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Binding Graphite Offtake Agreement Signed with Traxys

- **Magnis signs Binding Offtake Agreement with Traxys for the supply of natural graphite concentrate from its Nachu Graphite Project in Tanzania**
- **Traxys is a leading international physical commodity trader and merchant in the metals and natural resources sectors**
- **Offtake Agreement allows for the delivery by Magnis of natural graphite concentrate for a 6-year period starting in late 2024**
- **Offtake Agreement allows for the delivery of 600,000 tonnes of natural graphite covering all flake sizes**
- **Pricing of graphite concentrate to be delivered by Magnis under the Offtake Agreement is based on market prices of graphite concentrate at the time of delivery**

Magnis Energy Technologies Limited (“**Magnis**”, or the “**Company**”) (ASX: MNS; OTCQX: MNSEF) is very pleased to announce the signing of a legally binding offtake agreement (“**Offtake Agreement**”) with Traxys Europe SA (“**Traxys**”). The Offtake Agreement provides for the future delivery and sale of high-quality, high purity natural flake graphite from Magnis’ wholly owned Nachu Graphite Project located in South-East Tanzania.

Traxys Managing Director Kevin Smith commented: “We have been keenly interested in the high purity graphite produced from Nachu for several years. There is a huge demand from lithium-ion battery producers for all battery materials including graphite and being able to produce a battery grade anode product via mechanical processes only is a very unique feature of Nachu Graphite. We are excited to be partnering with Magnis on this important project”.

Magnis Chairman Frank Poullas commented: “We are really excited to have signed the binding offtake with a group of the calibre of Traxys which is a supplier of materials to many industries including lithium-ion battery manufacturers. Today’s announcement follows months of providing flake graphite samples from Nachu and is a major step in securing funding for Magnis’ Nachu Graphite Project.”

Material Terms of the Offtake Agreement

Term	The Offtake Agreement provides for the delivery of Product (defined below) by Magnis to Traxys for a period of 6 years from the Commencement Date (also defined below)			
Commencement Date	Subject to the fulfilment (or waived by mutual agreement) of the Conditions Precedent, the Offtake Agreement makes provision for the delivery to commence in the second half of 2024			
Volume	<p>The Offtake Agreement provides that Traxys (or, if applicable, one of Traxys' customers) must take delivery of:</p> <ul style="list-style-type: none"> • 50,000 tonnes of Product (with varying specifications) within the first 12 months of the Commencement Date; and • 110,000 tonnes of Product (with varying specifications) in each of the following 5 delivery years. 			
Pricing	Market Price			
Conditions Precedent	<p>The Offtake Agreement provides that Traxys (or, if applicable, one of Traxys' customers) is not required to take delivery of any Product until each of the following conditions are satisfied (or waived by mutual agreement):</p> <ul style="list-style-type: none"> • Magnis delivering an updated Bankable Feasibility Study in relation to the Nachu Graphite Project; • Magnis securing, finalising and entering into project financing for the Nachu Graphite Project before the end of Q3 2022; • receipt of all approvals from and agreements with the Tanzania Ministry of Minerals before the end of Q3 2022; and • construction of plant to commence prior to the end of Q3 2022. 			
Product	Under the Offtake Agreement, Magnis is required to deliver natural graphite concentrate the specifications of which are set out below:			
	Mesh	Microns	Wt%	Production grade
	Up to 35	500	9%	> 98.5
	35 to 50	300 to 500	32%	> 98.5
	> 50	< 300	59%	> 99.0

Other	The Offtake Agreement covers the high purity graphite produced from Nachu in all flake sizes from Super Jumbo (> 500 microns), Jumbo (> 300 microns) and battery feedstock (< 300 microns).
Other	Magnis is not required to deliver any product to Traxys (and as such, will not suffer any financial loss if it is unable to or it does not deliver any Product to Traxys) until each of the Conditions Precedent are satisfied (or waived, by mutual agreement).
Other	In consideration for the entry into the Offtake Agreement, Magnis will pay Traxys an upfront marketing fee of 700,000 fully paid ordinary shares and will issue Traxys with 1.3m options, each exercisable into Magnis shares on or before the 24-month anniversary of the date of their issue for \$0.60 each, subject to shareholder approval at the next general meeting of Magnis.
Significance to Magnis	The Company is of the opinion that its entry into the Offtake Agreement will assist Magnis in its efforts to secure project funding for the development of its wholly owned Nachu Graphite Project.

About Traxys

Headquartered in Luxembourg, Traxys is a physical commodity trader and merchant in the metals and natural resources sectors. Its logistics, marketing, distribution, supply chain management and trading activities are conducted by over 450 employees, in over 20 offices worldwide, and its annual turnover is in excess of USD \$7 billion.

Traxys is engaged in the sourcing, trading, marketing and distribution of non-ferrous metals, ferro-alloys, minerals, industrial raw materials and energy. The Traxys Group serves a broad base of industrial customers and offers a full range of commercial and financial services.

Traxys, a privately held company, is owned by Traxys' management team, The Carlyle Group (NASDAQ:CG), and affiliates of Louis M. Bacon, the founder of Moore Capital Management, LP, and Moore Strategic Ventures, LLC, Mr. Bacon's privately held investment company.

To learn more about Traxys, go to: www.traxys.com

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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