

QUARTERLY REPORT

For Quarter Ending March 2024

Magnis Energy Technologies Ltd (**ASX: MNS; FSE: U1P; OTC: MNSEF**) (“**Magnis**” or the “**Company**”) provides its Quarterly Activities Report for the period ended 31 March 2024.

NACHU

As previously advised, Singapore-based PEY Capital (PEY) was appointed to source US\$320 Million in funding for the Nachu Graphite Project.

As part of the financing process, PEY is working closely with their related Tanzanian entity Tantel ISAF Group Limited (Tantel) one the largest private investors in the country with businesses interests in multiple industries.

The funding will allow the construction of the Nachu Graphite Project planned to produce 240,000 tpa of graphite concentrate, subject to final investment decision.

Currently, PEY continues to actively progress several funding sources and remains committed to securing this capital for the Company. Shareholders are cautioned that there can be no assurance that the financing efforts will be successful.

In addition, as reported in the December 2023 quarterly report, discussions continue with other counter-parties towards binding agreements, both in respect of off-take (in addition to what has already been advised in previous announcements) and financing.

MAGNIS ANODE ACTIVE MATERIALS PROJECT

No material events occurred in the March 2024 quarter to progress this project.



Figure 1: 3D Representation of future graphite processing site

iM3NY LLC & Its Subsidiary Imperium3 New York (Imperium3)

As previously advised, the Company has been working closely with PriceWaterhouseCoopers (PWC) to source funding aimed at refinancing Imperium3's existing secured debt.

PWC has been running an orderly process with multiple investors who are interested in the iM3NY asset. Several institutional investors are in detailed diligence. As part of this process, management meetings have been completed and investors are working on providing term sheets. Each Investment Manager can provide funds sufficient to allow for a refinancing of the existing secured debt together with the necessary funds to execute a revised business plan.

In meetings with Investors, Magnis has presented a comprehensive revised operating plan that includes additional Capex allocations for iM3NY's commercialisation. These plans focus on turning the Imperium3 battery plant into a near-term cash generating asset through:

- Enhanced governance via (i) world-class board representation, (ii) creating a business advisory council and (iii) leadership with deep experience in finance and cell manufacturing operations;

- Leveraging proven and scalable lithium-ion battery technologies along with expansions into synergistic spaces such as Battery Energy Storage Systems; and
- Introducing Automation, Robotics, Machine Learning and Artificial Intelligence to improve manufacturing yields, quality and margins.

Shareholders are cautioned that there can be no assurance that the refinancing efforts will be successful.

Although the battery factory continues to operate under the control of the directors appointed by the secured lender and with the secured lender's financial support, Imperium3 did not generate any revenue during the quarter.

As previously advised, in connection with iM3NY LLC, in January 2024 the Delaware Court of Chancery issued a Status Quo Order, which has the effect of limiting the powers of the remaining board members of that company. The Status Quo Order remains in place.

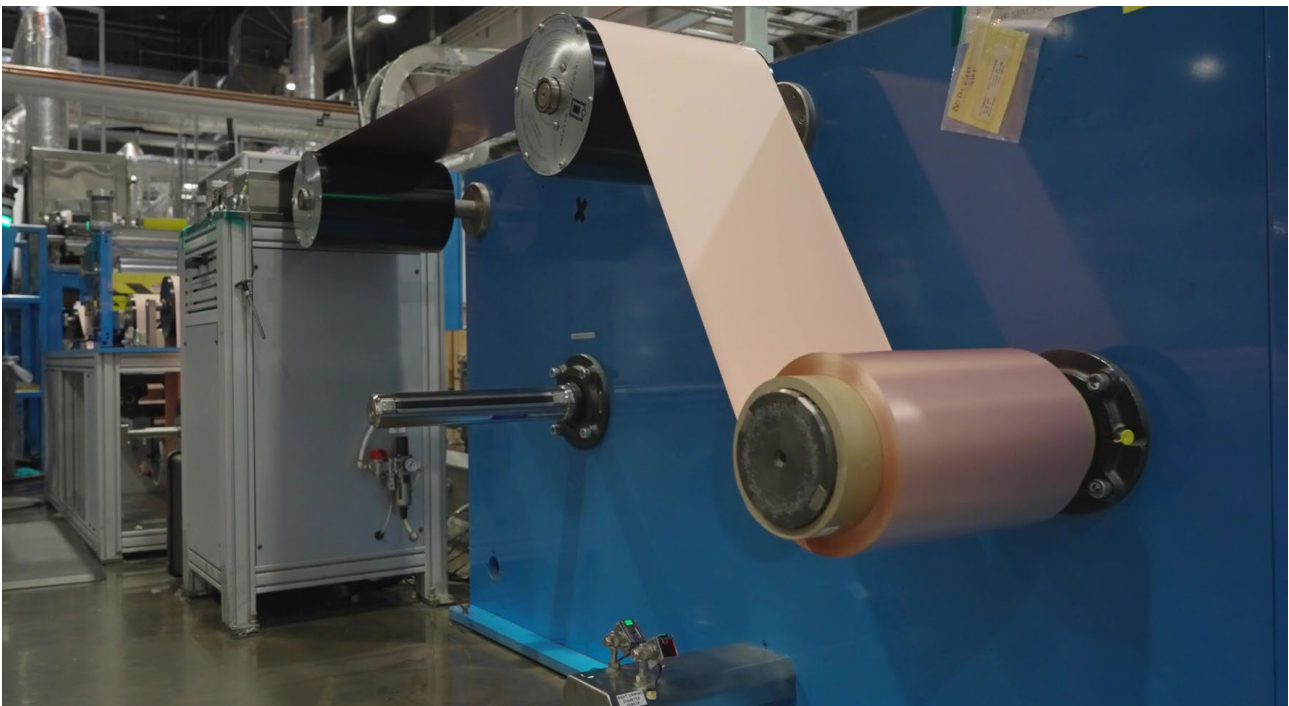


Figure 2: Anode machinery at iM3NY

CORPORATE

Board Resignation

Non-Executive Director Claire Bibby resigned from the Magnis board effective 11 March 2024 due to a change in her personal circumstances. The board thanks Claire for her contribution to the Magnis group including iM3NY LLC and its subsidiary Imperium3 over the last couple of years and wishes her and her family well for the future.

ASX Communications

ASX's communications with the Company since its suspension from quotation in December 2023 have principally related to the Company's indirect majority interest in the Imperium3 battery plant, and in particular the recent changes in the governance of Imperium3 and the Company's ability to meet its disclosure obligations.

Based on those communications, and as previously advised, ASX has determined that it is not satisfied that the Company is currently able to comply with its obligations under Listing Rules 3.1, 12.1 and 12.5.

ASX has determined that "Magnis must demonstrate to ASX that it is willing and able to comply with these rules, and the Listing Rules generally, before ASX can reinstate Magnis's securities to quotation. This will include demonstrating that Magnis has established sufficient continuous disclosure arrangements to ensure that Magnis can make continuous disclosure announcements to the market about the business currently operated by Imperium3 that will satisfy Magnis's obligations under Listing Rule 3.1. If MNS disposes of some or all of its interest in Imperium3, and complies with all applicable Listing Rules in doing so, ASX will, at that time, undertake further assessment of Magnis's progress on its Nachu graphite project. The purpose of this assessment will be for Magnis to demonstrate that its operations are sufficient to satisfy Magnis's obligations under Listing Rule 12.1 and therefore warrant reinstatement of Magnis's securities to quotation."

Short Term Loan

The secured short-term loan from sophisticated and professional investors raised in the December quarter, as previously advised falls due for repayment on 30 April 2024. The parties are in discussions regarding extending the maturity date.

The directors are in final stage discussions regarding additional capital from the debt markets and believe that this will be completed imminently. The details of an investment will be advised to the market in accordance with the Company's continuous disclosure obligations.

OTC Exchange

On 18 January 2024 (US time) the OTC board moved Magnis to the OTC Open Market. The Company has been informed that this change will be revisited by the OTC if and when Magnis' suspension from the ASX is lifted.

Related Party Payments

Payments to related parties (or their associates) of the Company are disclosed in section 6 of Appendix 5B for the quarter. There were no related party payments made during the quarter.

Further Information as Required under Listing Rule 5.3

No substantive mining exploration activities occurred during the quarter. And in addition, no substantive mining production and development activities occurred during the quarter.

No licenses were given up or acquired in the quarter. Magnis' licences held by Uranex in Tanzania are as follows:

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

About Magnis

Magnis Energy Technologies Ltd (ASX: MNS; OTC: MNSEF; FSE: U1P) is a vertically integrated lithium-ion battery technology and materials company in the Lithium-ion battery supply chain. 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

Frank Poullas

Executive Chairman

P: +61 2 8397 9888

E: info@magnis.com.au

Suite 11.01, 1 Castlereagh Street,
Sydney NSW 2000

Media: Magnis Communications

P: +61 2 8397 9888

E: media@magnis.com.au

Suite 11.01, 1 Castlereagh Street,
Sydney NSW 2000



LINKEDIN | [linkedin.com/company/magnis-energy-technologies-ltd](https://www.linkedin.com/company/magnis-energy-technologies-ltd)
WEBSITE | magnis.com.au

MEDIA ENQUIRIES | media@magnis.com.au
INVESTOR RELATIONS ENQUIRIES | info@magnis.com.au

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 2024

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)	(137)	(1,814)
	(b) development	-	(186)
	(c) production #	-	(7,046)
	(d) staff costs #	(136)	(3,667)
	(e) administration and corporate costs #	(451)	1,931
1.3	Dividends received (see note 3)	-	-
1.4	Interest received #	-	152
1.5	Interest and other costs of finance paid #	-	(9,219)
1.6	Income taxes paid	-	-
1.7	Government grants and tax incentives	-	-
1.8	Other (provide details if material)	-	-
1.9	Net cash from / (used in) operating activities #	(724)	(19,849)

includes the activities of iM3NY subsidiary up to date of deconsolidation (30 November 2023)

2.	Cash flows from investing activities		
2.1	Payments to acquire:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant, and equipment #	-	(892)
	(d) exploration & evaluation (if capitalised)	-	-
	(e) investments in iM3NY, C4V, iM3TSV	-	-
	(f) other non-current assets	-	-
2.2	Proceeds from the disposal of:		
	(a) entities	-	-
	(b) tenements	-	-

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

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (9 months) \$A'000
(c) property, plant, and equipment #		-	1,834
(d) investments		-	-
(e) other non-current assets		-	-
2.3 Cash flows from loans to other entities		-	-
2.4 Dividends received (see note 3)		-	-
2.5 Other (provide details if material)		-	-
2.6 Net cash from / (used in) investing activities #		-	942
<i># includes the activities of iM3NY subsidiary up to date of deconsolidation (30 November 2023)</i>			
3. Cash flows from financing activities			
3.1 Proceeds from issues of equity securities (excluding convertible debt securities)		-	7,700
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		-	(525)
3.5 Proceeds from borrowings	218		6,976
3.6 Repayment of borrowings	-		(6,638)
3.7 Transaction costs related to loans and borrowings #	-		(4,733)
3.8 Dividends paid	-		-
3.9 Other (provide details if material) #	-		763
3.10 Net cash from / (used in) financing activities #	218		3,543
<i># includes the activities of iM3NY subsidiary up to date of deconsolidation (30 November 2023)</i>			
4. Net increase / (decrease) in cash and cash equivalents for the period			
4.1 Cash & cash equivalents at start of period	532		22,138
4.2 Net cash from / (used in) operating activities (item 1.9 above)	(724)		(19,849)
4.3 Net cash from / (used in) investing activities (item 2.6 above)	-		942
4.4 Net cash from / (used in) financing activities (item 3.10 above)	218		3,543
4.5 Effect of movement in exchange rates on cash held	2		284
4.5.5 Cash in iM3NY subsidiary as at date of deconsolidation	-		(7,030)
4.6 Cash & cash equivalents at end of period	28		28

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

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	28	532
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)	28	532

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**-
-

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 <i>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.</i>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
7.1 Loan facilities	4,600	4,600
7.2 Credit standby arrangements:	-	-
7.3 Other	338	338
7.4 Total financing facilities	4,938	4,938

7.5 Unused financing facilities available at quarter end

0

- 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.

During the December 2023 quarter, Magnis procured a \$4.6 million secured short term loan from sophisticated and professional investors. The debt bears interest at 5.5% per month and is repayable on 30 April 2024. The parties are in discussions regarding extending the maturity date.

The Company has borrowed funds, with no fixed date for repayment, on an interest free, unsecured basis from several shareholders.

8.	Estimated cash available for future operating activities	\$A'000
8.1	Net cash from / (used in) operating activities (Item 1.9)	(724)
8.1.5	Reversal of Q2 Net cash from / (used in) operating activities of iM3NY subsidiary as at date of deconsolidation. (Item 1.9)	-
8.2	Capitalised exploration & evaluation (Item 2.1(d))	-
8.3	Total relevant outgoings (Item 8.1 + Item 8.1.5 + Item 8.2)	(724)
8.4	Cash and cash equivalents at quarter end (Item 4.6)	28
8.5	Unused finance facilities available at quarter end (Item 7.5)	0
8.6	Total available funding (Item 8.4 + Item 8.5)	28
8.7	Estimated quarters of funding available (Item 8.6 divided by (Item 8.3 x -1))	0.04
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: Yes. whilst the Company remains in the development, pre-revenue stage.
	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: Presently, the Company has capacity to issue 180 million shares under ASX listing rule 7.1 and 120 million shares under ASX listing rule 7.1A. The directors are in final stage discussions regarding additional capital from the debt markets and believe that this will be completed imminently. The details of an investment will be advised to the market in accordance with the Company's continuous disclosure obligations.
	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: Yes, with the initiatives referred to in the answer to 2 above and cash on hand.

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 2024

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.

Mining exploration entity or oil and gas exploration entity quarterly cash flow 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.
4. 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”.
5. 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.