

QUARTERLY REPORT

For Quarter Ending March 2025

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 2025.

Nachu Graphite Project

Financing and Development

Financing activities have included discussions and submissions with financiers, EPC contractors and government funding agencies. A financing commitment was reached with Global Corporate Finance (**GCF**) based in New York to assist with initial works at the Nachu Project.

MoU with Auxin

An MoU was executed with Auxin Holdings (Hong Kong) Ltd (Auxin). Auxin is a global mining services firm with extensive experience in Africa including involvement in Tanzanian mining projects.

Auxin is involved in a range of business activities including the production and supply of civil explosive and chemical products, explosives and blasting equipment to the drilling and blasting services industry as well as other mining services.

Graphite Concentrate and Anode Offtake Discussions

During the past months a number of meetings have been held with Tier 1 groups involved in the battery and industrial sectors in relation to the offtake of graphite products. The Company has also been working on North American opportunities to partner with peers who can work together to supply anode materials into the marketplace within a relatively short time frame.

IM3NY LLC and Imperium3 New York Inc (IM3NY)

During the quarter, 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 to enable the Company to obtain information about material developments at IM3NY in a timely manner, to enable the Company to meet its obligations under ASX Listing Rule 3.1.

In January 2025, the directors of IM3NY filed for creditor protection under Chapter 11 of the US Bankruptcy Code. On 31 March 2025 (US time) the Delaware Bankruptcy Court approved the sale of the assets of IM3NY to Musashi Auto Parts Michigan Inc for consideration of US\$10 million, with the sale to close on 4 April 2025. At present, the Company is not aware of the disposition of the proceeds and will provide further details as they become available, in accordance with its reporting obligations. It appears unlikely that the Company will obtain a return on its investment through the bankruptcy process. The Company continues to retain its economic interest in IM3NY and reserves its rights.

CORPORATE

Secured Debt

During the quarter, the Secured Lender, McEvoy Street (Alexandria) Pty Ltd, agreed to increase the principal amount of the loan from \$6.752 million to \$7.262 million. The Company and the Secured Lender have agreed to extend the maturity date of the loan to 15 May 2026. 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.

Capital Commitment Financing

During the quarter, the Company entered into an equity financing agreement with GCF. GCF has provided a total commitment amount of \$10 million, with an option to increase to \$15 million subject to mutual agreement, to be applied towards general working capital purposes with a 30-month term.

Under the agreement, the Company has the right to issue a subscription notice to GCF to subscribe for shares in the Company, which shall commence a 15-trading day-weighted average price evaluation period, following which CGF shall deposit the share subscription amount with the Company, subject to satisfaction of certain matters.

The subscription amount shall be the number of shares tendered in the subscription notice multiplied by the exercise price, which shall be the higher of \$0.04 per share; or 90% of the average daily volume weighted average price during the evaluation period. The agreement is conditional upon:

- (i) shareholders approving:
 - (a) entry into the agreement and
 - (b) the allotment of shares and grant of options in accordance with the agreement;
- and

(ii) ASX having given approval for the Company's shares to be re-quoted for trading on the ASX and such re-quotations becoming effective.

Upon the agreement becoming effective, GCF will be entitled to the grant of 20 million options exercisable at \$0.06 each with a life of four years plus a commitment fee of \$150,000 payable as to \$100,000 within 60 days of the shares being re-quoted on ASX and the balance within 12 months of the first subscription proceeds being received, and at the Company's option payable in cash by deducting 10% from any subscription proceeds or in shares at a conversion price calculated as 95% of the average closing bid price of shares during the 15 trading days preceding the due date for payment.

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 is close to finalising the process and anticipates lodging the 2024 audited financial statements in the near future.

December 2024 Half-year Report

The delays in completing the June 2024 annual report have had consequential delays on the Company completing its December 2024 half-year report. The Company presently expects to lodge its December 2024 half-year financial report on the same day it lodges its June 2024 annual financial report. As noted above, the Company presently anticipates lodging this in the near future.

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 has been endeavouring to re-acquire control of its Imperium3 investment through acquiring Imperium3's existing secured debt or other financing mechanism in order to overcome the concerns of the ASX, as set out above. Given it presently appears unlikely that the Company will obtain a return on its investment through the IM3NY bankruptcy process, the Company is re-evaluating its options and will likely seek authority from shareholders in general meeting for the Company to refocus on the Nachu Graphite Project as the Company's primary asset.

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 continued to undertake pre-trial activities in compliance with Court Orders.

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. Payments in the quarter related primarily to prospecting licence renewal costs. 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 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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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 2025

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)		(39)	(222)
(b) development		-	-
(c) production		-	-
(d) staff costs		(127)	(390)
(e) administration and corporate costs		(438)	(1,017)
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)		-	-
1.9 Net cash from / (used in) operating activities #		(604)	(2,026)
2. Cash flows from investing activities			
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)	-	-
2.6	Net cash from / (used in) investing activities #	-	-

3.	Cash flows from financing activities		
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	600	2,667
3.6	Repayment of borrowings	-	(709)
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 #	600	1,958

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash & cash equivalents at start of period	27	90
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(604)	(2,026)
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)	600	1,958
4.5	Effect of movement in exchange rates on cash held	-	1
4.6	Cash & cash equivalents at end of period	23	23

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	23	27
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)	23	27

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.	Financing facilities <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>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
7.1	Loan facilities	7,262	7,262
7.2	Credit standby arrangements:	-	-
7.3	Other	-	-
7.4	Total financing facilities	7,262	7,262

7.5 Unused financing facilities available at quarter end

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- 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 15 May 2026.

During the March 2025 Quarter, 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.

8.	Estimated cash available for future operating activities	\$A'000
8.1	Net cash from / (used in) operating activities (Item 1.9)	(604)
8.2	Capitalised exploration & evaluation (Item 2.1(d))	-
8.3	Total relevant outgoings (Item 8.1 + Item 8.1.5 + Item 8.2)	(604)
8.4	Cash and cash equivalents at quarter end (Item 4.6)	23
8.5	Unused finance facilities available at quarter end (Item 7.5)	-
8.6	Total available funding (Item 8.4 + Item 8.5)	23
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.

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: 30 April 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.
- 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.