



FOR RELEASE : 21 MAY 2020

EVALUATION OF NACHU GRAPHITE BY MAJOR PROSPECTIVE CUSTOMERS

- Samples of Nachu high purity graphite provided to South Korean and Japanese LIB battery anode suppliers
- Ongoing metallurgical work to optimise production of uncoated spherical graphite at >99.95% TGC purity using low cost mechanical process
- Two-step process with Flake graphite concentrate produced initially at 99.8% TGC purity with subsequent spheronisation achieving >99.95% TGC purity

Magnis Energy Technologies Limited (“Magnis”, the “Company”) [ASX: MNS] is pleased to announce that graphite from the Nachu Graphite Project in Tanzania, has generated interest from major players in the Lithium-ion Battery [LIB] industry while ongoing metallurgical work continues to yield market leading results.

Recent Interest

Over the past six months Magnis held discussions with major suppliers in the LIB industry from Japan and South Korea. From these discussions, it was noted that prospective Japanese and Korean customers were seeking to diversify their supply of uncoated spherical graphite. Significant customer interest has been demonstrated, with a particular interest in the ability of Nachu graphite to be processed into high purity uncoated spherical graphite using low cost sustainable processes without using any chemical or thermal purification steps.

Engagement with these prospective customers is ongoing and has included provision of samples and discussions around the potential for downstream partnering in uncoated spherical graphite production. This has culminated in a recent site visit by a representative of a significant player in the anode materials supply chain for South Korean LIB producers. With the COVID-19 pandemic, delays have now been experienced in progressing talks towards future supply agreements.

For personal use only

Metallurgical Work

Ongoing metallurgical test work, led by CEO Dr Frank Houllis, has focused on optimisation of a two-stage downstream process to produce 99.95% uncoated spherical graphite from the >99% purity flake graphite concentrate that is to be produced at the mine. The table below provides an overview of the production processes used to produce uncoated spherical graphite:

Stage	Process Overview	Indicative Purity [%TGC]	Indicative Recovery [%]
Mine Processing Plant	4 steps of milling and flotation	>99	90
Downstream Stage 1	2 steps of milling and flotation	99.8	92
Downstream Stage 2	Milling and Spheronisation steps	99.95	80

The downstream stages result in zero waste, as rejected material can be sold as by-product across a number of graphite applications. The overall recovery from mine to uncoated spherical graphite is more than twice that achieved using current technology. When combined with the absence of any thermal or chemical purification of graphite, uncoated spherical graphite produced from Nachu will have both the lowest cost and lowest environmental footprint in the LIB industry.

Magnis Chairman Frank Poullas commented: "Magnis maintain that view that it has the market leading product and the only natural graphite product that can be turned into a high performing anode material without any Chemical/Acid or thermal purification and purely based on mechanical processes.

"Whether it's due to trade wars or the recent COVID-19 pandemic, it's clear to battery producers that they need to look at alternative sources for their anode material and we believe we will be the lowest cost producer with the greenest product in the marketplace."

This announcement has been authorised for release by the Board of Magnis Energy Technologies Ltd.

For further information:

Frank Poullas

Executive Chairman

Ph: +61 2 8397 9888

www.magnis.com.au

For personal use only