

# QUARTERLY REPORT

## For Quarter Ending December 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 December 2024.

### Nachu Graphite Project

During the quarter the discussions and activities with counter-parties who are working with the Company to develop the Nachu Graphite Project into an operating mine continued in a positive manner, with the intention being the entry into definitive agreements in due course.

Similarly discussions for off-take continue to be progressed with Chinese based end-users of Jumbo and Super Jumbo graphite products.

### IM3NY LLC and Imperium3 New York Inc (Imperium3)

With effect from 24 October 2024, the Baupost Group LLC assigned the secured debt owed to it by Imperium3 to HSBC Bank plc. Following this, the independent directors appointed by Baupost were replaced on the board of Imperium3 by directors appointed by HSBC. In January 2025, the directors of each IM3NY LLC and Imperium3 filed for creditor protection under Chapter 11 of the US Bankruptcy Code.

The Company continued to execute on its plan to re-acquire control of Imperium3 through the acquisition of the secured debt or through other financing mechanisms, through engagement with representatives of Imperium3, HSBC and other interested parties.

In addition, the Company continued to work with counter-parties aimed at effecting arrangements which will enable the Company to obtain information about material developments at Imperium3 in a timely manner, to enable the Company to meet its obligations under ASX Listing Rule 3.1.

The Company retains its economic interest in Imperium3 and reserves its rights.

## Magnis Active Anode Materials Project

No material reportable events occurred in the December 2024 quarter.

## CORPORATE

### Board Changes

On 28 October 2024, the board welcomed Mr Henian Chen as a non-executive director. Mr Chen is an experienced executive with over 25 years of experience in the energy and real estate industries. His combined expertise in the energy sector allows him to effectively navigate the dynamic challenges of these industries, fostering growth, innovation, and long-term value creation.

On 5 November 2024, Mr Giles Gunsekera OAM retired from the Board due to an increase in workload from his other commitments. Giles was a valued board member and we will miss his wise counsel.

On 18 December 2024, Ms Meng ("Simone") Sun was appointed as an alternate director to Mr Henian Chen. Ms Sun is an experienced professional with a strong background in financial reporting and stakeholder communication, has a proven track record in supporting boards and senior executives and has a deep understanding of corporate governance, regulatory compliance and strategic decision-making. Ms Sun holds a Master of Professional Accounting degree and is a member of CPA Australia.

### Secured Debt

During the quarter, the Company and the Secured Lender, McEvoy Street (Alexandria) Pty Ltd, agreed to certain amendments to the Secured Debt agreement.

The Secured Lender agreed to increase the Principal Amount owing under the Secured Debt from \$5.5 million to \$6.752 million. The increased funding was utilised, inter alia, to repay \$709,000 of unsecured short-term borrowings previously advanced by certain shareholders.

In addition, the term of the loan was extended to 30 April 2025.

Subsequent to the end of the quarter, the Secured Lender agreed to increase the Principal Amount owing under the Secured Debt from \$6.752 million to \$7.262 million.

All other terms and conditions under the existing Secured Debt agreement remain.

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

### June 2024 Annual Report

As advised in the Company's announcement dated 30 September 2024, delays in closing a liquidity transaction had a consequential impact of delaying the annual audit process. The Company presently anticipates lodging the 2024 audited financial statements during February 2025.

**ASX Communications**

The Company's shares have been suspended from quotation on the ASX since 8 December 2023 as 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. As the Company's securities have been suspended from quotation for a period of more than three months, Magnis is now considered by the ASX to be a long term suspended entity.

As previously advised, 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 Magnis 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."

As noted above, the Company is endeavouring to re-acquire control of its Imperium3 investment through acquiring Imperium3's existing secured debt or other financing mechanism. The Company believes if it is able to successfully execute on this endeavour it will remove the concerns of the ASX, as set out above.

Shareholders are cautioned that reinstatement of a long term suspended entity's securities to quotation is not granted automatically on application. ASX must be satisfied that the reasons for the ongoing suspension have been addressed and that the entity complies with the Listing Rules at the point of reinstatement. ASX may require an entity to satisfy conditions before their securities can be reinstated to quotation, including but not limited to conditions relating to level of activities, financial condition and working capital, and the disclosure of financial or other information relevant to the entity's compliance with the Listing Rules.

**ASIC Claim**

During the quarter, the Company filed its defence in the proceedings brought by the Australian Securities and Investments Commission (ASIC) in which the Company denies that it either failed to comply with its continuous disclosure obligations or engaged in misleading or deceptive conduct.

**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 payments 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 km<sup>2</sup> 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 areas 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

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**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 December 2024

Consolidated statement of cash flows		Current quarter \$A'000	Year to date ( 6 months) \$A'000
<b>1. Cash flows from operating activities</b>			
1.1 Receipts from customers		-	-
1.2 Payments for			
(a) exploration & evaluation (if expensed)		(183)	(183)-
(b) development		-	-
(c) production		-	-
(d) staff costs		(99)	(263)
(e) administration and corporate costs		(267)	(579)
1.3 Dividends received (see note 3)		-	-
1.4 Interest received		-	3
1.5 Interest and other costs of finance paid		-	(400)
1.6 Income taxes paid		-	-
1.7 Government grants and tax incentives		-	-
1.8 Other (provide details if material)		-	-
<b>1.9 Net cash from / (used in) operating activities #</b>		<b>(549)</b>	<b>(1,422)</b>
<b>2. Cash flows from investing activities</b>			
2.1 Payments to acquire:			
(a) entities		-	-
(b) tenements		-	-
(c) property, plant, and equipment		-	-
(d) exploration & evaluation (if capitalised)		-	-
(e) investments		-	-
(f) other non-current assets		-	-

2.2	Proceeds from the disposal of:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant, and equipment	-	-
	(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)	-	-
<b>2.6</b>	<b>Net cash from / (used in) investing activities #</b>	<b>-</b>	<b>-</b>

<b>3.</b>	<b>Cash flows from financing activities</b>		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	-
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	-	-
3.5	Proceeds from borrowings	1,167	2,067
3.6	Repayment of borrowings	(709)	(709)
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
<b>3.10</b>	<b>Net cash from / (used in) financing activities #</b>	<b>458</b>	<b>1,358</b>

<b>4.</b>	<b>Net increase / (decrease) in cash and cash equivalents for the period</b>		
4.1	Cash & cash equivalents at start of period	<b>114</b>	<b>90</b>
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(549)	(1,422)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	-	-
4.4	Net cash from / (used in) financing activities (item 3.10 above)	458	1,358
4.5	Effect of movement in exchange rates on cash held	4	1
<b>4.6</b>	<b>Cash &amp; cash equivalents at end of period</b>	<b>27</b>	<b>27</b>

5.	<b>Reconciliation of cash and cash equivalents</b> at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	<b>Current quarter \$A'000</b>	<b>Previous quarter \$A'000</b>
5.1	Bank balances	27	114
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	<b>Cash and cash equivalents at end of quarter (should equal item 4.6 above)</b>	<b>27</b>	<b>114</b>

**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**

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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.	<b>Financing facilities</b> <i>Note: the term "facility" includes all forms of financing arrangements available to the entity.</i> <i>Add notes as necessary for an understanding of the sources of finance available to the entity.</i>	<b>Total facility amount at quarter end \$A'000</b>	<b>Amount drawn at quarter end \$A'000</b>
7.1	Loan facilities	6,752	6,662
7.2	Credit standby arrangements:	-	-
7.3	Other	-	-
7.4	<b>Total financing facilities</b>	<b>6,752</b>	<b>6,662</b>

**7.5 Unused financing facilities available at quarter end**

90

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 debt from sophisticated and professional investors. During the September 2024 quarter, the debt was assigned to McEvoy Street (Alexandria) Pty Ltd (Secured Lender), and the Company and the Secured Lender entered a side deed with the following material terms in relation to the debt:

- The principal amount owing to the Secured Lender was agreed at \$5.5 million.
- Interest will accrue at 4.5% per month payable on maturity; and
- Maturity date of 16 October 2024, subsequently extended to 30 April 2025.

In December 2024, the Secured Lender agreed to increase the Principal Amount owing from \$5.5 million to \$6.752 million. In January 2025, the Secured Lender agreed to increase the Principal Amount from \$6.752 million to \$7.262 million. All other terms and conditions under the existing secured debt agreement remain.



<b>8. Estimated cash available for future operating activities</b>	<b>\$A'000</b>
8.1 Net cash from / (used in) operating activities (Item 1.9)	(549)
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))	-
<b>8.3 Total relevant outgoings (Item 8.1 + Item 8.1.5 + Item 8.2)</b>	<b>(549)</b>
8.4 Cash and cash equivalents at quarter end (Item 4.6)	27
8.5 Unused finance facilities available at quarter end (Item 7.5)	90
<b>8.6 Total available funding (Item 8.4 + Item 8.5)</b>	<b>117</b>
<b>8.7 Estimated quarters of funding available (Item 8.6 divided by (Item 8.3 x -1))</b>	<b>0.21</b>
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.	
The directors are in discussions regarding additional capital from the debt and equity markets and believe that an investment will be completed during the current quarter. 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: 31 January 2025

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.

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 of Directors”.
  - by a committee of your board of directors, you can insert here: “By the [*name of board committee* – e.g., *Audit and Risk Committee*]”.
  - 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.