



FOR RELEASE : 30 DECEMBER 2021

Nachu Graphite Project Update

- **Construction of Eco-Village begins as part of the resettlement**
- **Fencing of the mine site to begin imminently**
- **Water bore drilling delivers successful results**
- **Community Programs continue to assist the local community**
- **Recent offtake agreement with Traxys for 600,000 tonnes over a six-year period for the supply of natural flake graphite concentrate**

Magnis Energy Technologies Limited ("Magnis", or the "Company") (ASX: MNS; OTCQX: MNSEF) is pleased to provide an update on activities from its wholly owned Nachu Graphite Project (Nachu). Tabled below are recent milestones achieved as works start to ramp up in 2022.

Eco-Village

In recent months activities have begun on the Eco-Village which will provide housing for 56 families affected by Nachu. Clearing works are nearing completion with roadworks having commenced recently. It is expected that during Q1 2022 that construction of the village will begin.

Plans are underway looking at options for powering of the village where we are assessing an option of providing a solar and battery storage solution using lithium-ion batteries produced from iM3NY's battery plant based in Endicott, New York of which Magnis is the major shareholder.

Figures 1 and 2 below illustrate a computerised image of the village and the site layout.



Figure 1: Computer generated diagram of Eco-Village

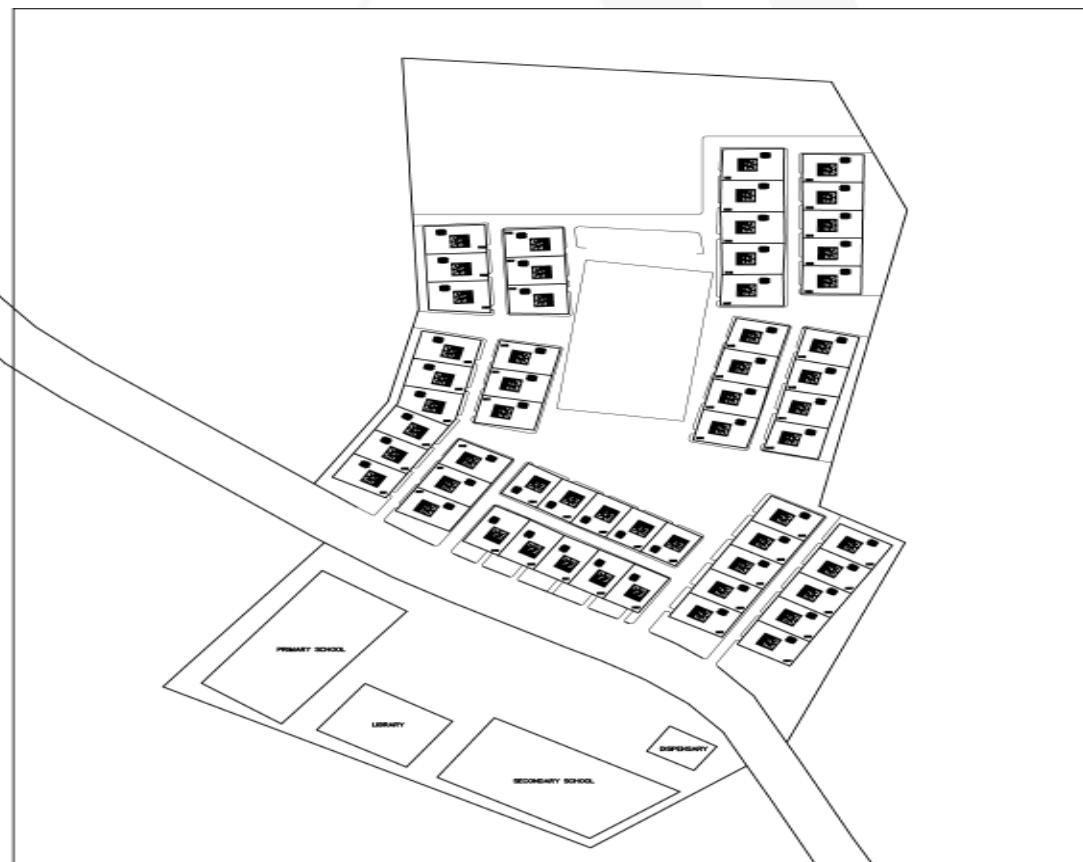


Figure 2: Site Layout of Eco-Village

Nachu Recent Works

Water bore drilling was recently completed to identify water required for construction purposes. The program was very successful with several holes drilled all showing significant water flow. The water volumes achieved are suitable for the construction phase.

Fencing off Nachu will begin in Q1 2022 and it is expected the process will be completed within 3 months of starting.

Community Programs

Magnis continues to place significant importance on Corporate Social Responsibility. This has been the case since the inception of Magnis over 16 years ago. In recent times the Company has been involved in the following programs.

- Construction of Teachers room at Namkatila Primary School
- Maintenance of community garden
- Providing building materials and overseeing works for Mihewe Medical Clinic
- Providing building materials and overseeing works for Matambarale South Medical Clinic
- Providing building materials and overseeing works at the Matambarale Primary School



Figure 3: Building supplies provided to Mihewe Medical Clinic

Traxys Binding Offtake Agreement

The Binding Offtake Agreement executed with Traxys provides the future delivery and sale of high-quality, high purity natural flake graphite from Nachu.

Under the terms of the agreement which will begin in 2H 2024, 600,000 tonnes of high purity graphite across all flake sizes will be purchased over a six-year period at market prices.

Magnis Chairman Frank Poullas commented: “Our team on the ground in Tanzania have been busy progressing the project while delivering on a number of social programs for the local community.”

“Assisting the local community in creating jobs and providing them with basic necessities like power, is something that drives us in making Nachu and a number of other initiatives in Tanzania a success.”

About Magnis

Magnis Energy Technologies Ltd (ASX: MNS; OTCQX: MNSEF) is a vertically integrated lithium-ion battery company with strategic investments in several aspects of the electrification supply chain including manufacturing of green credentialed lithium-ion battery cells, leading edge lithium-ion battery technology and high-quality, high-performance anode materials. The company's vision is to enable, support and accelerate the green energy transition critical for adoption of Electric Mobility and Renewable Energy Storage.

This announcement has been authorised for release by the Board of Magnis Energy Technologies Limited (ACN 115 111 763).

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