

ASX ANNOUNCEMENT
(ASX: NVX)
8 August 2019

PUREGRAPHITE & CORPORATE UPDATE

NOVONIX Limited (ASX: NVX) (“NOVONIX” or the “Company”) is pleased to provide the following update on PUREgraphite operations.

FACILITIES

As advised on 3 July 2019 PUREgraphite is relocating its operations to a larger facility in Chattanooga Tennessee with greater expansion capability under pinned by a long-term five-year lease with two options for renewal, each for a further five years.

Initially PUREgraphite will occupy 3,700 sqm (40,000 sqf) of the 11,150 sqm (120,000 sqf) facility while holding right-of-first offer to lease the balance of the whole facility. The initial 40,000 sqf will house the first 1,000 tpa manufacturing capacity plus the offices, laboratory and the development pilot plant.

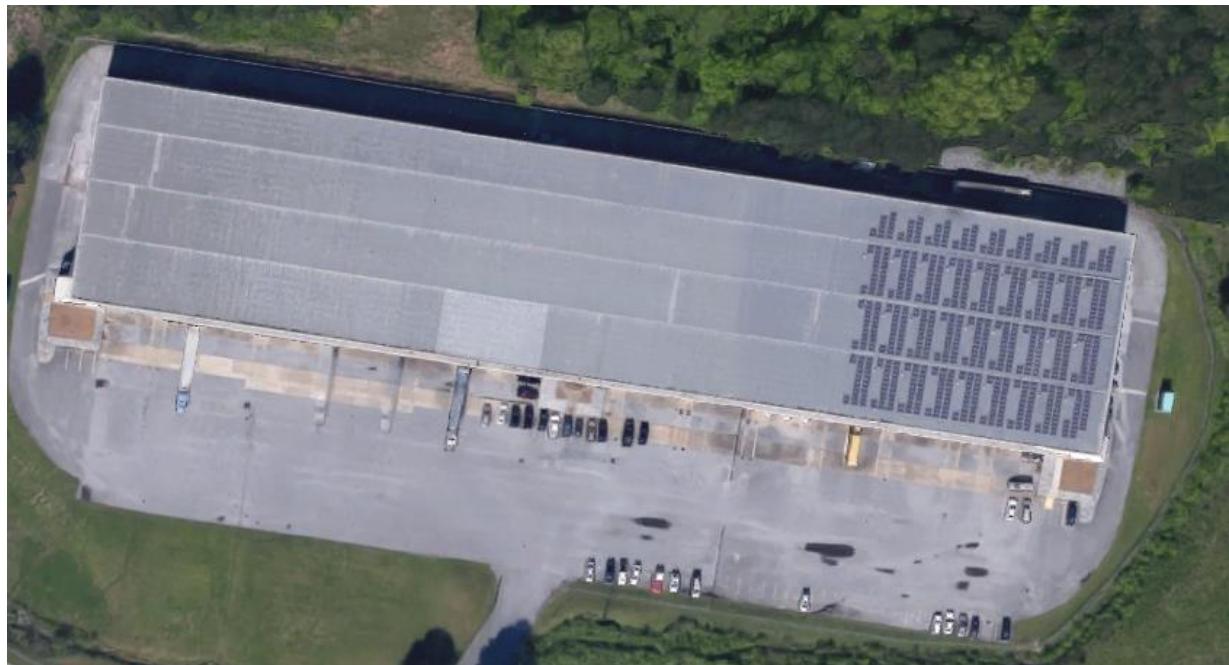


Photo: Aerial View - PUREgraphite Facility in Chattanooga, Tennessee, USA

The decision to relocate to this larger facility better suited for production and with greater room for expansion caused a two-month delay compared with the Company's

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original target date. However, the expansion into more suitable premises is expected to save time and cost as operations ramp up.



Photo: Perspective - PUREgraphite Facility in Chattanooga, Tennessee, USA

Good progress has been made in setting up the new facility, with 75% of the equipment now installed and the pilot plant and lab equipment relocated to the new facility and currently being recommissioned.

First commercial production remains on track, anticipated to commence by the end of the current month followed by a progressive ramping of capacity towards our initial 1,000 tpa target.

PEOPLE

PUREgraphite has recently recruited a highly experienced Chief Technical Officer (CTO) who will be dedicated to ongoing product and process development and will free-up time for the CEO to dedicate more time to customer engagement, product trials and sales.

The recently recruited CTO brings extensive international experience in graphite product and process research, development and manufacturing, including large-scale graphite processing and product quality assurance.

PUREgraphite's Chief Operating Officer (COO) has occupied that role since shortly after the business was formed in early 2017 and has managed the installation and operation of all equipment.



With all key leadership positions now filled, PUREgraphite is well positioned to establish and expand commercial operations, and to ramp the business according to customer demands.

CORPORATE

Further details on the Director loan advised on 25 June 2019 are provided below.

The Company provided a loan of \$1.5 million to Philip St Baker for the purpose of funding the exercise of 5 million options (exercise price of \$0.30 expiring 30 June 2019). The loan is limited in recourse over the shares issued on exercise of the options, and the Company has placed a holding lock over the shares issued to Mr St Baker to secure repayment. The loan is interest free and has a term of 5 years, with early repayment if Mr St Baker ceases to be a director or employee of the Company.

The independent directors determined that, as the loan was to an employee to fund the exercise of options that were significantly in the money, the loan was reasonable so that approval was not required under Chapter 2E of the Corporations Act.

ABOUT NOVONIX Limited

(ASX: **NVX**) is an integrated developer and supplier of high-performance materials, equipment and services for the global lithium-ion battery industry with operations in the USA and Canada and sales in 15 countries. NOVONIX's mission is to accelerate the adoption of batteries for a cleaner energy future.

Further Information

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