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New York Lithium-ion Battery Plant Update

- **New York battery plant status at the end of June – 84% complete**
- **Initial production of several thousand cells expected in August which will ramp up to 10,000 cells/day as production scales up**
- **Safety – Zero incidents in June**

Magnis Energy Technologies Ltd (“**Magnis**”, or the “**Company**”) (**ASX: MNS; OTCQX: MNSEF; FSE: U1P**) is very pleased to provide an update on activities from Imperium3 New York (“iM3NY”) which operates a Gigawatt scale Lithium-ion battery manufacturing plant in Endicott, New York. Magnis along with its joint venture and technology partner Charge CCCV LLC (“C4V”) are the major shareholders in iM3NY.

Project Status and Recent Milestones

iM3NY overall project completion rate is at 84% at the end of June and is at the final stage before fully automated production can commence, which will occur once the local authority certificates are issued. At that time the completion rate is expected to be in the vicinity of 88%. The remaining 12% includes some cosmetic changes to the factory, minor works to an internal office area and the gradual ramp up of production.

Significant progress was made during June as listed below.

Recent Key Activities/Milestones

- Majority of equipment in place and ready to go to commence production; Mixing, Coating, Drying, Calendaring, Slitting, Stamping, Stacking, Electrolyte Filling etc.
- A team of Korean technologists travelled to New York to provide technological expertise around the iM3NY plant for installation and commissioning of major cell assembly equipment, including the electrolyte filling.
- Fire Alarm System has been commissioned which was a mandatory requirement before the Temporary Certificate of Occupancy (TCO) could be issued for such a large-scale Li ion battery manufacturing plant.
- iM3NY currently employs 52 people with 17 additions in the last 2 months. The total count is expected to grow to 100 during Q4 2022.

The TCO is expected to be issued shortly as a prerequisite to ensure the necessary inspection conditions are satisfied and before production can commence. Once production commences, a Complete Certificate of Occupancy (CCO) will be issued.

Once fully automated production commences and the subsequent ramp up takes place, the production rate is expected to be around 10,000 cells/day.

Completed items during June 2022

- Air Permit modifications received from New York State Department of Environmental Conservation
- Completed utility installation and testing of AHU 1 & 2
- Completed utility installation and testing of AHU 4 & 5
- Completed installation of vacuum piping of electrolyte filling equipment
- Completed installation of utilities to cell washing equipment
- Completed utility installation to stacking equipment
- Continued process exhaust ductwork for coating lines and electrolyte filling equipment
- Completed utility hook up to anode mixing, cathode coating, stamping, stacking, electrolyte filling equipment
- Completed restructuring of control cabinet to accommodate carbon beds and electrolyte exhaust
- Completed insulation of steam and condensate lines to DHU's
- Completed cathode coating line interconnecting
- Relocated anode coating line control cabinet
- Rigged and set stampers and stackers into final position

Items progressed during June 2022

- Continued process exhaust ductwork to cathode coating line and electrolyte/DMC
- Continued installation of all life safety alarming systems and control panel
- Continued commissioning of substations and power distribution panels
- Continued insulation of steam, condensate lines and chilled water piping to AHU 1, 2, 4 and 5.



Figure 1: Battery cells produced from semi-automated production



Figure 2: Engineering Team from South Korea assisting with equipment installation at iM3NY

iM3NY CEO Chaitanya Sharma commented: “We are very close to achieving fully automated production and the iM3NY team has worked around the clock in this challenging global environment to start automated production.”

About Magnis

Magnis Energy Technologies Ltd (ASX: MNS; OTCQX: MNSEF; FSE: U1P) is a vertically integrated lithium-ion battery technology and materials company with strategic assets, investments and partnerships in the electrification supply chain. The company's US based subsidiary Imperium3 New York, Inc ("iM3NY") operates a Gigawatt scale Lithium-ion battery manufacturing project in Endicott, New York. Magnis along with its joint venture and technology partner Charge CCCV LLC ("C4V") are the major shareholders in iM3NY which plans to commercialise C4V's patented technology to produce green credentialed lithium-ion battery cells. Magnis also has a minority stake in C4V and has exclusively licensed their anode processing technology with an aim to produce high performance anode materials utilising ultra-high purity natural flake graphite from Magnis' Nachu Graphite Project in Tanzania. The company's vision is to enable, support and accelerate the green energy transition critical for the adoption of Electric Mobility and Renewable Energy Storage.

FOR FURTHER INFORMATION

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