



12 July 2021

Attn: Lin Kang
Adviser, Listings Compliance (Sydney)

By email: ListingsComplianceSydney@asx.com.au

Response to Magnis Energy Technologies Ltd ('MNS'): Query Letter

Dear Lin Kang,
We refer to your letter from 9 July 2021 referring to MNS's release "iM3NY High Quality Green Credentialed Lithium-ion Batteries", and respond as follows and adopts the numbering in your letter.

1. ***Please identify what information in the Announcement MNS considered market-sensitive and provide the basis for that view.***

There were three (3) reasons why this Announcement was deemed market-sensitive by MNS.

1. *Cell Design*

It included new information regarding the cell design and its particular characteristics, including the new seal, lid and contact configuration. (The new design also allows for greater energy density, however, without the final data to support this, that was not discussed in this release.)

2. *The Commercial Plant produced Cells results replicated the Pilot Plant reported results.*

When produced in the **commercial manufacturing plant in Endicott, NY** (and included the above design elements), our cell replicated the results only previously produced at the Pilot Plant (being the equivalent of laboratory conditions).

This outcome was not assured. In many industries, lab results cannot be achieved with larger-scale manufacturing. It is hard to overstate how important replicating Pilot Plant results in a commercial manufacturing plant was to MNS.

We were delighted to confirm the achievement of the voltage previously announced from the **Pilot Plant at our commercial facility using our commercial cells** in the **new design** (including the aforementioned new seal, lid and contact configuration).

3. *End-to-End Recycling*

This aspect of the release informed shareholders that we were in the final stages of diligence regarding battery recycling. End-to-end recycling is a crucial step for the end-to-end production of lithium-ion batteries.

Summary

In isolation, the end-to-end recycling update would not have caused the Company to deem this release as market sensitive. Only when combined with the first and second technical-commercial achievements, then our view did this Announcement further demonstrate the rapid progress in the path to commercial production of our high voltage lithium batteries at the Endicott, NY commercial plant. These cumulation of these issues, in MNS's view met the Listing Rule 3.1 threshold the reason for deeming the Announcement to be market sensitive.

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2. What is the process of whether a release is considered market sensitive?

- a. MNS adheres to the continuous disclosure rules. The determination of whether information triggers listing rule 3.1, is shaped by the subject matter of the release. Our experts are generally intimately involved in preparing the relevant release.
- b. They inevitably have the most influential role in recommending and assessing whether information is required to be disclosed, and if so, if it appears to reach the threshold necessary for the Board or the designated executive to determine whether to deem a release as being “market sensitive”.
- For example, any discoveries or transactions related to the Company’s graphite assets in Tanzania is going to be influenced more from Director Peter Tsegas and Nachu’s Project leader Rod Chittenden.
 - A release informing the market about a breakthroughs or relevant update on the development of battery projects (whether in New York or Townsville) will be more influenced by the expertise in the Board of i3MY and its CEO, and MNS’s Board, Nobel Laureate M. Stanley Whittingham.
 - For the borderline cases MNS generally takes the view that new announcements are most likely “market sensitive”. However, we base such decisions on the combined judgment of the above, prior experience, and comparison with announcements of other listed entities’ treatment of market sensitivity on similar releases (that is convention and context).
- c. Naturally, with the above, we always lean on the General Counsel & Company Secretary, particularly as releases relate directly with the Listing Rules and relevantly Guidance Note 8’s explanation for the treatment and delivery of new information to market.
- d. We observe that some releases are not considered market sensitive due to established ASX practice, though they might foreseeably impact the share price. For example, when announces the proposed issue of new equity in an Appendix 3B.
- e. Finally, the speed required imposed by the “immediacy” component of the continuous disclosure obligation pursuant to Listing Rule 3.1, means the above process when deeming a release as market sensitive is sometimes truncated, because the priority is:
- a. to first release relevant significant information, as soon as possible after it is confirmed; and
 - b. before pressing ‘lodge’, to make a determination as to its market sensitivity as a reflection of the Board or designated officer’s view of its likely influence on share price’s reaction (if any) to that release’s contents.

That is market sensitivity considerations become secondary behind the accuracy and speed of the factual and significance of the information contained in each ASX release.

3. If no new information was contained within the Announcement, please explain why MNS lodged the Announcement on ASX Online as market sensitive.

Not applicable.

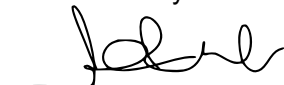
4. ***Please confirm that MNS is complying with the Listing Rules and, in particular, Listing Rule 3.1.***

MNS confirms it complies with the Listing Rules, and in particular Listing Rule 3.1.

5. ***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.***

That is confirmed.

Yours faithfully



Julian Rockett
Group General Counsel & Company Secretary



9 July 2021

Mr Julian Rockett
Group General Counsel and Company Secretary
Magnis Energy Technologies Ltd
Suite 9.03, Aurora Place
88 Phillip Street, SYDNEY NSW 2000

By email

Dear Mr Rockett

Magnis Energy Technologies Ltd ('MNS'): Query Letter

ASX refers to the following:

- A. MNS's announcement titled "Corporate Presentation", lodged on the ASX Market Announcements Platform ('MAP') on 10 February 2021, which disclosed (relevantly):
- On slide 14, that the iM3NY batteries have "fast charging" technology.
 - On slide 16, that BMLMP batteries:
 - operated at 3.9 volts, a higher voltage than NCA, NMC and LFP batteries;
 - have a long battery life; and
 - do not contain any nickel or cobalt
- B. MNS's announcement titled "iM3NY High Quality Green Credentialed Lithium-ion Batteries" lodged on MAP on 5 July 2021 (the '**Announcement**'), disclosing (relevantly, emphasis added):
- "[MNS] is pleased to **announce an update on key technology findings** for batteries being produced out of the iM3NY battery plant based in Endicott, New York of which Magnis is the major shareholder."
 - "The BMLMP chemistry and prismatic cell design is licensed and patented Charge CCCV technology. It contains Lithium Manganese Phosphate (LMP) with Biomineralisation to yield BMLMP. **The BMLMP technology enables one of the highest voltages of any Lithium-ion cells in the marketplace at 3.9 volts. This is 20% higher than Lithium Iron Phosphate (LFP) cells and 5-8% higher than Nickel Cobalt Aluminium (NCA) / Nickel Manganese Cobalt (NMC) cells used by OEM's like Tesla. The Biomineralisation also promotes long cycle life, fast charging, and ensures greater safety in all circumstances. The chemistry incorporates traditional electrolyte along with a patented mixed metal in the cathode that contributes to the overall safety and performance benefits. Notably there is no Cobalt and no Nickel in this high performing cell.**"

ASX observes that MNS lodged the Announcement as market-sensitive when submitted to ASX Online.

- C. 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.
- D. Section 7.10 of Guidance Note 8, which outlines ASX's view on "ramping" announcements and provides (relevantly):

"Ramping announcements come in many forms, including:

- *the release of a “business update” or something similar, which will typically be worded in an exuberant fashion but which on closer examination contains little in the way of substance that has not already been disclosed to the market;” ...*
- *“an announcement that has no substance but seeks to ride on the back of strong market sentiment in a particular sector;” ...*

“Whenever ASX detects what it suspects to be a ramping announcement, it will give careful consideration to suspending the entity’s securities from trading and issuing a query letter to the entity asking the entity:

- *if it marked the announcement as market sensitive when it was lodged on MAP, to identify what information in the announcement the entity considered was market sensitive and why; ...”*

Request for information

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

1. ASX notes that the “key technology findings” in the Announcement appear to repeat the substance of statements from the 10 February 2021 announcement excerpted above.

Please identify what information in the Announcement MNS considered to be market-sensitive, and provide the basis for that view.

2. If there was no material new information contained within the Announcement, please explain why MNS lodged the Announcement on ASX Online as market-sensitive.
3. Please confirm that MNS is complying with the Listing Rules and, in particular, Listing Rule 3.1.
4. 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 than **4.00 PM AEST Monday, 12 July 2021**. 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 in the previous paragraph and may require MNS to request a trading halt immediately.

Your response should be sent to me by e-mail at **ListingsComplianceSydney@asx.com.au**. It should not be sent directly to the ASX Market Announcements Office. This is to allow me 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.

Trading halt

If you are unable to respond to this letter by the time specified above, you should discuss with us whether it is appropriate to request a trading halt in MNS’s securities under Listing Rule 17.1. If you wish a trading halt, you must tell us:

- the reasons for the trading halt;
- how long you want the trading halt to last;

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- the event you expect to happen that will end the trading halt;
 - that you are not aware of any reason why the trading halt should not be granted; and
 - any other information necessary to inform the market about the trading halt, or that we ask for.

We require the request for a trading halt to be in writing. The trading halt cannot extend past the commencement of normal trading on the second day after the day on which it is granted. You can find further information about trading halts in Guidance Note 16 *Trading Halts & Voluntary Suspensions*.

Suspension

If you are unable to respond to this letter by the time specified above, ASX will likely suspend trading in MNS's securities under Listing Rule 17.3.

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 a copy of this letter, your reply and any other related correspondence between us to the market under listing rule 18.7A.

Questions

If you have any questions in relation to the above, please do not hesitate to contact me.

Kind regards

Lin Kang
Adviser, Listings Compliance (Sydney)