

Angel He
Adviser
ASX Compliance

Dear Angel

Response to Query Letter – 3 February 2023

We refer to the request from the ASX and note the requirements under listing rule 3.1 – 3.1B and are mindful of our obligations in that regard.

You have specifically highlighted commentary in Magnis Energy Technologies Ltd’s (**Company** or **Magnis**) Quarterly Report for the quarter ended 31 December 2022 (given to ASX on 27 January 2023) which provided an update (**Project Update**) in relation to Imperium3 Townsville Pty Ltd’s¹ (**iM3TSV**) early-stage Lithium-ion Battery Project in Townsville, Queensland (the **Project**).

Please note that the Company has also provided commentary about the Project in each half yearly report and the full year report given to ASX since August 2020².

Referring specifically to the section “Request for information” and dealing with each item in order:

1. No, the Company does not consider the Project Update to be information that a reasonable person would expect to have a material impact on the price or value of the Company’s securities.
2. In the context of the Company’s broader portfolio of assets, which includes:
 - a. a majority interest in a world-class Lithium-ion Battery plant in Endicott, New York; and
 - b. a 100% interest in the strategically significant Nachu graphite project in south-east Tanzania, the Project, while remaining an important long-term strategic initiative for the Company, constitutes a non-core (and thus, immaterial) component of the Company’s overall business.

It follows that information in relation to the Project, such as the Project Update, is also

¹ iM3TSV is a majority (but not wholly) owned subsidiary of the Company.

² For instance, in the Company’s annual report for the year ended 30 June 2022 (given to ASX on 17 October 2022), the Company stated that “*Magnis continues to engage with all key stakeholders, including in relation to the commercial arrangements for land and infrastructure at the current proposed site, potential alternative sites, and the overall National Battery Strategy.*”

immaterial to the Company and therefore is not considered to be information that, if generally available, would likely have a material impact on the price or value of the Company's securities.

3. By letter from the Townsville City Council dated 2 November 2022, the Company was notified of the Council's formal decision to revoke the original land allocation (meaning that if the Company decided to proceed with the Project, which it hasn't at this time, it would need to find an alternative site³).

In addition to that the notice stated that:

"Despite this, I am writing to advise that as the LEIP is further developed, it is anticipated that there will be further opportunities to submit proposals to Council for allocations of alternative land within the LEIP.

Those opportunities will be formalised through a procurement process that is publicly advertised, and any further engagement between Council and Imperium in relation to the LEIP will need to be progressed through those processes".

To the best of Magnis's knowledge, there has been no publicly advertised procurement process or any detail about the further development of the LEIP, save as we have said that Council had changed the focus to make it a Hydrogen Hub.

4. Not applicable for the reasons set out above.
5. As stated in the preamble to this letter, Magnis is complying with the Listing Rules and in particular Listing Rule 3.1.
6. We also confirm that this response has been prepared and reviewed as required by the Continuous Disclosure Policy.

Yours sincerely

Duncan W Glasgow
Group General Counsel & Company Secretary
Magnis Energy Technologies Ltd.
E:info@magnis.com.au

³ As noted in the Quarterly Report, the Company is considering other potential options for the location of its Australian gigafactory. This includes land development options within the local area administered by the Townsville City Council and elsewhere in Australia, including in Victoria.



3 February 2023

Reference: 67534

Mr Duncan Glasgow
Group General Counsel & Company Secretary
Magnis Energy Technologies Ltd
Suite 11.01
1 Castlereagh Street
Sydney NSW 2000

By email:

Dear Mr Glasgow

Magnis Energy Technologies Limited ('MNS'): Aware Query

ASX refers to the following:

- A. MNS's announcement titled "Quarterly Activities Report and Appendix 5B" lodged on the ASX Market Announcements Platform on 27 January 2023 (the '**Announcement**'), which disclosed (relevantly):

"Townsville Update

During the quarter, Townsville Council revoked their original allocation of land in the Lansdown Development instead offering IM3TSV the opportunity to reapply for an alternate site after it changed its focus for the Lansdown Development, focusing more on Hydrogen. Magnis also moved to majority ownership of IM3TSV through the acquisition of an additional 33% of its parent for a nominal fee.

At this point int (sic) time, Magnis has decided not to pursue an alternate site at the Lansdown development, as there are no sites that meet our requirements. Magnis are instead considering other options for the location of its Australian gigafactory."

(the '**Information**').

- B. 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.

- C. The definition of "aware" in Chapter 19 of the Listing Rules, which states that:

"an entity becomes aware of information if, and as soon as, an officer of the entity (or, in the case of a trust, an officer of the responsible entity) has, or ought reasonably to have, come into possession of the information in the course of the performance of their duties as an officer of that entity" and section 4.4 in Guidance Note 8 Continuous Disclosure: Listing Rules 3.1 – 3.1B "When does an entity become aware of information."

- D. Listing Rule 3.1A, which sets out exceptions from the requirement to make immediate disclosure, provided that each of the following are satisfied.

"3.1A Listing rule 3.1 does not apply to particular information while each of the following is satisfied in relation to the information:

3.1A.1 One or more of the following applies:

- It would be a breach of a law to disclose the information;*

- *The information concerns an incomplete proposal or negotiation;*
- *The information comprises matters of supposition or is insufficiently definite to warrant disclosure;*
- *The information is generated for the internal management purposes of the entity; or*
- *The information is a trade secret; and*

3.1A.2 *The information is confidential and ASX has not formed the view that the information has ceased to be confidential; and*

3.1A.3 *A reasonable person would not expect the information to be disclosed.”*

E. ASX’s policy position on the concept of “confidentiality”, which is detailed in section 5.8 of Guidance Note 8 *Continuous Disclosure*: Listing Rules 3.1 – 3.1B. In particular, the Guidance Note states that:

“Whether information has the quality of being confidential is a question of fact, not one of the intention or desire of the listed entity. Accordingly, even though an entity may consider information to be confidential and its disclosure to be a breach of confidence, if it is in fact disclosed by those who know it, then it ceases to be confidential information for the purposes of this rule.”

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. Does MNS consider the Information to be information that a reasonable person would expect to have a material effect on the price or value of its securities?
2. If the answer to question 1 is “no”, please advise the basis for that view.
3. When did MNS first become aware of the Information?
4. If the answer to question 1 is “yes” and MNS first became aware of the Information before the relevant date, please explain why this information was not released to the market at an earlier time, commenting specifically on when you believe MNS was obliged to release the information under Listing Rules 3.1 and 3.1A and what steps MNS took to ensure that the information was released promptly and without delay.
5. Please confirm that MNS is complying with the Listing Rules and, in particular, Listing Rule 3.1.
6. 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 **9 AM AEDT Tuesday, 7 February 2023**. 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;
- 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.

Yours sincerely

Angel He
Adviser, Listings Compliance