Lithium batteries for safe transport in large quantities (by air, sea, rail or road).

The UN38.3 certification process continues with an additional independent certifier being retained in an endeavour to speed up the process to obtain certification in the near term.

About Magnis

Magnis Energy Technologies Ltd (ASX: MNS; OTCQX: MNSEF; FSE: U1P) is a vertically integrated lithium-ion battery technology and materials company in the Lithium-ion battery supply chain. The company's US based subsidiary Imperium3 New York, Inc ("iM3NY") operates a Gigawatt scale Lithium-ion battery manufacturing plant in Endicott, New York. Magnis together with their US based technology partner, C4V LLC has produced high-performance anode active materials for lithium-ion batteries utilising Magnis' high purity graphite feedstock from their Nachu Graphite project in Tanzania. The company's vision is to enable, support and accelerate the mass adoption of Electric Mobility and Renewable Energy Storage critical for the green energy transition.

This announcement has been authorised for release by the Board of Magnis Energy Technologies Ltd (ACN 115 111 763).

FOR FURTHER INFORMATION

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Annexure A -**KEY TERMS OF BRIDGING FINANCE**

Company:	iM3NY LLC (LLC)
Investor:	Magnis Energy Technologies Ltd (MNS)
Investment:	MNS has provided \$17,575,000 inclusive of interest, fees and other amounts provided over time ("Bridging Finance") for \$18,500,000 (Prepayment Credit) worth of shares, should it exercise its right to convert this to equity instead of receiving repayment of the Bridging Finance.
Interest Rate:	10% p.a., to be paid annually upfront
Term:	24 months
Conversion:	<p>The Prepayment Credit will convert at the lower of a valuation of USD\$300m or a 10% discount to the value utilised for the next equity funding round of Inc.</p> <p>If MNS decides to convert the Prepayment Credit into equity, this will be via Preferred Shares and non-dilutive to its previous holding.</p>
Currency:	US Dollars
Fee:	5%