

18 December 2024

ASX Compliance
ASX
20 Bridge Street, Sydney NSW 2000

By email ListingsComplianceSydney@asx.com.au

Dear Sirs

RESPONSE TO ASX QUERY

We refer to your letter dated 27 November 2024 to Magnis Energy Technologies Ltd (Magnis or the Company).

Capitalised words which have not otherwise been defined have the meaning given in your letter.

The Company's response to each of your requests for information is as follows:

In relation to queries 1 through 12 we make the following overarching comments. The Company has previously advised the market of the following pertinent information in relation to the battery factory operated by Imperium3 New York Inc (Imperium3):

- In 2022, Imperium3 entered into a US\$100 million secured debt (Debt). The Debt was guaranteed by Imperium3's holding company, IM3NY LLC, but not by Magnis.
- In December 2023, the Magnis appointed directors of Imperium3 were removed from the board by the Debt lender relying on its powers under the loan documents.
- A direct consequence of the action taken by the Debt lender was the suspension from quotation of Magnis' shares by the ASX on 8 December 2023.
- Also in December 2023 the Magnis appointed directors of IM3NY LLC resigned as directors of that company.
- Following the above events in December 2023 the IM3NY LLC Group ceased to be a subsidiary of the Company.
- In the period since the IM3NY LLC Group ceased to be a subsidiary of the Company, the Company has relied on information provided to it by the directors of Imperium3. Until October 2024, this was achieved by way of an Information Sharing Deed

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between Imperium3 and the Company. Since October 2024, the Company has sought to procure information by making requests from, and relying on the goodwill of, the directors of Imperium3.

- Specifically, the Company has written to Imperium3 director Dr S Upreti, requesting updates on each of the sales agreements referred to in your letter.
 - All information set out in this letter originates from and is supplied by Imperium3 directors and officers. Magnis sets out its replies after diligent enquiry and information verifications such as contract review to the best of the Company's abilities given the independence of Imperium3 as a US entity that Magnis does not presently control or have significant influence over.
 - So far as the Company is aware, there have been no material developments in relation to the various sales agreements listed in the 2022 Annual Report since the status of each of the agreements was reported to the ASX by reply to ASX query letters in early 2024. This is supported by the fact that up to 30 September 2024, Imperium3 has reported total revenue generated of US\$9,000, as reported in the Company's September 2024 quarterly activities report.
1. Energence Agreement current status. To the best of the Company's knowledge, this potential sales agreement remains the subject of ongoing discussion between Imperium3 and Energence and no binding agreement has been executed between the entities.
 2. Energence Agreement approximate sales value. The Company's directors are not in a position to provide any estimate of whether any revenue will be generated by Imperium3 through a possible future binding agreement between Imperium3 and Energence.
 3. The Company apologises if the information previously provided has resulted in any confusion. Consistent with the other sales agreements referred to in your letter, as set out in the Company's letter of 7 February 2024, this potential sales contract has reverted under its terms to the status of "technical review". Essentially, this means that the agreement is the subject of ongoing discussion between Imperium3 and Martac. Presently the parties have agreed to a revision to the delivery timetable, commencing January 2025. Fulfillment of the delivery timetable may be dependent on specific certifications, approvals and other terms and conditions as well as commercial circumstances extant at the time. In the event the delivery timetable is not able to be met further discussion between the parties may need to occur to further extend the delivery timetable.
 4. Martac Agreement current status is as set out in the answer to question 3.
 5. Martac Agreement approximate sales value. The Company's directors have been advised by Imperium3 that the indicative value of the agreement based on the

presently negotiated delivery timetable is US\$7.1M. This should not be treated as a forecast.

6. The Company again does apologise if the information previously provided resulted in any confusion. The status is this agreement is analogous to that of Martac, set out in answer to question 3 above. Please note that the agreement has been assigned from EGYAI to Apco Teknik Grup Muhendislik ve Musavirlik AS (Apco Teknik). Consistent with the other sales agreements referred to in your letter, as set out in the Company's letter of 7 February 2024, this potential sales contract has reverted under its terms to the status of "technical review". Again, this means that the agreement is the subject of ongoing discussion between Imperium3 and Apco Teknik. Presently the parties have agreed to a revision to the delivery timetable, commencing January 2025. Fulfillment of the delivery timetable may be dependent on specific certifications, approvals and other terms and conditions as well as commercial circumstances extant at the time. In the event the delivery timetable is not able to be met further discussion between the parties may need to occur to further extend the delivery timetable.
7. EGYAI Agreement current status is as set out in the answer to question 6, noting that the agreement has been assigned to Apco Teknik.
8. EGYAI Agreement approximate sales value. The Company's directors have been advised by Imperium3 that the indicative value of the agreement based on the presently negotiated delivery timetable is US\$35.46M. This should not be treated as a forecast.
9. Green World Corp Agreement current status. To the best of the Company's knowledge, this potential sales agreement remains the subject of ongoing discussion between Imperium3 and Green World Corp and no binding agreement has been executed between the entities.
10. Green World Corp Agreement approximate sales value. The Company's directors are not in a position to provide any estimate of whether any revenue will be generated by Imperium3 through a possible future binding agreement between Imperium3 and Green World Corp.
11. Energy Link 3 Agreement current status. To the best of the Company's knowledge, this potential sales agreement remains the subject of ongoing discussion between Imperium3 and Energy Link 3 and no binding agreement has been executed between the entities.
12. Energy Link 3 Agreement approximate sales value. The Company's directors are not in a position to provide any estimate of whether any revenue will be generated by

Imperium3 through a possible future binding agreement between Imperium3 and Energy Link 3.

13. Tier 1 EV Manufacturer Agreement current status. There have been no material changes in the status of this agreement. There have been on-going commercial and technical discussions between the Company and the EV Manufacturer's management teams. The agreement remains on foot and as previously advised the contract includes an ability for milestones to be extended by 12 months and the Company intends to request that extension.
14. As reported in each of the quarterly activities reports in the period subsequent to 23 February 2024, the major emphasis of the Company has been on procuring the funds to develop the Nachu Project into an operating mine. Discussions remain on foot with potential counter-parties with the present goal being execution of definitive agreements. The Company will continue to release further information in accordance with its continuous disclosure obligations.

In accordance with LR 5.3.1 and LR 5.3.2, the Company reports in each of its quarterly activities reports exploration and development activities undertaken. The Company advises that no substantive mining exploration or development activities have occurred in the period subsequent to 23 February 2024.

15. In its letter dated 23 February 2024 in reply to your query letter at item 3.ii, the Company provided a response which is repeated below (with the dates amended for the elapse of time):

The table set out below (ie in your letter) has been extracted from page 25 of the BFS 2022 Update document, which is a summary of the detailed engineering consultants' work. In line with usual practice, the engineers are setting out the timeline on the assumption that these activities progress immediately following completion of the BFS work.

Importantly the following qualifications, are set out in that announcement:

"The schedule for the Project is being driven by the date that the Project will need to meet in respect to ... potential offtake partners the company is in discussions with...

The project execution schedule shows the projected timeline from the start of the Front-End Engineering Design (FEED) to first production. An Optimisation Phase is planned to be completed prior to the commencement of the FEED Phase..."

"With existing offtakes in place, and discussions with other major off-takers in key sectors well advanced, we are confident that the project will be strongly supported by project funders. Initial discussions with funders have commenced, and we have received positive responses in relation to the overall bankability and attractiveness of the project... Given the financial results demonstrated by the update, and the continued strength in the lithium-ion battery market driven by the growth of the

electric vehicle and energy storage sectors, we are looking forward to advancing the project as quickly as possible. Our next milestones are making a Final Investment Decision (FID) and achieving financial close, which we are targeting to achieve by end Q2 2023.”

“All statements in this announcement, which address or could be inferred to address future economic returns, production ... and events or developments that the Company expects to occur, and could be construed as forward-looking statements, such statements are not guarantees of future performance and actual results or developments may differ materially from those in forward-looking statements.”

As reasonable readers of the announcement would deduce, the key factors impacting the timeline for development of the project are (i) bankable off-take agreements being effected in relation to all or substantially all annual production planned to be produced; (ii) completing all mandated environmental and other impact studies and effecting resettlement and compensation of Project Affected Persons; (iii) entering into necessary regulatory contracts with the Government of Tanzania and (iv) financing for the capital construction being closed. Several of these factors remain incomplete. Thus, the updated indicative timeline provided in response to your letter assumes these factors are completed and closed by 30 June 2025, but to the extent they are not, then further delays can be expected. The updated indicative implementation schedule is set out below – which in essence reflects a pushing out of the schedule set out in the 2022 BFS by 11 quarters.

Task Description	Start Date	End Date
Nachu Graphite Project	Q3 2025	Q4 2027
Optimisation Phase	Q3 2025	Q4 2025
FEED and Engineering Phase	Q1 2026	Q1 2026
Construction	Q2 2026	Q4 2027
First Ore to Mill	Q4 2027	

16. The directors presently anticipate releasing the Company’s 2024 audited financial statements by late-January 2025.
17. As advised in the Company’s announcement dated 30 September 2024, delays in closing a liquidity transaction have had a consequential impact of delaying the annual audit process. As set out above, the directors presently anticipate lodging the 2024 audited financial statements by late-January 2025.
18. As the audit is yet to be completed there remains the possibility that an alternative audit report will be issued, but based on the information that the directors are presently aware of, the directors anticipate the audit opinion will be unqualified but carry an emphasis of matter in relation to going concern.
19. We confirm that the Company is complying with the Listing Rules and, in particular, ASX Listing Rule 3.1.

20. We confirm that the responses to the questions above have been authorised and approved by the board in accordance with the Company's published continuous disclosure policy.

Yours sincerely

Magnis Energy Technologies Ltd



Jonathan Reynolds
Company Secretary

For and on behalf of the Board of Directors of Magnis Energy Technologies Ltd

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27 November 2024

Reference: 103688

Mr Jonathan Reynolds
Company Secretary
Magnis Energy Technologies Ltd
Suite 9.03, 88 Phillip Street
Sydney NSW 2000

By email: jonathan.reynolds@magnis.com.au

Dear Mr Reynolds

Magnis Energy Technologies Ltd ('MNS'): Listing Rule 3.1 and 12.2 Compliance

ASX refers to the following:

- A. MNS's announcement titled "Annual Report to shareholders" (the '**2022 Annual Report**') released on the ASX Market Announcements Platform ('**MAP**') on 17 October 2022, disclosing the following:
 - 1.1 MNS entered into a "Manufacturing & Supply Agreement – for use as an energy storage medium" with Energence on 12 August 2019 ('**Energence Agreement**'). Relevantly, MNS estimated the approximate value for the Energence Agreement to be between US \$259.5M and US \$267M;
 - 1.2 MNS entered into a "Manufacturing & Supply Agreement – energy storage medium" with EGYAI on 10 April 2021 ('**EGYAI Agreement**'). Relevantly, MNS estimated the approximate value for the EGYAI Agreement to be between US \$18M and US \$18.5M;
 - 1.3 MNS entered into a "Manufacturing & Supply Agreement –energy storage" with Green World Corp on 11 April 2021 ('**Green World Corp Agreement**'). Relevantly, MNS estimated the approximate value for the Green World Corp Agreement to be between US \$48M and US \$48.4M;
 - 1.4 MNS entered into a "*Manufacturing & Supply Agreement*" with Energy Link 3 on 11 June 2021 ('**Energy Link 3 Agreement**'). Relevantly, MNS estimated the approximate value for the Energy Link 3 Agreement to be between US \$33M and US \$82M.
- B. MNS's announcement titled "iM3NY Update" (the '**iM3NY Announcement**') released on MAP on 6 October 2023, disclosing the following:
 - 1.1 "*Of the six other offtake agreements that iM3NY is party to and previously announced three that have recently been renewed with their term extended were Martac, EGYAI and Sukh Energy (terms were extended out to 2028). The remaining three are subject of ongoing discussions between iM3NY and the relevant counterparties namely Energence, Green World Corp and Energy Link 3 in relation to their potential extension and/or renegotiation*".
- C. MNS's suspension from Official Quotation (the '**Suspension**'), as published on MAP on 8 December 2023.
- D. MNS's announcement titled "Shareholder Update" (the '**Update Announcement**') released on MAP on 22 January 2024, disclosing the following:
 - 1.1 "*In October 2023 the Company advised the market that there were 3 agreements (Renewed Agreements) for the purchase of cells from the factory which had been renewed for periods up to 5 years, none of the other extant agreements has been renewed. As noted in the announcement, the Renewed Agreements were with Sukh Energy, Martac and EGYAI and the combined value of the Renewed Agreements over their duration was circa USD 147 million. The Company has recently been*

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advised by the newly appointed directors of Inc that the Renewed Agreements have since lapsed, because Inc missed the amended scheduled supply start dates, therefore not satisfying the conditions precedent under the contracts. To the best of the Company's knowledge, Inc no longer has any operative off-take agreements. These lapsed contracts are not considered material to the Company as a consequence of Inc no longer being its subsidiary."

- E. MNS's announcement titled "Responses to ASX Letters" released on MAP on 11 March 2024 ('**Grounds for Maintaining Suspension Announcement**'), containing, amongst other things, ASX's query letter dated 15 February 2024 ('**Query Letter**') and MNS' letter in response dated 23 March 2024 ('**MNS Letter**'), disclosing the following:

- 1.1 *"Energence - this MNS has advised in the announcement on 6 October that this was under further discussions (referred to in the monthly report from the CEO as under "technical review");*

Martac - MNS has previously advised that this had been extended and then updated the market in January that it was under technical review (using the same terminology as above);

EGYAI – same comment as the immediately preceding dot point answer;

Green World Corp- same response as that for Energence;

Energy Link 3 - same response as that for Energence.";

- 1.2 *"the [Tier 1 EV Manufacturer Agreement] remains on foot and commercial and technical discussions with the proposed customer continue in the ordinary course. The contract includes an ability for milestones to be extended by 12 months and Magnis intends to request that extension.";* and

- 1.3 *"ASX's communications with MNS since its suspension have related to MNS's indirect majority interest in the iM3NY battery plant, and in particular the recent changes in the governance of iM3NY and MNS's ability to meet its disclosure obligations.*

Based on those communications, MNS has not satisfied ASX that it is currently able to comply with its obligations under Listing Rules 3.1, 12.1 and 12.5.

MNS must demonstrate to ASX that it is willing and able to comply with these rules, and the Listing Rules generally, before ASX can reinstate MNS's securities to quotation."

- F. MNS's announcement titled "Shareholder Update" (the '**Annual Report Announcement**') released on MAP on 30 September 2024, disclosing that MNS will not be able to lodge its audited annual financial statements as required under ASX Listing Rule 4.5.1 and section 319 of the Act.
- G. Listing Rule 3.1, which requires a listed entity to immediately give ASX any information concerning it that a reasonable person would expect to have a material effect on the price or value of the entity's securities.
- H. Listing Rule 4.5.1, which requires a listed entity to give to ASX a copy of the documents which a disclosing entity must lodge with ASIC under section 319 of the Corporations Act. It must give the documents to ASX when it lodges them with ASIC and in any event no later than three months after the end of the accounting period. It must also give ASX a copy of any concise report at the same time.
- I. Listing Rule 12.1, under which the level of an entity's operations must, in ASX's opinion, be sufficient to warrant the continued quotation of the entity's securities and its continued listing.
- J. Listing Rule 12.2, under which an entity's financial condition (including operating results) must, in ASX's opinion, be adequate to warrant the continued quotation of its securities and its continued listing.
- K. Listing Rule 12.5, under which an entity's financial condition (including operating results) must, in ASX's opinion, be adequate to warrant the continued quotation of its securities and its continued listing.

Status of Suspension of MNS Securities

ASX notes:

- MNS's failure to lodge its audited annual financial statements as required under ASX Listing Rule 4.5.1 and section 319 of the *Corporations Act 2001* (Cth) ('Act'); and
- The Grounds for Maintaining Suspension Announcement.

With regard to these above points, ASX confirms that it remains unsatisfied MNS is currently able to comply with its obligations under Listing Rules 3.1, 12.1 and 12.5 and MNS securities therefore remain suspended.

Further, in light of MNS's failure to lodge its audited annual financial statements as required, ASX confirms it will also require MNS to lodge all outstanding periodic reports and satisfy ASX that its financial condition satisfies Rule 12.2, before ASX will be willing to reinstate MNS's securities to quotation.

Request for information

Having regard to the above, ASX asks MNS to respond separately to each of the following questions:

Energence Agreement

ASX refers to MNS' Annual Report for FY2022 and to the Energence Agreement (paragraph A above), the iM3NY Announcement (paragraph B above) and to MNS's response contained in the MNS Letter (paragraph E above).

1. Noting that the Energence Agreement has been the subject of 'ongoing discussion' since at least 6 October 2023, being 13 months, please provide further information as to the current status of the Energence Agreement.
2. Does MNS consider the approximate value for the Energence Agreement, as contained in MNS Annual Report for the year 2022, to remain accurate? If not, please provide a revised estimated approximate value.

Martac Agreement

ASX refers to MNS' Annual Report for FY2022 and to the Martac Agreement (paragraph A above), the iM3NY Announcement (paragraph B above), the Update Announcement (paragraph D above) and to MNS's response contained in the MNS Letter (paragraph E above).

3. How does MNS reconcile its statement contained in the MNS Letter that the Martac Agreement is under technical review with its statement contained in the Update Announcement that the Martac Contract has lapsed and that to the best of MNS's knowledge, Inc no longer has any operative off-take agreement?
4. Please provide an update regarding the current status of the Martac Agreement.
5. Does MNS consider that the approximate value for the Martac Agreement, as contained in MNS Annual Report for the year 2022, to remain accurate? If not, please provide a revised estimated approximate value.

EGYAI Agreement

ASX refers to MNS' Annual Report for FY2022 and to the EGYAI Agreement (paragraph A above), the iM3NY Announcement (paragraph B above), the Update Announcement (paragraph D above) and to MNS's response contained in the MNS Letter (paragraph E above).

6. How does MNS reconcile its statement contained in MNS Letter that the EGYAI Agreement is under technical review with its statement contained in the Update Announcement that the EGYAI Agreement has lapsed and that to the best of MNS's knowledge, Inc no longer has any operative off-take agreement?

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7. Please provide further information as to the current status of the EGYAI Agreement.
8. Does MNS consider that the approximate value for the EGYAI Agreement, as contained in MNS Annual Report for the year 2022, to remain accurate? If not, please provide a revised estimated approximate value.

Green World Corp Agreement

ASX refers to MNS' Annual Report for FY2022 and to the Green World Corp Agreement (paragraph A above), the iM3NY Announcement (paragraph B above) and MNS's response contained in the MNS Letter (paragraph E above).

9. Considering that the Green World Corp Agreement has been the 'subject of ongoing discussion' since October 2023, being 13 months, please provide further information as to the current status of the Green World Corp Agreement.
10. Does MNS consider that the approximate value for the Green World Corp Agreement, as contained in MNS Annual Report for the year 2022, to remain accurate? If not, please provide a revised estimated approximate value.

Energy Link 3 Agreement

ASX refers to MNS' Annual Report for FY2022 and to the Energy Link 3 Agreement (paragraph A above), the iM3NY Announcement (paragraph B above) and MNS's response contained in the MNS Letter (paragraph E above).

11. Considering that the Energy Link 3 Agreement has been the 'subject of ongoing discussion' since October 2023, being 13 months, please provide further information as to the current status of the Energy Link 3 Agreement,
12. Does MNS consider that the approximate value for the Energy Link 3 Agreement, as contained in MNS Annual Report for the year 2022, to remain accurate? If not, please provide a revised estimated approximate value.

Tier 1 EV Manufacturer Agreement

ASX refers to question 3.2 of the Query Letter and to MNS's response as contained in MNS Letter (paragraph E above)

13. Considering that the Tier 1 EV Manufacturer Agreement has been the 'subject commercial and technical discussion' since at least from March 2024, please provide further information as to the current status of the Tier 1 EV Manufacturer Agreement.

Nachu Project

14. Please provide a summary of all exploration and/or development work performed at the Nachu Project by MNS since the MNS Letter dated 23 February 2024.
15. Does MNS consider the estimated timetable, as extracted from the bankable feasibility study lodged on MAP on 29 September 2022 and amended in the MNS Letter, to remain accurate? If so, please explain your basis for that view. If not, please provide an updated timetable.

Lodgement of Annual Report

ASX refers to MNS's Suspension, effective from 8 December 2023 (paragraph C above) and to the Annual Report Announcement (paragraph F above).

16. When does MNS expect it will be in a position to release its audited annual financial statements?

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17. Please provide an explanation as to what is causing the delay in MNS releasing its audited annual financial statements.
18. Does MNS expect that the independent audit report is likely to be subject to a modified opinion, emphasis of matter or other matter paragraph? If it does, please provide a description of the modified opinion, emphasis of matter or other matter paragraph.

General Compliance

19. Please confirm that MNS is in compliance with the Listing Rules and, in particular, Listing Rule 3.1.
20. Please confirm that MNS's responses to the questions above have been authorised and approved in accordance with its published continuous disclosure policy or otherwise by its board or an officer of MNS with delegated authority from the board to respond to ASX on disclosure matters.

When and where to send your response

This request is made under Listing Rule 18.7. Your response is required as soon as reasonably possible and, in any event, by no later 12:00 PM on 18 December 2024.

You should note that if the information requested by this letter is information required to be given to ASX under Listing Rule 3.1 and it does not fall within the exceptions mentioned in Listing Rule 3.1A, MNS's obligation is to disclose the information 'immediately'. This may require the information to be disclosed before the deadline set out above.

Your response should be sent by e-mail to ListingsComplianceSydney@asx.com.au. It should not be sent directly to the ASX Market Announcements Office. This is to allow us to review your response to confirm that it is in a form appropriate for release to the market, before it is published on the ASX Market Announcements Platform.

Listing Rules 3.1 and 3.1A

In responding to this letter, you should have regard to MNS's obligations under Listing Rules 3.1 and 3.1A and also to Guidance Note 8 *Continuous Disclosure: Listing Rules 3.1 – 3.1B*. It should be noted that MNS's obligation to disclose information under Listing Rule 3.1 is not confined to, nor is it necessarily satisfied by, answering the questions set out in this letter.

Release of correspondence between ASX and entity

We reserve the right to release all or any part of this letter, your reply and any other related correspondence between us to the market under listing rule 18.7A. The usual course is for the correspondence to be released to the market.

Yours sincerely

ASX Compliance