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## Quarterly Activities Report to 31 December 2019

### HIGHLIGHTS

- iM3TSV, of which Magnis owns a third, submitted the Townsville Battery Manufacturing Feasibility Study to Queensland Government, for an 18 GWh lithium-ion battery cell manufacturing facility.
- Magnis Non-executive Director, the Distinguished Professor M. Stanley Whittingham, awarded the 2019 Nobel Prize in Chemistry for his work in developing the lithium-ion battery.
- Binding Engineering, Procurement and Construction ["EPC"] contract executed with Metallurgical Corporation of China ["MCC"], to provide turn-key solution for a 240,000tpa graphite production facility at the Company's Nachu Project in Tanzania.

Magnis Energy Technologies Ltd ["Magnis" or the "Company"] [ASX:MNS] is pleased to present its Quarterly Activities Report for the period ended 31 December 2019.

### OPERATIONAL UPDATES

#### Townsville Battery Manufacturing Plant Feasibility Study Submitted to Queensland Government

On 1 October 2019, Magnis announced that Imperium3 Townsville ["iM3TSV"], of which the Company owns one third, had submitted the feasibility study [the "Study"] to the Queensland Government, for an 18 GWh lithium-ion battery cell manufacturing facility in Townsville. The Study incorporated a staged approach whereby the facility would be built in three equal tranches of 6GWh.

The Study demonstrated sound financial viability on a project basis with an NPV of A\$2.55 Billion and 21% IRR, with the project capital cost for all 3 stages estimated at A\$3 Billion,

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providing 1150 direct jobs when operating at full capacity. Contributors to the Feasibility Study included GHD, Ausenco, Siemens, NAB and leading vendors of battery manufacturing equipment.

Magnis announced on 5 June 2018, formal agreements had been entered to fast track the Townsville battery plant project with the feasibility study to commence shortly after [ASX Release, 5 June 2018]. The project also received a \$3.1 million grant from the Queensland Government [ASX Release, 27 August 2018].

### Nobel Prize Awarded to Magnis Director

During the Quarter, Magnis non-executive Director, the Distinguished Professor M. Stanley Whittingham, was awarded the 2019 Nobel Prize in Chemistry for his work in developing the lithium-ion battery.



Image 1 – Bloomberg Interview – Magnis Non-Executive Director, the distinguished Professor M. Stanley Whittingham, winner of the Nobel Prize in Chemistry,

During his illustrious career, Professor Whittingham has also headed large projects for the US Department of Energy, Exxon and Schlumberger, he holds 16 US patents, and has been involved in writing over 240 pieces of scientific and engineering literature.

Currently, Professor Whittingham is a professor of Chemistry and Materials Science and Engineering at Binghamton University, which is part of the State University of New York. Professor Whittingham is also Director of the Northeast Center for Chemical Energy Storage [NECCES] being led by Binghamton University.

### Nachu Graphite Binding EPC Executed

On 11 December 2019, Magnis announced that it had executed a Binding Engineering, Procurement and Construction [“EPC”] contract with Metallurgical Corporation of China [“MCC”], to provide turn-key solution for a 240,000 tpa graphite production facility at the Company’s Nachu Project in Tanzania.

MCC is the world's largest metallurgical construction contractor and operation service provider, with over 130,000 employees, US \$50 Billion of assets and over US \$28 Billion in annual revenue.

Funding applications and negotiations have commenced with Export Credit Agencies and Banks for contributions to project funding, with at least 80% in debt or delayed payments targeted in debt or delayed payments targeted.



Image 2 –Signing Ceremony held at MCC headquarters in Beijing

For more information on the Nachu Graphite Project Mineral Resource and the Nachu Bankable Feasibility Study, please see the ASX Release dated 31 March 2016.

**Commenting on the Quarter, Magnis Managing Director, Marc Vogts, said:** “During the December 2019 Quarter, Magnis further progressed the Nachu project, by executing a Binding Engineering, Procurement and Construction [“EPC”] contract with Metallurgical Corporation of China, to provide turn-key solution for a 240,000 tpa graphite production facility at the Company’s Nachu Project in Tanzania. The execution of the EPC contract with MCC is contingent on MCC organising at least 80% of the funding and demonstrates the quality of the project along with the significant progress made at Nachu over the 2019 Calendar Year.”

“The Nachu graphite project is Tanzania’s most advanced graphite project, with the ability to produce 99.95% graphite purity via mechanical processes only, positioning Magnis to become a leader in the production of anode materials for the rapidly growing battery market.”

“Importantly, during the reporting period, the Feasibility Study for the Townsville 18 GWh lithium-ion battery cell manufacturing was submitted to the Queensland government. The

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feasibility study demonstrated sound financial viability on a project basis with an NPV of A\$2.55 Billion and 21% IRR and Magnis will continue to fast track the project over the coming quarters.”

**CORPORATE UPDATES**

**Director Appointment / Resignation**

On 24 December 2019, the Company announced that with the effective date of 1 January 2020, that The Hon. Warwick Smith AO, resigned as a Non-Executive Director of the Company.

Warwick was announced as the inaugural Chair of the National Foundation for Australia-China Relations, and due to his new responsibilities, Warwick decided to step down as AL Capital’s nominated representative on the Magnis Board.

As a result of the resignation, AL Capital have nominated and the Magnis Board has accepted, the appointment of Mr Subhas DeGamia as the replacement Non-Executive Director, with the effective date of 1 January 2020.

The Company confirms that this release has been authorised by the Board of Directors.



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**About Magnis**

Magnis aims to become a leading global producer of next-generation green credentialed Lithium-Ion Battery (LIB) cells, enabling the future energy requirements of the world, the global storage of renewable energy and electrification of transportation.

Leveraging off a world class graphite asset in Tanzania, associated production IP and a strategic partnership with US based Charge CCCV, Magnis will manage an end to end supply chain, sourcing the raw materials and associated technologies for these cells.

Magnis has three core areas of focus which provide the Company with a strategic advantage; battery technologies, gigafactories and graphite.

For more information, please see: [www.magnis.com.au](http://www.magnis.com.au)

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