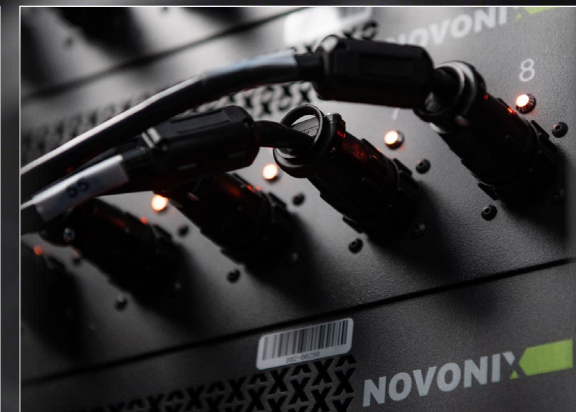
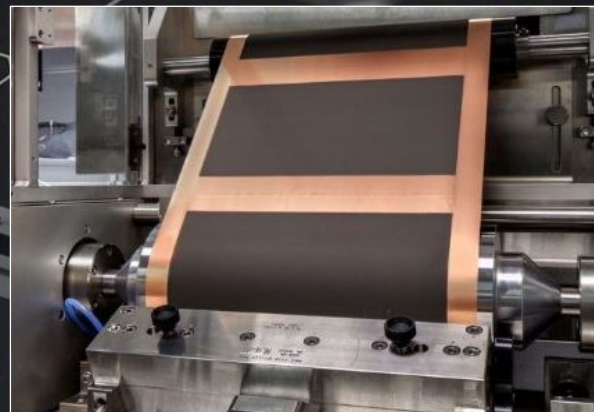
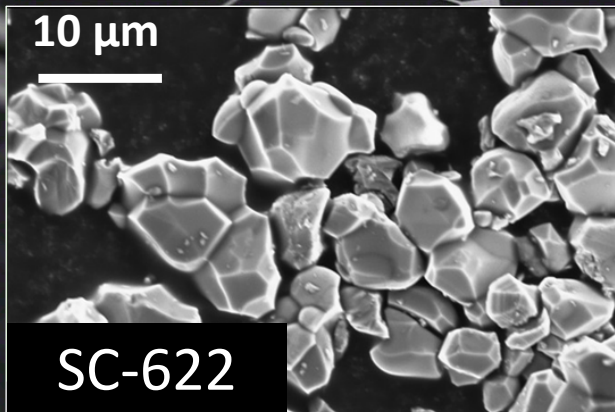
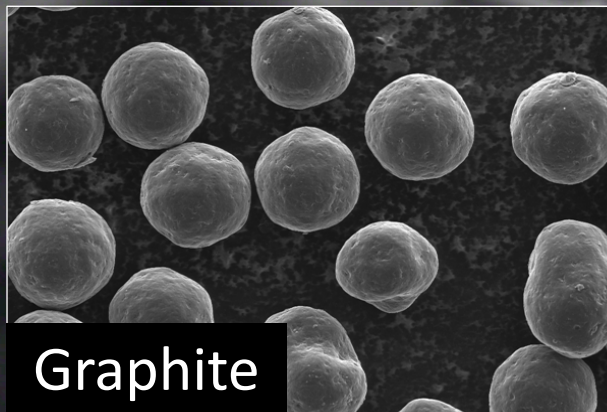




NOVONIX LIMITED (ACN 157 690 830)



Quarterly Activities Report
January – March 2021

30 April 2021

Corporate Activities (1 of 2)

January – March 2021

- NOVONIX was added to the OTCQX Composite Index and the OTCQX International Index – 14 January 2021
- Prof. Jeff Dahn appointed Chief Scientific Advisor to the Company (effective July 2021) – 19 January 2021
- Awarded US\$5.57M from U.S. Department of Energy for new furnace technology development – 21 January 2021
- Entered into a new five year research sponsorship agreement with Mark Obrovac's Research Group of Dalhousie University – 12 February 2021
- Announced Emera and NOVONIX to partner on innovative residential energy storage technology – 19 February 2021
- Completed fully underwritten AUD \$115M placement of new fully paid ordinary shares to institutional and sophisticated investors at an offer price of \$2.90 (Institutional Placement). Proceeds of the capital raise dedicated to scaling NOVONIX Anode Materials to 10,000 tonnes capacity, investment in R&D, and to pursue international partnership opportunities – 26 February 2021
- Raised AUD \$16.45M through a placement to Directors of NOVONIX, pending shareholder approval – 26 February 2021
- Cash balance as of 31 March 2021: \$131 million

Agreements with Battery Makers



SANYO Electric Co., Ltd. a
subsidiary of Panasonic
Corporation of Japan

Corporate Activities (2 of 2)

Post-March Quarter:

- Post-March Quarter:
 - Cancellation of Share Purchase Plan – 7 April 2021
 - Approved director placement at EGM – 27 April 2021
 - Generation 2 mass production started, and successful internal qualification of material completed
- NOVONIX continues to:
 - Monitor clean energy policies in North America and Europe and liaise with relevant agencies
 - Provide samples of anode product and engage in discussion of qualification requirements and production capacity planning with prospective cell manufacturer and automotive OEM customers
 - Engage and progress relationships with multiple international partners for potential technology partnership opportunities
 - Leverage NOVONIX Battery Technology Solutions' (BTS) position in the market to identify strategic partnership opportunities for new technology development with new and existing customers

NOVONIX Anode Materials Activities

January – March 2021

- Furnace Systems and Production Capacity:
 - Completed installation of first Generation 2 furnace system built by Harper under our strategic partnership program
 - Began production of material through Generation 2 system to support next steps in customer qualification programs for Samsung SDI, Sanyo and other cell and automotive manufacturers as potential customers [Post Quarter Event]
 - Material produced in Generation 2 system passed internal qualification through labs in both Tennessee and through battery testing at BTS and prepared for shipment to customers [Post Quarter Event]
 - Initiated build of first Generation 3 furnace system to be installed in Tennessee before the end of calendar year
 - Continued ordering necessary equipment to meet ongoing production targets
- Facilities and Expansion Plans
 - Signed lease expansion to 120,000 sq ft with possession date of May 1, 2021
 - Significantly progressed site selection process for expansion to 10,000 tpa of total production capacity
 - Continued engineering and planning work for 30,000 tpa expansion plant to support 2025 production targets

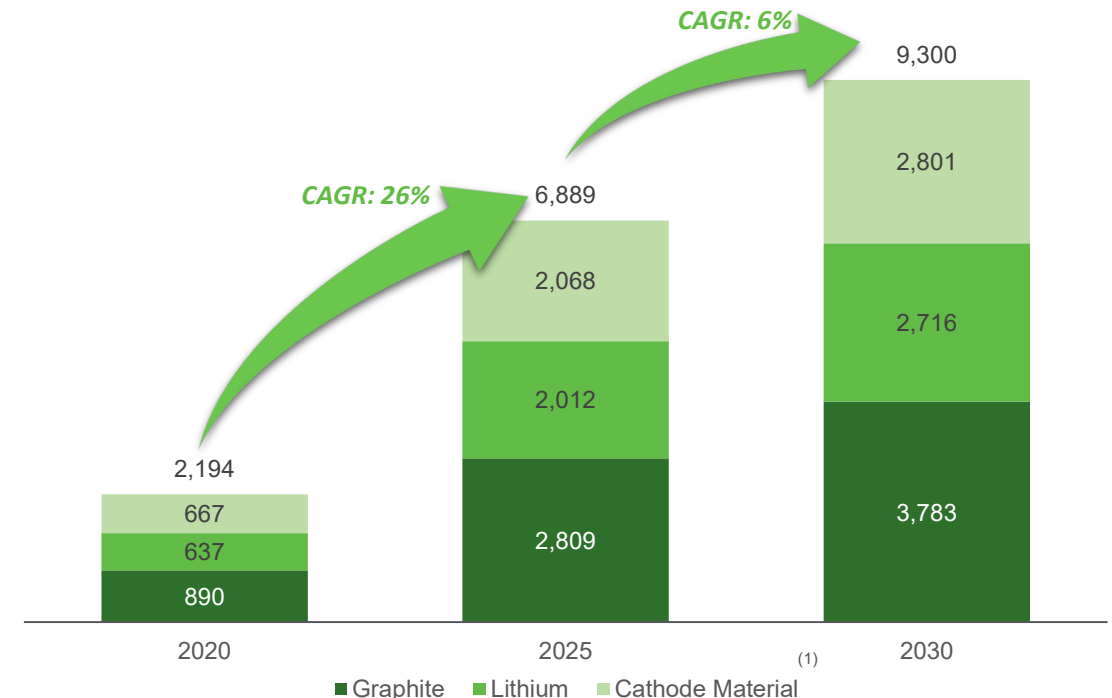
Battery Technology Solutions (BTS) Activities

January – March 2021

- Continued strong revenue growth and expansion of hardware sales and R&D service offerings
- Target completion of ~8,800 sq ft building addition to current facility of July 2021.
- Entered into conditional Agreement of Purchase and Sale on new ~35,000 sq ft facility in Halifax area for continued expansion [Post Quarter Activity]
- Cathode Commercialization Activities:
 - Initial Phase 1 pilot line operational since February for material optimization and performance characterization
 - Hiring to expand internal cathode development team
 - Continued process development internally and collaboratively with Dr. Obrovac's group at Dalhousie pursuing new IP
 - Equipment selection and facility planning initiated for 10 tonne per annum capable demonstration line to be installed in new BTS facility in 2022.

Battery Material Demand Forecast

(000's of Tonnes)



Cathode material demand is projected to increase >4x over the next decade

Source: Benchmark Mineral Intelligence January 2021 Assessment.

(1) Cathode Material based on aggregate of Nickel, Magnesium, and Cobalt (NMC).

Sources and Uses of Proceeds of \$115M Institutional Placement

Sources & Uses

Sources ⁽¹⁾	\$ million
Institutional Placement	115
Total	115

Uses	\$ million
A. NOVONIX Anode Materials	95
B. Research & Development (including Cathode Commercialization Program)	10
C. International Growth Opportunities & Corporate Costs	10
Total	115

Use of Offer Proceeds

A. NOVONIX Anode Materials

- Capex and working capital to scale production to 10,000tpa
- Includes new site expansion and equipment coming online over the next 24 months, as well as working capital associated with increased production levels
- Increased scale is expected to enhance offering to customers that may have minimum contracting volume requirements.

B. Research & Development

- Two year development program for NOVONIX Cathode Materials, with focus on scaling up process technology; demonstrating commercial performance compared to industry standards through a pilot line with in-house testing capabilities; and continuing to bolster IP portfolio
- Expansion of Professor Obrovac's team at Dalhousie University to focus on other continued technology programs (silicon, lithium-metal / solid state and beyond lithium-ion)
- Expect to leverage Canadian government (state and local) support in these R&D funding initiatives

C. International Growth Opportunities & Corporate Costs

- Working capital associated with further growth initiatives
- Pursue global growth initiatives including expansion, partnerships and licensing
- Transaction costs linked to the offer

(1) Excludes funds raised through the non-underwritten SPP and Conditional Placements. Funds raised via the SPP and Conditional Placements will further strengthen R&D investment and the ability to pursue international growth opportunities.

Prof. Jeff Dahn Appointed Chief Scientific Advisor⁽¹⁾

Professor Jeff Dahn Overview

- Leading researcher in the field of lithium-ion batteries and materials
- Currently holds the title of NSERC/Tesla Canada Industrial Research Chair with Dalhousie University
- Long career across both industry and academia, and has spent the last 25 years as a professor at Dalhousie University, with support from 3M Company and most recently, from Tesla
- Co-authored 730 papers and has 73 inventions with patents issued or filed, including some of the early patents related to $\text{Li}[\text{NiMnCo}]\text{O}_2$ (NMC) cathode material in 2001



(1) Appointment effective July 1, 2021

NOVONIX Sponsors Mark Obrovac's Battery Research Group at Dalhousie University

Professor Mark Obrovac Overview

- Leading researcher in the field of lithium-ion batteries and materials with strong background in new material synthesis
- Completed PhD under Dr. Jeff Dahn's supervision in 2001
- Career across both industry and academia, 8 years at 3M Company working on silicon anode materials and nickel-based cathode materials
- Professor at Dalhousie University since 2010 beginning partnership with Novonix in 2018 as the NSERC/NOVONIX Industrial Research Chair
- New sponsorship under NSERC Alliance Grant for 5-years
- Co-authored 90 papers and has 27 inventions with patents issued or filed spanning anodes, cathodes, electrolytes and binder materials for lithium-ion batteries



- **Mark Obrovac is a multiple winner of The 3M Company's highest award given for technical achievement, the Circle of Technical Excellence**
- **Research sponsorship program recently extended through 2026**
- **Team responsible for recent DPMG patent**

Awarded US\$5.57M from DOE for New Furnace Technology Development

DOE Project Team and Goals



World Leader in
Petroleum Coke
Production

- Houston, TX
- Multiple US and Global Production Sites



World-wide Leader in
High Temperature
Furnaces

- Buffalo, NY
- Expertise in High Temperature Furnace Technology
- Strategic Alliance Between NOVONIX and Harper



State of the Art Anode
Materials Processing

- Chattanooga, TN
- First Qualified US Supplier of Synthetic Graphite to Tier 1 Cell Manufacturer



First-in-the-world
production scale
graphitization furnace
technology

- Developing valuable IP
- Highly scalable manufacturing process
- USA-made premium synthetic graphite for lithium-ion batteries

- NOVONIX will contribute US\$5.92M over the project duration
- First “Generation 3” furnace system will be deployed at NOVONIX in 2021

Cathode Product Development Update

Cathode Opportunity Overview

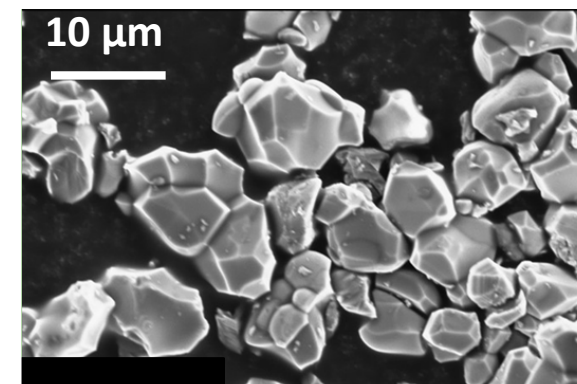
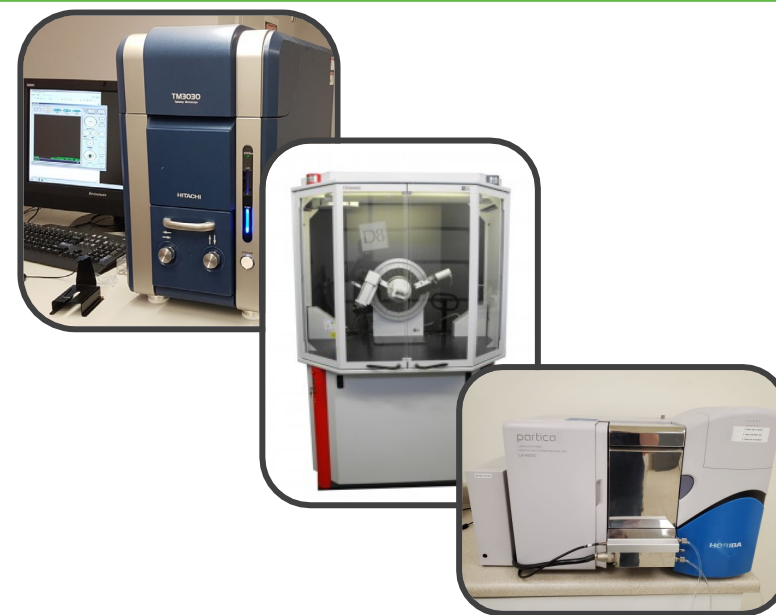
Opportunity Overview:

- Cathode materials represent about 30% of the cost of a battery cell
- Current precursor synthesis (CSTR) is complex, wasteful and costly
- Novel “Dry Particle Microgranulation” (DPMG) process performs dry synthesis of high nickel materials with lower cost

Commercial Progress:

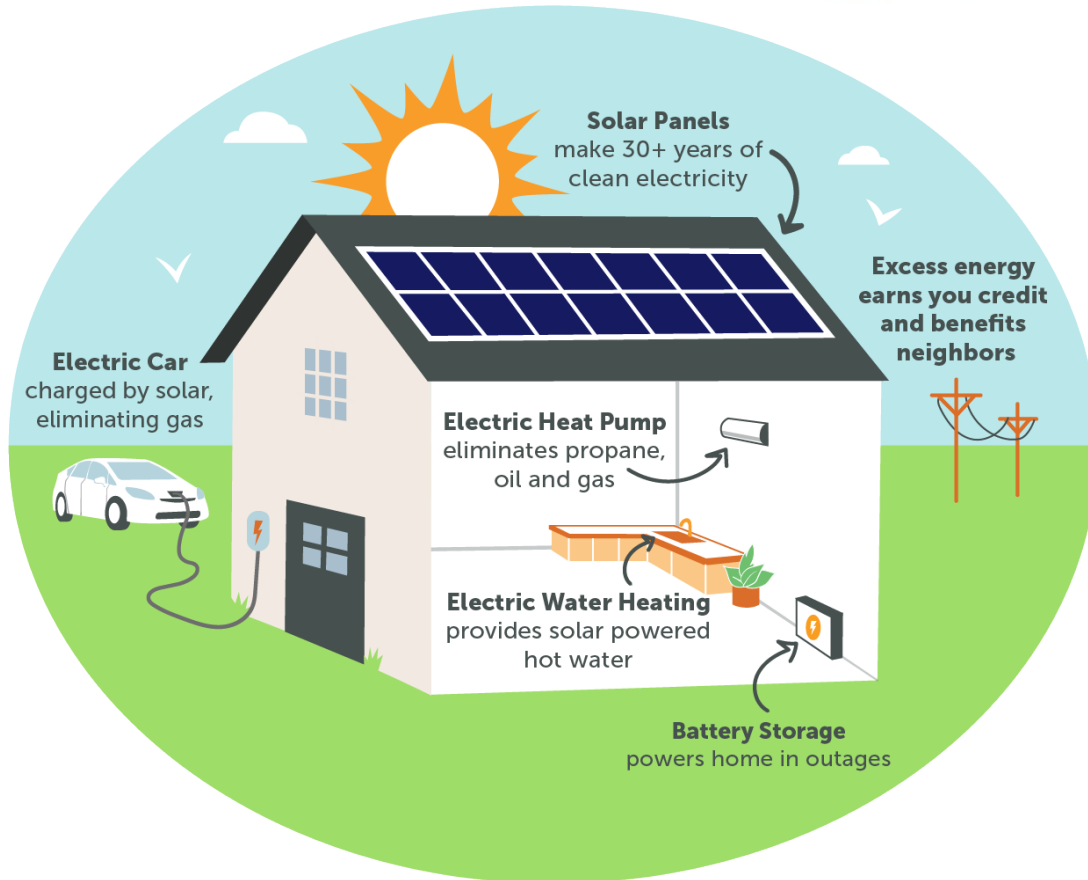
- First phase pilot line running in February
- Expanding staff and scope including optimization of different key materials (NMC, NCA, and Cobalt-Free Nickel-based cathodes)
- Beginning expansion plans for next phase of pilot synthesis capability for larger volumes
- Continue electrochemical testing at NOVONIX BTS’s battery pilot line and cell testing facility

Analytical Equipment and SEM



NOVONIX partners with Emera Technologies

NOVONIX



- Developing state of the art residential energy storage systems for community microgrids to be deployed under the BLOCKENERGY brand
- Focused on deployment in North American residential market for improved grid reliability
- Emera Technologies is a subsidiary of Emera Inc. (TSE: EMA), a multinational energy holding company based in Nova Scotia with more than CA\$32 billion in assets in 2019

NOVONIX

ASX: NVX

OTCQX: NVNXF

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This announcement has been authorised for release to the ASX by the Chairman, Tony Bellas.

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