

Magnis Energy Technologies Ltd

ABN: 26 115 111 763

Annual Financial Report

For the year ended 30 June 2024

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DIRECTORS' REPORT

The Directors present their report, together with the financial statements, on the consolidated entity (referred to hereafter as the 'consolidated entity') consisting of Magnis Energy Technologies Ltd (referred to hereafter as the 'Company' or 'Parent Entity') and the entities it controlled at the end of, or during, the year ended 30 June 2024.

DIRECTORS

The following persons were Directors of Magnis Energy Technologies Ltd during the whole of the financial year and up to the date of this report, unless otherwise stated:

MR. FRANK POULLAS - EXECUTIVE CHAIRMAN

Appointed Non-Executive - 10 September 2010. Appointed Executive Chairman - 29 August 2014.

Mr Poullas has spent over two decades working in the technology, investment banking and engineering industries. During this period, Mr Poullas has been involved with assisting several ASX-Listed entities with funding and strategic direction in the Lithium-ion Battery Materials and Energy sectors.

Current and former directorships of other listed companies in last 3 years

None

Special responsibilities

Mr Poullas is a member of the Continuous Disclosure Committee.

MR. HOSHI DARUWALLA - EXECUTIVE DIRECTOR

Appointed Non-Executive - 31 December 2021. Appointed Executive MD USA - 26 May 2023

Mr Daruwalla is based in the United States and has a career spanning over three decades where he has started, operated, and grew businesses across a variety of industries globally from start-ups to significant multinationals. He has held global senior management roles at corporations such as Daikin Industries, American Air Filter – McQuay, Hong Leong Group and Purafil. He has operated, seeded, and scaled up businesses in 93+ countries, with successful outcomes including receiving the prestigious U.S. Presidential E- and E-Star awards for Excellence in U.S. Exports awarded by the U.S. Secretary of Commerce. Mr Daruwalla held the role of Executive VP – Strategic Global Expansions; Chairman of the Board, President, and CEO of the North American entity EcoPro Battery. He is a Board Member and CEO Mentor at the State of Georgia District Export Council (U.S. Department of Commerce appointee), and holds a bachelor's degree in manufacturing engineering, Masters in Business Administration, and is an alumnus of the Wharton Business School.

Current and former directorships of other listed companies in last three years

None

Special responsibilities

None.

MR. DAVID WANG - EXECUTIVE DIRECTOR

Appointed - 17 July 2024.

Mr Wang has over three decades of experience mainly in the financial services sector and has been involved in several successful businesses both in Australia and overseas. In recent times Mr Wang has been focused on the Lithium-ion Battery sector both in manufacturing and the supply chain.

Current and former directorships of other listed companies in last three years:

None.

Special responsibilities

None.

DIRECTORS' REPORT

MR. HENIAN CHEN - INDEPENDENT NON-EXECUTIVE DIRECTOR

Appointed – 28 October 2024.

Mr Chen is an experienced executive with over 25 years of experience in the energy and real estate industries. Mr Chen has been serving as the deputy chairman of Afore New Energy Technology (Shanghai) Co. Ltd for over 15 years. His leadership has been pivotal in navigating that company through market challenges, adhering to global standards and driving continuous innovation, helping Afore position itself as a top global supplier of PV inverters. In addition to his role in the energy sector, Mr Chen has held the position of chairman at Changshu Yuhua Property Co. Ltd since 2003.

Current and former directorships of other listed companies in last three years:

Prospect Resources Ltd, (ASX: PSC), appointed 13 November 2017, resigned 23 November 2023.

Special responsibilities

Mr Chen is a member of the Continuous Disclosure Committee.

MS. MENG SUN - ALTERNATE DIRECTOR TO MR. CHEN

Appointed – 18 December 2024.

Ms Sun is an experienced professional with a strong background in financial reporting and stakeholder communication, has a proven track-record in supporting boards and senior executives and has a deep understanding of corporate governance, regulatory compliance, and strategic decision-making. Ms Sun holds a Master of Professional Accounting degree and is a member of CPA Australia.

Current and former directorships of other listed companies in last three years:

Prospect Resources Ltd, (ASX: PSC), appointed 22 December 2017, resigned 23 November 2023.

Special responsibilities

None.

MR. PETER TSEGAS - NON-EXECUTIVE DIRECTOR

Appointed - 16 June 2015.

Mr Tsegas has over 20 years of experience in Tanzania engaging with both the private and government sectors on several projects. He was formerly the Managing Director of Tancoal Energy Ltd which he successfully led from an exploration company to a JV with the Tanzanian government, and then into production.

Current and former directorships of other listed companies in last three years:

Gladiator Resources Limited, (ASX: GLA), appointed 7 August 2023.

Special responsibilities

None.

COMPANY SECRETARY

MR. JONATHAN REYNOLDS

Appointed – 23 October 2023

Mr. Reynolds is a chartered accountant with more than 30 years of experience across many sectors. He has held the position of Company Secretary, Finance Director and Chief Financial Officer with several ASX and overseas listed entities. Prior to that Mr. Reynolds was a senior manager with the global accounting firm BDO both locally and overseas. He is a member of Chartered Accountants Australia and New Zealand.

DIRECTORS' REPORT

FORMER DIRECTORS AND COMPANY SECRETARY DURING 2024 REPORTING PERIOD

Ms. Mona E. Dajani,	Non-Executive Director, 29 March 2021 to 31 December 2023
Ms. Claire Bibby,	Non-Executive Director, 28 January 2022 to 11 March 2024
Mr. Fabrizio Perilli,	Non-Executive Director, 31 July 2023 to 17 July 2024
Mr. Giles Gunesekera,	Non-Executive Director, 28 January 2022 to 5 November 2024
Mr. Duncan Glasgow,	Group General Counsel and Company Secretary, 10 February 2022 to 6 August 2024.

DIRECTORS' INTERESTS

As at the date of this report, the interests (directly or indirectly held) of the Directors in the shares and options of the Company were:

Director	Ordinary Fully Paid (OFP) Shares	Unlisted Options over OFP Shares	Performance Rights
Mr. F. Poullas	20,494,334	-	2,000,000
Mr. H. Daruwalla	-	2,000,000	-
Mr. P. Tsegas	1,270,000	-	2,000,000
Mr. D. Wang (Appointed 17 July 2024)	2,000,000	-	-
Mr. H. Chen (Appointed 28 October 2024)	-	-	-
Ms. M. Sun (Appointed 18 December 2024)	-	-	-

DIRECTORS MEETINGS

The number of Directors meetings held (including meetings of committees of Directors) and the number of meetings attended by each of the Directors of the Company during the financial year are illustrated in the table below:

	Directors Meeting		Audit & Risk Committee	
	A	B	A	B
F. Poullas	19	19	-	-
C. Bibby ¹	14	12	3	3
H. Daruwalla	19	19	1	1
M.E. Dajani ²	8	-	-	-
F. Perilli ³	18	17	3	3
G. Gunesekera ⁴	19	19	4	4
P. Tsegas	19	11	-	-

The roles of the Remuneration and Nomination Committee are performed by the full Board.

Notes:

- A. Number of meetings held for Directors during the year whilst the director held office.
B. Number of meetings attended.
1: Appointed: 28 January 2022; Ceased: 11 March 2024
2: Appointed: 29 March 2021; Ceased: 31 December 2023
3: Appointed: 31 July 2023; Ceased: 17 July 2024
4: Appointed: 28 January 2022; Ceased: 5 November 2024

PRINCIPAL ACTIVITIES

The consolidated entity is a vertically integrated lithium-ion battery technology and materials company in the lithium-ion battery supply chain. The Company's vision is to enable, support and accelerate the mass adoption of Electric Mobility and Renewable Energy Storage critical for the green energy transition.

The continuing principal activity of the consolidated entity during the financial year was the investment in the majority equity owned Imperium3 New York lithium-ion battery manufacturing facility; the evaluation of the wholly owned Nachu Graphite Project in Tanzania; and the development of the wholly owned Anode Active Material Project.

DIVIDENDS

There were no dividends paid, recommended or declared during the current or previous financial year.

OPERATING AND FINANCIAL REVIEW

OPERATING RESULTS FOR THE YEAR

The Group incurred a consolidated operating profit after tax of \$9,024,104 (2023: loss \$72,717,606) of which:

- a gain arising on deconsolidation of the iM3NY LLC Group was recognised of \$51,813,572 (2023: \$NIL)
- exploration and evaluation expenditures were \$1,202,897 (2023: \$2,251,575),
- administration expenses were \$6,167,631 (2023: \$13,580,054) and
- interest expenses were \$10,363,674 (2023: \$15,515,195).

Refer to Note 1 of the financial statements for accounting policies used. An operational overview is set out below.

C4V (USA)

Charge CCCV LLC ("C4V") is a lithium-ion battery IP developer based in upstate New York USA. During calendar year 2018, the Company invested \$10 million in equity in C4V to provide funding for that company to develop its IP and to follow its equity investment in Imperium3. In doing so the Company earned a 10% equity interest, which has subsequently been diluted to a 9.65% equity interest. This investment is recognised at fair value through other comprehensive income (FVOCI) in accordance with the accounting standards. Subsequent to acquisition, the fair value of this investment was increased to \$15 million. During the current financial year, principally for the reasons set out under the Imperium3 section below, the directors have determined that the fair value of the investment should be set at \$nil and accordingly a fair value loss of \$15 million has been recognised in other comprehensive income this year. The fair value of this investment will be reviewed in the future based on circumstances as they arise.

Imperium3 (USA)

The Company is the major shareholder, holding a 74% economic interest in the Imperium3 New York Inc (Imperium3) lithium-ion battery manufacturing facility. Imperium3 was established to commercialise the C4V patented BMLMP battery chemical technology, to produce green credentialled lithium-ion battery cells for use in energy storage and electric vehicle applications. In total the Company has invested \$84.5 million in equity in Imperium3, including \$4.3 million invested in the 2024 financial year. The Company's economic interest in Imperium3 is held indirectly through an equity interest in intermediate holding company, IM3NY LLC (LLC), which owns 95.5% of the equity in Imperium3. C4V is the minority shareholder in LLC and by virtue of that in Imperium3.

In April 2022, Imperium3 procured a US\$100 million loan to provide the funding required to commercialise the battery factory. The loan is secured by the factory's assets and an IP guarantee provided by C4V. The Company has not guaranteed the loan.

During the first half of the 2024 financial year, the secured lenders to Imperium3, The Baupost Group LLC, issued two default notices and following the second default notice exercised their right to appoint representatives to the board of Imperium3 replacing the Magnis appointed directors. Furthermore, during the first half of the 2024 financial year, legal action was commenced by C4V against the Company in the state of Delaware, the place of incorporation of LLC. In order to enable the Company to focus its efforts on the refinancing of the Imperium3 secured debt and to avoid spending time and costs in litigation, the three Magnis nominees on the board of LLC resigned and a status quo order was approved by the court which had the effect of limiting the powers of the remaining board members of LLC. Subsequently a stipulation was entered into by the parties whereunder the court proceedings were dismissed without prejudice.

Upon ceasing to control the boards of LLC and Imperium3, effective 30 November 2023, Magnis will no longer report consolidated figures in respect of those entities. The effect of the deconsolidation is that the Group reported a gain on deconsolidation in the 2024 financial year of \$51.8 million. The directors have determined that, as at 30 June 2024, the fair value of the investment should be set at \$NIL.

Following the deconsolidation, the battery factory continued to operate under the control of the directors appointed by the secured lender and with the secured lender's financial support. Whilst the future of Imperium3 remains unclear the fair value of the Company's investment in Imperium3 is carried on the Group's balance sheet at nil value. The fair value of this investment will be reviewed in the future based on circumstances as they arise.

Although the batteries manufactured by Imperium3 achieved requisite certification at the end of the 2023 financial year, commercial production has not progressed due to several technical and production issues. Over the 2024 financial year no revenue was generated by the plant. The consolidated entity recognised an operating loss before income tax in the period 1 July to 30 November 2023 of \$24.6 million; and a profit before tax of \$51.8 million arising from the deconsolidation of the LLC Group.

Subsequent to the financial year end, the Company was invited to bid to acquire the secured debt as part of a marketing program managed by Baupost. The Company secured firm commitments from investors and submitted a bid to acquire the secured debt. The Company was subsequently advised that the debt had been assigned effective 24 October 2024 by Baupost to HSBC Bank plc. Following this, the independent directors appointed by Baupost were replaced on the

DIRECTORS' REPORT

board of Imperium3 by directors appointed by HSBC. In January 2025, the directors of each LLC and Imperium3 filed for creditor protection under Chapter 11 of the US Bankruptcy Code.

The Company continued to execute on its plan to re-acquire control of Imperium3 through the acquisition of the secured debt or through other financing mechanisms, through engagement with representatives of Imperium3, HSBC and other interested parties. In addition, the Company continued to work with counter-parties aimed at effecting arrangements to enable the Company to obtain information about material developments at Imperium3 in a timely manner, to enable the Company to meet its obligations under ASX Listing Rule 3.1.

On 31 March 2025, the Delaware Bankruptcy Court approved the sale of the assets of IM3NY to Musashi Auto Parts Michigan Inc. for consideration of US\$10 million, with the sale to close on 4 April 2025. At present the Company is not aware of the disposition of the proceeds. It appears unlikely that the Company will obtain a return on its investment through the bankruptcy process. The Company retains its economic interest in Imperium3 and reserves its rights.

Nachu Graphite Project (Tanzania)

The Nachu Graphite project is located near Ruangwa, in the south-east of Tanzania. The project is approximately 220 km away from the Tanzanian port of Mtwara and demonstrates significant potential due to its large ore body with very low variation in lithology and mineralisation and a low-cost operational model. The project is founded upon a plan to deliver high quality graphite concentrate through simple, environmentally friendly processes. The Company has two subsidiaries in Tanzania:

- Uranex Tanzania Ltd (UTL)
- Magnis Technologies (Tanzania) Ltd (MTT)

UTL is the company under which the discovery of the extensive graphite mineralization on the tenement (PL9076/2013) was made and which holds the Special Mining License (SML550/2015). UTL will operate the mining operations, tailings dam and water supply facilities. UTL will carry out the initial processing as well. UTL falls under the jurisdiction of the Ministry of Minerals.

MTT will conduct further product processing and achieve the higher levels of purity required by the markets. MTT is the company that holds the Special Economic Zone (SEZ) license for production of advanced graphite products through the production process developed by Magnis. The original application for the SEZ was made in November 2016 which resulted in the granting of the SEZ license. Following discussions with the Export Processing Zone Authority (EPZA), a revised application with an amendment proposal was made in April 2018 and renewed in May 2021. MTT falls under the jurisdiction of the Ministry of Industry and Trade and the relevant authority is the EPZA.

Mineral Resource and Reserve Estimate

The Nachu Graphite Project Mineral Resource Estimate as of 1 February 2016 comprised 174 Million Tonnes at 5.4% graphitic carbon (Cg) at a 3% Cg cut-off grade, classified as either Measured, Indicated or Inferred resources and reported in accordance with the 2012 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (JORC Code, 2012). The Mineral Resource and Reserve Estimate is summarised below:

Nachu Mineral Resource Estimate

Classification	Tonnes (mt)	Grade (% TGC)	Graphite (mt)
Measured	63	4.7	3.0
Indicated	61	5.7	3.5
Inferred	50	5.8	2.9
Total mineral resources	174	5.4	9.3

Nachu Ore Reserve Estimate

Classification	Tonnes (mt)	Grade (% TGC)	Graphite (mt)
Proved	50.5	4.6	2.3
Probable	25.7	5.1	1.3
Total ore reserves	76.3	4.8	3.7

Over 82% of the graphite concentrate planned to be produced at the project is above 150 microns which makes the product very coarse. The graphite concentrate below 300 microns is expected to be produced at 99%TGC which is high versus the current industry standard of 94 - 96%TGC.

During the current financial year, further progress was made in finalising the Framework Agreement which under the current provisions of the Mining Act of Tanzania will transfer a minority equity stake of 16% in the proposed mine and graphite concentrate plant to the Government of Tanzania. Part of the concentrate processing plant (to be operated by MTT), which will carry out the final stages of production sits outside the SML area (the subject of the Framework Agreement) in the SEZ area and will remain wholly owned by the Company, subject to financing terms in due course.

During the first half of FY24, the Eco-Village which was built to house the Project Affected Persons (PAPs) that were to be relocated from the mine site was completed and most of the PAPs have been relocated to that village.

DIRECTORS' REPORT

The principal effort over the current financial year has been directed to progressing bankable off-take agreements and fundraising initiatives aimed at providing the capital to commence mine construction. In particular, Singapore-based PEY Capital combined with Tantel of Tanzania was exclusively appointed to source US\$320 Million in funding for the project. While the Company continues to work with PEY Capital it elected to terminate the formal appointment, which termination became effective in July 2024. Other activities were conducted during the year to progress the project toward final investment decision, including the completion of minor infrastructure works.

Subsequent to the end of the financial year, Magnis Executive Director Mr. David Wang visited the Nachu project site with interested counter-parties who wish to work with the Company to develop the Nachu Graphite Project into an operating mine. Discussions and activities are continuing in a positive manner, with the intention being the entry into definitive agreements in due course. Discussions for off-take are also progressing with Chinese based end-users of Jumbo and Super Jumbo graphite products.

This is on the back of the BFS which was updated in 2022. A summary of the update is as follows:

- The update optimises process plant design to produce a higher-grade product and protect flake size during processing.
- The project's unique combination of *high-purity-concentrate* and *large-to-jumbo* flake sizes positions it as a leading future supplier.
- Post-Tax Life of Mine (LOM) project NPV10 of US\$1.2bn (A\$1.8bn) and Project IRR of 51% with a payback period of 19 months.
- Nachu is the only graphite project to be awarded a Special Economic Zone licence in Tanzania to produce advanced graphite products, including very high purity Jumbo and Super Jumbo Flakes as well as downstream products for Lithium-ion batteries.
- The Nachu project is a coarse flake graphite operation, designed to treat 5 Mt/y run of mine (ROM) ore with an average steady state production feed grade of 5.2% total graphitic carbon (TGC).
- The graphite ore will be hauled from an open pit mine to the concentrator to produce a steady state average of 236,000 t/y of graphite flake concentrate at 98.5% (concentrate over 300 microns) and 99% (concentrate under 300-micron size) TGC grades.

Key financial highlights of the Nachu Graphite Project BFS update

Project metrics	Units	Value
Project NPV10 LOM (Post Tax)	US\$	\$1.2bn
Project IRR LOM (Post Tax)	%	51%
Payback Period ¹	Months	19
Operating Expenditure ²	US\$/t	\$639
Initial Project Capital Cost ³	US\$	\$324 million
Special Economic Zone Period ⁴	Years	10
Concentrate Total Graphitic Carbon (TGC) ⁵	%	98.5% - 99%
Concentrate Basket FOB Mtwara	US\$/t	\$1,847
Process Plant Capacity	t/year	5,000,000
Steady State Graphite Production ⁶	t/year	~236,000
Recovery Rate	%	89.6%
Ore Reserve	t	76 million
Mineral Resources	t	174 million
Mine Life	Years	15.5

Notes to the Key financial highlights of the Nachu Graphite Project BFS update:

1. The payback period is at the project (unlevered) level and thus does not consider financing costs.
2. Average Annual Operating Costs during steady state production from Year 2 to Year 12. Operating costs include all mining, processing, product logistics FOB and miscellaneous and general admin. Excludes sustaining capital and industrial mineral royalties of 3%.
3. Additionally, there are contingency costs of US\$39.6 million and pre-production mining costs of US\$33.7 million.
4. Exemption from corporate tax and royalties for 10 years. This was renewed in May 2021. International arbitration is available for dispute resolution when revenues from product sales may be paid into foreign accounts. Applies to MTT only. MTT will upgrade the graphite concentrate produced by the mine.
5. Jumbo and Super Jumbo Flakes at 98.5% and 99% for large flakes and below. Average TGC 98.8%.
6. Steady state production from Year 2 to Year 12.

Over the financial year the consolidated entity recognised segment expenses of \$4.6 million in relation to the Nachu Graphite project in Tanzania.

Anode Active Material Project (USA)

Following the announcement, in February 2023, of the offtake agreement with the leading international EV manufacturer the Company has continued to progress plans to, in due course, establish an Anode Active Material (AAM) manufacturing plant utilising high quality and high purity natural graphite feedstock from its Nachu Graphite project in Tanzania.

As at 30 June 2024, the directors resolved to impair the carrying value of prepayments for anode active material plant & equipment under development in an amount of \$3,588,112 (2023 : \$nil).

SHARE CAPITAL

During the year ended 30 June 2024, the Company undertook the following capital raising initiatives:

In July 2023, the Company issued 64,166,668 ordinary shares at \$0.12 per share, raising \$7.7 million. The placement was made to local and overseas institutional fund managers along with professional and sophisticated investors.

The Company entered a standby equity facility agreement with Evolution Capital Pty Ltd under which the Company issued 20 million ordinary shares to Evolution Capital in September 2023. In accordance with the terms of the agreement, which has now expired, the Company was to receive payment for the issued shares once they had been sold on-market with a purchase price per share being the greater of:

- 94% of the of the volume weighted average price of Magnis shares during the relevant valuation period as notified by Evolution Capital to the Company; and
- a floor price of \$0.08.

BORROWINGS

Over the year ended 30 June 2024, the Company entered into several borrowing arrangements, including the following principal ones.

In June 2023, the Company procured a 1-month term loan from Evolution Capital Pty Ltd of \$4.6 million, which funds were in turn advanced to IM3NY LLC. The principal and borrowing costs were repaid in full via the July 2023 share capital raising referred to above.

In November 2023, the Company procured a \$4.6 million secured loan from several sophisticated and professional investors. In July 2024, the principal and accrued borrowing costs were assigned by the investors to McEvoy Street (Alexandria) Pty Ltd (Incoming Lender) and the Company and the Incoming Lender entered a side deed with the following material terms in relation to the debt:

- the principal amount owing to the Incoming Lender was agreed at \$5.5 million
- interest will accrue at 4.5% per month payable on maturity, and
- maturity date of 16 October 2024, subsequently extended to 15 May 2026.

In addition, the Company borrowed funds, with no fixed date for repayment, on an interest-free, unsecured basis from several shareholders.

ASX SUSPENSION

The Company's shares have been suspended from quotation on the ASX since 8 December 2023 as ASX has determined that it is not satisfied that the Company is currently able to comply with its obligations under Listing Rules 3.1, 12.1 and 12.5. As the Company's securities have been suspended from quotation for a period of more than three months, Magnis is now considered by the ASX to be a long-term suspended entity.

ASX has determined that "Magnis must demonstrate to ASX that it is willing and able to comply with these rules, and the Listing Rules generally, before ASX can reinstate Magnis's securities to quotation. This will include demonstrating that Magnis has established sufficient continuous disclosure arrangements to ensure that Magnis can make continuous disclosure announcements to the market about the business currently operated by Imperium3 that will satisfy Magnis's obligations under Listing Rule 3.1. If Magnis disposes of some or all of its interest in Imperium3 and complies with all applicable Listing Rules in doing so, ASX will, at that time, undertake further assessment of Magnis's progress on its Nachu graphite project. The purpose of this assessment will be for Magnis to demonstrate that its operations are sufficient to satisfy Magnis's obligations under Listing Rule 12.1 and therefore warrant reinstatement of Magnis's securities to quotation."

As noted above, the Company has been endeavouring to re-acquire control of its Imperium3 investment through acquiring Imperium3's existing secured debt or other financing mechanism in order to overcome the concerns of the ASX, as set out above. Given it presently appears unlikely that the Company will obtain a return on its investment through the IM3NY bankruptcy process, the Company is re-evaluating its options and will likely seek authority from shareholders in general meeting for the Company to refocus on the Nachu Graphite Project as the Company's primary asset.

Shareholders are cautioned that reinstatement of a long term suspended entity's securities to quotation is not granted automatically on application. ASX must be satisfied that the reasons for the ongoing suspension have been addressed, and that the entity complies with the Listing Rules at the point of reinstatement. ASX may require an entity to satisfy conditions before their securities can be reinstated to quotation, including but not limited to conditions relating to level of activities, financial condition and working capital, and the disclosure of financial or other information relevant to the entity's compliance with the Listing Rules.

ASIC CLAIM

During the current financial year, the Company received an Originating Process and Concise Statement of Claim from the Australian Securities and Investments Commission (ASIC) alleging certain breaches of, inter alia, the continuous disclosure requirements of the Corporations Act. Subsequently ASIC has filed Amended Originating Process and Statements of Claim in relation to this matter. In October 2024, the Company filed its defence in which the Company denies that it either failed to comply with its continuous disclosure obligations or engaged in misleading or deceptive conduct. The parties are presently undertaking pre-trial activities in compliance with Court Orders.

GOING CONCERN

The Group is involved in the exploration, evaluation, development and exploitation of the wholly owned Nachu Graphite Project in Tanzania and down-stream materials in the lithium-ion battery supply chain.

For the year ended 30 June 2024, the Group reported a net profit of \$9,024,104 (2023: loss \$72,717,606) and net operating cash outflows of \$20,180,914 (2023: \$58,684,323). The operating cash outflows have been funded by cash in hand at the beginning of the financial year and cash inflows from net equity raisings and borrowings of \$7,896,770 (2023: \$30,233,195) during the year. As at 30 June 2024 the Group had net current liabilities of \$14,553,150 (2023: assets \$30,361,778) including cash reserves of \$89,669 (2023: \$22,137,605). The breakup of cash reserves is provided in Note 7. As at 30 June 2024 the Group had current trade and other payables of \$9,251,623 of which \$2,676,477 has been settled subsequent to the year end, leaving \$6,575,146 still payable. The Group has received a written commitment of financial support from a number of creditors amounting to a total of \$3,305,353.

The balance of these cash reserves will not be sufficient to meet the Group's planned expenditure, evaluation, and development budget, including operating and administration expenditure for the 12 months to 21 May 2026. To fully implement its evaluation and development strategy, the Group will require additional funds.

The consolidated entity has prepared a cash flow forecast which extends 12 months from the date of signing these financial statements and which indicates that the consolidated entity will have sufficient funds to meet its expenditure commitments for this period based on that forecast, which includes the following principal assumptions:

- No repayment of principal or interest on the McEvoy Street (Alexandria) Pty Ltd (McEvoy) secured debt which has a present principal outstanding amount of \$8.032 million and a maturity of 15 May 2026.
- Financial support from McEvoy in relation to the Group's ongoing operating costs and working capital requirements in an amount of up to \$5 million over the next 12 months.
- The equity financing agreement with Global Corporate Finance (GCF), whereby GCF has provided a total commitment amount of \$10 million, with an option to increase it by further \$5,000,000 to a total of \$15 million subject to mutual agreement, to be applied towards general working capital purposes with a 30-month term, becoming contractually effective through receiving shareholder approval and the ASX having given approval for the Company's shares to be re-quoted for trading on the ASX and such re-quotations becoming effective.
- That the GCF equity financing agreement will become operationally effective through the Company's shares trading on the ASX at a premium to the contractual minimum price of \$0.04 per share.
- Reduced expenditure profile for the period, including for operating and investing activities.
- Counter-parties continuing to work with the consolidated entity to enable it to continue to match cash outflows from operating and investing activities with cash inflows from financing activities.
- No cash outflows associated with any contingent liabilities.

Having carefully assessed the uncertainties relating to the likelihood of realising the assumptions set out in the cash flow forecast and the Group's ability to effectively manage its expenditures and cash flows from operations, the Directors believe the Group will continue to operate as a going concern for the foreseeable future. Therefore, the Directors consider it appropriate to prepare the financial statements on a going concern basis.

If the assumptions underpinning the basis of preparation do not occur as anticipated, there is material uncertainty that may cast significant doubt over whether the Group will continue to operate as a going concern. If the Group is unable to continue as a going concern it may be required to realise its assets and extinguish its liabilities other than in the normal course of business and at amounts different to those stated in the financial statements. No adjustments have been made to the financial report relating to the recoverability and classification of the asset carrying amounts or the classification of liabilities that might be necessary should the Group not continue as a going concern.

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

Significant changes in the state of the consolidated affairs during the current year are reflected under the operating and financial review above.

MATTERS SUBSEQUENT TO THE END OF THE FINANCIAL YEAR

In November 2023, the Company procured a \$4.6 million secured loan from several sophisticated and professional investors. During the September 2024 quarter, the debt was assigned to McEvoy Street (Alexandria) Pty Ltd (Secured Lender) and the Company, and the Secured Lender entered a side deed with the following material terms in relation to the debt:

- the principal amount owing to the Incoming Lender was agreed at \$5.5 million
- interest will accrue at 4.5% per month payable on maturity, and
- maturity date of 16 October 2024, subsequently extended to 15 May 2026.

In December 2024, the Secured Lender agreed to increase the Principal Amount owing from \$5.5 million to \$6.752 million. In January 2025, the Secured Lender agreed to increase the Principal Amount from \$6.752 million to \$7.262 million. In May 2025, the Secured Lender agreed to increase the Principal Amount owing under the Secured Debt from \$7.262 million to \$8.032 million. McEvoy has advised it intends to continue to provide financial support to Magnis in relation to its ongoing operating costs and working capital requirements in an amount of up to \$5 million over the next 12 months. All other terms and conditions under the existing secured debt agreement remain. In addition, the Company borrowed funds totaling \$0.7 million, with no fixed date for repayment, on an interest-free, unsecured basis from several shareholders, which was fully repaid by 31 December 2024.

In May 2025, the Tanzanian Minister of Minerals, Hon Anthony Mavunde, announced that on 14 April 2025 the government issued Notices of Breach to 95 large- and medium-scale mining companies for alleged violations of licence conditions. The Notices of Breach were issued with a deadline for responses of 13 May 2025. "If they have any justifications, they should submit them. We will verify and, if satisfied, we'll lift the restrictions. If not, we will revoke their licences in accordance with the Mining Act, Chapter 123, particularly Section 63, which governs the issuance and revocation of mining licences. The law clearly states that once granted a licence, work must begin within 18 months," said Mr Mavunde. The Company advises that subsequent to 14 April 2025 and up to today's date it has not been a recipient of a Notice of Breach. The Company continues to monitor the situation and will respond to any formal correspondence received from the authorities.

In March 2025, the Company entered into an equity financing agreement with Global Corporate Finance (GCF), a US based financial institution. GCF has provided a total commitment amount of \$10 million, with an option to increase to \$15 million subject to mutual agreement, to be applied towards general working capital purposes with a 30-month term.

Under the agreement, the Company has the right to issue a subscription notice to GCF to subscribe for shares in the Company, which shall commence a 15-trading day-weighted average price evaluation period, following which CGF shall deposit the share subscription amount with the Company, subject to satisfaction of certain matters.

The subscription amount shall be the number of shares tendered in the subscription notice multiplied by the exercise price, which shall be the higher of \$0.04 per share; or 90% of the average daily volume weighted average price during the evaluation period. The agreement is conditional upon:

- (i) shareholders approving:
 - (a) entry into the agreement and
 - (b) the allotment of shares and grant of options in accordance with the agreement; and
- (ii) the ASX having given approval for the Company's shares to be re-quoted for trading on the ASX and such re-quotation becoming effective.

Upon the agreement becoming effective, GCF will be entitled to the grant of 20 million options exercisable at \$0.06 each with a life of four years plus a commitment fee of \$150,000 payable as to \$100,000 within 60 days of the shares being re-quoted on ASX and the balance within 12 months of the first subscription proceeds being received, and at the Company's option payable in cash by deducting 10% from any subscription proceeds or in shares at a conversion price calculated as 95% of the average closing bid price of shares during the 15 trading days preceding the due date for payment.

LIKELY DEVELOPMENTS AND EXPECTED RESULTS OF OPERATIONS

The consolidated entity intends to progress the development of the Nachu Graphite Project as reflected under the operating and financial review above.

RISKS RELATING TO FUTURE PROSPECTS

The Group operates in the graphite and lithium-ion battery sector. There are many factors, both specific to the Group and to the graphite and lithium-ion battery industry in general, that may individually or in combination affect the future operating and financial performance of the Group, its prospects and/or the value of the Company. Many of the circumstances giving rise to these risks are beyond the control of the Company's Directors and its management. The major risks believed to be associated with investment in the Company are as follows.

Additional requirements for capital

The Company expects to require further financing in order to progress development of its business. For the foreseeable future, it is expected that this funding will be obtained from traditional financing sources. Any equity financing undertaken will dilute existing Shareholders. There is a risk that the development schedule for the Company's existing projects, new products or services, or the adoption of new products or services may take longer than expected, delaying the development of new potential revenue streams.

Debt financing agreements or other financing re-arrangements that may be entered into by the Company may contain covenants, undertakings and other such provisions which, if breached, may entitle lenders to accelerate repayment of loans and there is no assurance that the Company would be able to repay those loans in the event of an acceleration. Enforcement of any security granted by the Company could also result in the loss of assets, the impact of which may have a materially adverse impact on the Company.

There is no guarantee that the Company will be able to secure any additional funding or will be able to secure funding on terms that are favourable or acceptable to the Company. If the Company is unable to obtain additional financing as needed or is unable to obtain it on acceptable terms (whether or not due to the Company's circumstances or economic and share market conditions or both), it may be necessary to reduce the scope of the Company's operations and scale back its activities. This could have a material adverse effect on the Company's activities.

Commodity price volatility and exchange rate risks

Commodity prices, such as those relating to the production of natural graphite products including anode active material and lithium-ion batteries or its various components and materials, fluctuate and are affected by many factors beyond the control of the Company. Such factors include supply and demand fluctuations for precious and base and industrial metals; technological advancements; forward selling activities, and other macro-economic factors such as inflation expectations, interest rates and general global economic conditions.

Further, international prices for various commodities are denominated in United States dollars whereas the income and expenditure of the Company may be undertaken in a number of other currencies. This exposes the Company to the fluctuations and volatility of the rate of exchange between the United States dollar and currencies relevant to the Company's operations.

If the price of commodities fluctuates this could have an adverse effect on the Company's exploration and evaluation activities, development and possible processing, production and battery component manufacturing activities, as well as its ability to fund these activities, which may no longer be profitable.

Supply risks

In February 2023, the Company announced that it had entered into a binding agreement with a Tier1 EV manufacturer for the supply of Coated Spherical Purified Graphite (CSPG). The supply of CSPG to the manufacturer is subject to meeting its quality assurance and other contracted time critical requirements.

There are risks that the Company does not or cannot meet the manufacturer's requirements, that it does not purchase the CSPG product from the Company (due to market demand or pricing) or that the price offered by the manufacturer is not profitable for the Company.

Financial risk

The Company's ability to continue as a going concern is dependent on meeting its cashflow forecasts, raising additional capital as and when required to meet its working capital requirements, finance the construction and development of the Nachu project graphite mine and the AAM facility, and growing the business profitably in the future. The Company and its subsidiaries may be unable to meet its cashflow requirements, raise additional capital as and when required or ever become profitable.

Licence risk

The operations and proposed activities of the Group are subject to Tanzanian prospecting and special mining licence conditions. The licences include conditions and obligations pertaining to, inter alia, expenditures, local content and timing for commencing mining operations. The Group reports to the Tanzanian Mining Commission on activities and believes on a reasonable basis that its licences are presently all in good standing. There can however be no assurance that new operating licencing conditions or stricter enforcement policies, if implemented, will not oblige the Company to incur significant expenses and/or undertake significant investments in compliance, or, feasibly, result in the cancellation of all or some of the Company's licences.

Delivery and operational risks

The Company aims to develop a graphite mine in Tanzania and an Anode Active Materials (AAM) facility in the United States. There is a risk that the cost and time estimates for these planned developments may not be met, or that there may be delays and unforeseen costs in delivering the mine and/or risks associated with the processing capacity of the facility. In addition, there is a risk that the mine and/or plant may fail to perform to expectations, resulting in lower rates of production and/or product failing to meet customer specifications. Any prolonged disruptions in the operation of the proposed mine and/or the AAM facility once operational could also affect the Company's financial condition.

Environmental risk

The operations and proposed activities of the Company are subject to Australian and foreign (especially US and Tanzanian) State, Territory and Commonwealth laws and regulations concerning the environment. As with most mining, materials processing and anode manufacturing industries, the Company's activities are expected to have an impact on the environment, particularly if development proceeds. Future legislation and regulations, including future amendments governing exploration, development and possible production as well as materials recycling may impose significant environmental obligations on the Company.

Although the Company believes that it is in compliance in all material respects with all applicable environmental laws and regulations, there can be no assurance that new environmental laws, regulations or stricter enforcement policies once implemented will not oblige the Company to incur significant expenses and undertake significant investments in compliance.

Global pandemic

Any future pandemic may have a material adverse impact on the operations and financial performance of the Company. Local, national and international events of this nature are not within the control of the Company including impacts of government and regulatory restrictions that have or may be implemented including as to travel, employment, operational matters, imports or good/services.

Mineral resource and ore reserve estimates

Mineral resource and ore reserve estimates are a subjective process based on drilling results, past experience with mining properties and modifying factors, knowledge, industry practice and many other factors. Estimates which are valid when made may change substantially when new information becomes available. Ore reserve estimation is an interpretive process based on a limited amount of geological data pursuant to JORC standards and similar applicable regimes and interpretations and thus estimations may prove to be inaccurate.

Climate change risks

Climate change is a risk the Company has considered, particularly related to its operations in both the mining and materials processing industries. The climate change risks particularly attributable to the Company include:

- the emergence of new or expanded regulations associated with the transitioning to a lower-carbon economy and market changes related to climate change mitigation. The Company may be impacted by changes to local or international compliance regulations related to climate change mitigation efforts, or by specific taxation or penalties for carbon emissions or environmental damage. These examples sit amongst an array of possible restraints on industry that may further impact the Company and its results of operations. While the Company will endeavour to manage these risks and limit any consequential impacts, there can be no assurance that the Company will not be impacted by these occurrences; and
- climate change may cause certain physical and environmental risks that cannot be predicted by the Company, including events such as increased severity of weather patterns and incidence of extreme weather events and longer-term physical risks such as shifting climate patterns. All these risks associated with climate change may significantly change the industry industries in which the Company operates.

Intellectual property risk

While the Company will implement all reasonable endeavours to protect its intellectual property, there can be no assurance that these measures have been, or will be, sufficient. There is no guarantee that the grant of a patent concerned is valid or that the technology (patented or otherwise) does not infringe the rights of others. In addition, there can be no assurance that competing technologies may be developed by competitors which would circumvent any patents or licences held by the Company, its subsidiaries, or any of its contractual counterparties.

Technology risk

The development, testing and manufacture of new and innovative technologies involves high risks and there is no guarantee that the Company will be able to successfully commercialise its development projects (including in a profitable sense). Additionally, the Company's business is dependent on technology and is subject to changes in technology and new technological developments. If the Company fails to capitalise upon technological change or anticipate and respond to the demand and industry standards for new or existing products and technologies on a timely and cost-effective basis or fails to adapt to technological advancements and changing standards, it may be unable to compete effectively.

The adoption of new technologies or industry practices may require the Company to devote additional resources for use to improve and adapt its products, and there can be no assurance these investments or the Company's attempt to improve and adapt its products will be successful. If there is insufficient demand for a new product, or customers do not subscribe to new products in a timely manner, new initiatives may be unsuccessful or result in significant losses.

Any failure or delay in developing new technology or an inability to exploit technology as successfully or cost-effectively as competitors could result in a decrease in customer demand, which could have a material adverse effect on the Company's business and cash flows, prospects for growth, financial condition and results of its operations.

Production impacts

Scheduling for the Company's existing projects may encounter significant delays or overruns. Factors which could create significant delays include adverse weather conditions, construction risks particularly in-ground risks, the securing of water and energy supply for construction and operation and requisite approvals for infrastructure upgrades. There is a risk that such delays or cost overruns will impact the payback capability of the project(s) and reduce the overall cashflows.

Occupational health and safety

The Group's operations are subject to a variety of industry-specific health and safety laws and regulations which are formulated to improve and to protect the safety and health of employees. Mining operations are potentially hazardous, and the management of safety and health risks is essential.

The Group seeks to implement best practice procedures in occupational health and safety and meet compliance with government regulations. The safety regime in the USA and Tanzania is different to Australia. The occurrence of any industrial accidents, workplace injuries or fatalities may result in workers' compensation claims, related common law claims and potential occupational health and safety prosecutions.

Key personnel

The Group's future success depends on the continued services of its key personnel. The Group could be adversely affected if any of the key management team ceased to actively participate in the management of the Group or ceased employment with the Group. The Company has in place short-term and long-term incentive arrangements aimed at managing this risk.

Litigation

As set out above, the Company is presently the subject of an action by ASIC, under which ASIC is seeking declarations and pecuniary penalties against the Company. There can be no assurance that the Company's defense of this action will be successful. The Company is exposed to possible litigation risks including claims, tenure disputes, contractual disputes, environmental claims, occupational health and safety claims and employee claims.

Further, the Company may be involved in disputes with other parties in the future which may result in litigation. Any such claim or dispute, if proven, may impact adversely on the Company's operations, financial performance and financial position.

Information technology risks

There is a risk that the Company's core systems and technologies could be exposed to damage or interruption from systems failures, computer viruses, cyber-attacks, power or telecommunications providers' failures, fire, natural disasters, terrorist acts, war or human error. Cyber-attacks may include computer hacking, data theft, system disruption or security breaches and viruses and malware. These situations might include, among others, a breach of sensitive commercial information, loss of Company assets or negative publicity.

Insurance risks

Exploration and evaluation activities, graphite mining and processing activities and anode manufacture and production industries, involve hazards and risks that could result in the Company incurring losses or liabilities that could arise from its operations.

If the Company incurs losses or liabilities which are not covered by its insurance policies, the funds available for such development will be reduced and the value and/or title to the Company's assets may be at risk. The Company insures its operations in accordance with industry practice. However, in certain circumstances the Company's insurance may not be of a nature or level to provide adequate insurance cover. The occurrence of an event that is not covered or fully covered by insurance could have a material adverse effect on the business, financial condition and results of the Company.

Insurance against all risks associated with technology is not always available and, where available, the costs can be prohibitive or not adequate to cover all claims.

CORPORATE

CORPORATE INFORMATION

Magnis Energy Technologies Ltd is limited by shares and incorporated and domiciled in Australia. The shares are listed on the Australian Securities Exchange ("ASX") under the ASX code MNS. Unlisted options issued to Directors and employees during the financial year were NIL. The table below lists total shares that have been issued during the financial year from capital raisings and exercise of options.

Entity	Number of shares issued	Class of shares	Amount paid for shares before fees	Amount unpaid on shares
Magnis Energy Technologies Ltd	84,166,668	Ordinary	\$7,700,000	\$NIL

CAPITAL FUNDS

On 17 July 2023, the Company commenced a capital raising and on 21 July 2023 issued 64,166,668 ordinary fully paid shares (OFP) at \$0.12 per share, raising \$7.7 million within the capacity under Listing Rule 7.1. This placement was made to local and overseas institutional fund managers along with professional and sophisticated investors. This capital raise completed on 21 July 2023.

As announced on 8 September 2023, the Company entered a standby equity facility agreement ('Equity Facility') with Evolution Capital Pty Ltd ('Evolution Capital') for the issue of up to 80 million OFP shares, of which 20 million OFP shares were issued on 11 September 2023. The Company will receive payment for the issued OFP shares in due course once they have been sold on-market, in accordance with the terms of the Equity Facility. The key terms of the Equity Facility are as follows:

- Size: a maximum of 80 million OFP shares (in 4 individual placements of up to 20 million OFP shares each) may be issued to Evolution Capital under the Equity Facility.
- Facility period: unless extended by the parties, expires 8 September 2024.
- Purchase price per share: greater of:
 - 94% of the of the volume weighted average price of Magnis shares during the relevant valuation period as notified by Evolution Capital to the Company; and
 - a floor price of \$0.08.

The facility has now lapsed through the effluxion of time.

The Company also announced the expiry and cancellation of 6.5 million unlisted options during the financial year ending 30 June 2024, as follows:

- On 7 July 2023, 2,000,000 unlisted options at \$0.70 exercise price and 26 November 2024 expiry date, were cancelled within the Magnis Option Share Trust (MOST) due to the resignation of Non-Executive Director.
- On 31 July 2023 and 27 November 2023, 500,000 and 250,000 unlisted options respectively, at \$0.80 exercise price and 9 December 2024 expiry date, were cancelled within MOST due to the resignation of KMPs.
- On 27 November 2023, 375,000 unlisted options at \$0.50 exercise price and 375,000 unlisted options at \$0.75 exercise price, with 28 October 2023 expiry date, lapsed within MOST.
- On 5 March 2024, 1,000,000 unlisted options at \$0.63 exercise price and 25 July 2025 expiry date, were cancelled within the Magnis Option Share Trust (MOST) due to the redundancy of KMP.
- On 12 March 2024 and 11 June 2024, 2,000,000 and 2,000,000 unlisted options at \$0.80 exercise price and 7 December 2025 expiry date, were cancelled within the Magnis Option Share Trust (MOST) due to the resignation of Non-Executive Directors.

SECURITIES AS AT 30 JUNE 2024

The Company had the following securities on issue as at 30 June 2024:

- 1,199,498,151 Ordinary Fully Paid shares on issue.
- 20,000,000 unlisted options remain issued to funding providers ('LIND & SBC') with a strike price at \$0.40 and expiring on 25 November 2024.
- 10,000,000 unlisted options remain issued to capital advisors (including Evolution) with a strike price at \$0.50 and expiring on 25 November 2024.
- 1,300,000 unlisted options remain issued to off-take counter-parties (including Traxys) with a strike price at \$0.60 and expiring on 7 December 2024.
- 35,000,000 unlisted options remain issued with a strike price at \$0.50 and expiring on 18 May 2026.
- 4,625,000 unlisted options outstanding in the Magnis Option Share Trust ('MOST'), expiring between 9 October 2024 to 7 December 2025, at exercise price of \$0.80.
- 4,000,000 performance rights held in the Magnis Executive Rights Trust ('MERT')

EXERCISE OF UNLISTED OPTIONS

There were NIL unlisted options exercised during the period.

EXERCISE OF LISTED OPTIONS

No listed options exist, and none were exercised.

CONVERSION OF UNLISTED PERFORMANCE RIGHTS

There were NIL performance rights converted during the period as a result of meeting performance eligibility.

REVIEW OF FINANCIAL POSITION

LIQUIDITY AND CAPITAL RESOURCES

The Group statement of cash flows shows a decrease in cash and cash equivalents for the year ended 30 June 2024 of \$15,300,995 (2023: \$80,280,443).

During the year, the Group raised \$7,700,000 (2023: \$26,128,108) before costs via capital raisings and \$NIL proceeds from options exercised (2023: \$NIL).

At year end the Group had liquid funds of \$89,669 (2023: \$22,137,605) available for future operational and investment use and borrowings of \$5,303,593 (2023: 155,231,220). For a breakup of liquidity, refer to Note 7 and Note 15(c) for borrowings.

SHARES ISSUED DURING PERIOD

During the year ended 30 June 2024, the Company issued 84,166,668 Ordinary Fully Paid shares (2023: 148,846,154) raising \$7,700,000 in equity before fees (2023: \$26,128,108).

CAPITAL EXPENDITURE

Capital expenditure by the Group on plant and equipment during the year was \$880,966 (2023: \$43,153,600).

GROUP PERFORMANCE

Annual Net Income

	2024	2023	2022	2021	2020
Consolidated (profit) / loss after tax (\$)	(9,024,104)	72,717,606	61,697,819	12,032,230	7,378,601
Shareholder Returns	2024	2023	2022	2021	2020
Share price on ASX at financial year end (\$)	0.04	0.14	0.30	0.26	0.08
Basic (profit) / loss per share (cents)	(1.29)	5.12	6.38	1.41	1.11
Diluted (profit) / loss per share (cents)	(1.29)	5.12	6.38	1.41	1.11

REMUNERATION REPORT

REMUNERATION REPORT (AUDITED)

The remuneration report, which has been audited, outlines the director and executive remuneration arrangements for the consolidated entity and the Company, in accordance with the requirements of the *Corporations Act 2001* and its Regulations.

The remuneration report is set out under the following main headings:

- Principles used to determine the nature and amount of remuneration
- Details of remuneration
- Share-based compensation
- Additional disclosures relating to key management personnel

PRINCIPLES USED TO DETERMINE THE NATURE AND AMOUNT OF REMUNERATION

The objective of the consolidated entity's and Company's executive reward framework is to ensure the reward for performance is competitive and appropriate for the results delivered. The framework aligns executive reward with the achievement of strategic objectives and the creation of value for shareholders and conforms with the market best practice for delivery of reward. The Board of Directors (the Board) ensures that executive reward satisfies the following key criteria for good reward governance practices:

- competitiveness and reasonableness
- acceptability to shareholders
- performance linkage / alignment of executive compensation
- transparency

The Board is responsible for determining and reviewing remuneration arrangements for Directors and executives. The performance of the consolidated entity and Company depends on the quality of its directors and executives. The remuneration philosophy is to attract, motivate and retain high performance and high-quality personnel.

Alignment to shareholders' interests:

- has economic profit as a core component of plan design
- focuses on sustained growth in shareholder wealth and delivering constant or increasing return on assets
- attracts and retains high calibre executives

Alignment to program participants' interests:

- rewards capability and experience
- reflects competitive reward for contribution to growth in shareholder wealth
- provides a clear structure for earning rewards

In accordance with best practice corporate governance, the structure of non-executive director and executive remunerations are separate.

Non-executive directors' remuneration

Fees and payments to non-executive directors reflect the demands which are made on, and the responsibilities of, the directors.

Non-executive directors receive a fixed fee for time, commitment and responsibilities and may be paid remuneration as the directors determine where the director performs services outside the scope of the ordinary duties of the director. Non-executive directors may also be paid expenses properly incurred in attending meetings or otherwise in connection with the Company's business.

The Company's constitution provides that the non-executive directors as a whole may be paid or provided fees or other remuneration for their services as a director of the Company, the total amount or value of which must not exceed \$650,000 per annum or such other maximum amount periodically determined by the Company in a general meeting; having been approved by shareholders at the Company's Annual General Meeting held on 17 November 2017.

Presently, non-executive directors receive annual fees of between \$nil to \$70,000. An additional \$5,000 per annum is paid to directors who chair committees, except for the Audit and Risk Committee, where the chair receives \$15,000 per annum. Superannuation is payable under each Director's service agreement and in accordance with the *Superannuation Guarantee Charge Act (Cth)*. A fee per meeting has been set for participation by directors in the M&A Committee as that committee meets sporadically.

The consultancy and personal exertion activities and services in addition to those which are required to satisfy their roles as directors of the board and relevant committees are provided under commercial terms on arm's length basis and on terms better than would be obtained by the Company from independent third parties with the same or similar skill sets to those of the directors providing those activities and services. Fees for non-executive directors are not linked to individual performance.

Given the Company is at an early stage of development and the financial restrictions placed on it, the Company may consider it appropriate to issue individual options and performance rights to non-executive directors, subject to obtaining relevant shareholder approvals.

DIRECTORS' REPORT

Executive directors remuneration

The consolidated entity and Company aim to reward executives with a level and mix of remuneration based on their position and responsibility, which is both fixed and variable.

The executive remuneration and reward framework has four components:

- base pay and non-monetary benefits
- short-term performance incentives
- share-based payments
- other remuneration such as superannuation and long service leave

The combination of these comprises the executive's total remuneration.

Fixed remuneration, consisting of base salary, superannuation and non-monetary benefits are reviewed annually by the Board, based on individual and business unit performance, the overall performance of the consolidated entity and comparable market remuneration.

Executives can receive their fixed remuneration in the form of cash or other fringe benefits (for example motor vehicle benefits) where it does not create any additional costs to the consolidated entity and adds additional value to the executive.

The short-term incentives (STI) include bonus arrangements as may be approved by the Board.

The long-term incentives (LTI) include long service leave and share-based payments.

Presently the remuneration arrangements of the executive directors are as follows:

- Mr Frank Poullas earns director's fees of \$120,000 per annum plus consulting fees at a rate of \$1,000 per day. Mr Poullas or the Company can terminate the engagement with one month's notice.
- Mr Hoshi Daruwalla's annual remuneration is US\$290,000 net of taxes and superannuation (referred to in the USA as a 401k entitlement). Mr Daruwalla's initial fixed term contract period expired on 30 June 2034. Mr Daruwalla or the Company can terminate the engagement with one month's notice.
- Mr David Wang receives NIL remuneration. The Company and Mr Wang intend that in due course an executive remuneration package will be agreed. Mr Wang or the Company can terminate the engagement with one month's notice.

Consolidated entity performance and link to remuneration

There is no link between the consolidated entity's performance and remuneration.

Use of remuneration consultants

During the financial year ended 30 June 2024, the Company did not engage remuneration consultants to review its existing remuneration policies and provide recommendations on how to improve both the short-term incentives (STI) and long-term incentives (LTI) programs of the Company and consolidated entity.

Voting and comments made at the Company's 2023 Annual General Meeting ('AGM')

At the last AGM, the shareholders voted to adopt the remuneration report for the year ended 30 June 2023. The Company did not receive any specific feedback at the AGM regarding its remuneration practices.

DETAILS OF REMUNERATION

Amounts of remuneration

Details of the remuneration of the directors and key management personnel are set out in the following tables. Key management personnel are defined as those who have the authority and responsibility for planning, directing and controlling the major activities of the consolidated entity.

The following were KMP during the financial year:

- Mr David Taylor – Chief Executive Officer (from 1 August 2022 to 1 December 2023)
- Mr Jonathan Reynolds – Company Secretary (from 23 October 2023)
- Mr Jürgen Behrens – Chief Financial Officer (from 1 April 2020)
- Mr Rodney Chittenden – Nachu Project Director (from 1 September 2020)
- Mr Duncan Glasgow – Group General Counsel & Company Secretary (from 10 February 2022 to 6 August 2024)

DIRECTORS' REPORT

TABLE 1: REMUNERATION FOR THE YEAR ENDED 30 JUNE 2024

	Salary & Fees	Post Employment Benefits [^]	SBP Options #	Total	Paid Total	Unpaid Total
	\$	\$	\$	\$	\$	\$
Non-Executive Directors						
P. Tsegas	65,000	-	-	65,000	-	65,000
P. Tsegas - Personal Exertion Fees	103,000	-	-	103,000	103,000	-
G. Gunsekera (Ceased: 5 Nov. 2024)	72,816	8,009	-	80,825	40,275	40,550
M. E. Dajani (Ceased: 31 Dec. 2023)	32,500	-	-	32,500	32,500	-
C. Bibby (Ceased: 11 Mar. 2024)	53,845	5,923	-	59,768	42,913	16,855
F. Perilli (Ceased: 17 July. 2024) *	68,833	-	-	68,833	-	68,833
			-			
Executive Directors						
F. Poullas	108,108	11,892	-	120,000	-	120,000
F. Poullas - Consultancy Fees*	210,800	-	-	210,800	-	210,800
H. Daruwalla *	566,065	134,175	-	700,240	218,002	482,238
Key Management Personnel						
R. Chittenden	163,927	17,973	-	181,900	181,900	-
J. Behrens	165,000	18,150	-	183,150	183,150	-
D. Taylor (Ceased: 1 Dec. 2023)	187,203	11,537	-	198,740	198,740	-
J. Reynolds (Appointed 23 Oct. 2023) *	189,986	-	-	189,986	144,153	45,833
D. Glasgow (Ceased: 6 Aug. 2024)	275,000	27,159	-	302,159	302,159	-
	2,262,083	234,818	-	2,496,901	1,446,792	1,050,109

* Fees were paid to related entities.

~ the options associated were forfeited as required under the terms of MOST.

[^] Includes superannuation and movements in employee entitlements.

Share-based Payments (SBP) consist of unlisted options issued / (cancelled) in MOST.

TABLE 2: REMUNERATION FOR THE YEAR ENDED 30 JUNE 2023

(Restated)

	Salary & Fees	Post Employment Benefits [^]	SBP Options #	Total	Paid Total	Unpaid Total
	\$	\$	\$	\$	\$	\$
Non-Executive Directors						
P. Tsegas ~	65,000	-	(100)	64,900	64,900	-
M. E. Dajani	65,000	-	-	65,000	65,000	-
M. Silva (Ceased: 7 April 2023)	52,500	5,512	-	58,012	58,012	-
C. Bibby	85,349	8,962	168,000	262,311	262,311	-
C. Bibby - Consulting Fees	61,600	-	-	61,600	61,600	-
G. Gunsekera	59,511	6,249	168,000	233,760	233,760	-
G. Gunsekera - Consultancy Fees	68,700	-	-	68,700	68,700	-
Z. Pavri (Ceased 24 Dec 2021) ~	-	-	(282,200)	(282,200)	(282,200)	-
Executive Directors						
F. Poullas ~	120,000	12,600	(100)	132,500	132,500	-
F. Poullas - Consultancy Fees * ~	223,300	-	-	223,300	223,300	-
H. Daruwalla	76,005	-	168,000	244,005	244,005	-
H. Daruwalla - Consultancy Fees *	233,301	-	-	233,301	233,301	-
Key Management Personnel						
D. Taylor	366,667	23,185	153,600	543,452	543,452	-
R. Chittenden	250,000	25,851	-	275,851	275,851	-
J. Behrens	165,000	17,325	-	182,325	182,325	-
D. Glasgow	275,000	25,292	-	300,292	300,292	-
	2,166,933	124,976	375,200	2,667,109	2,667,109	-

* Fees were paid to related entities.

~ the options associated were forfeited as required under the terms of MOST.

[^] Includes superannuation and movements in employee entitlements.

Share-based Payments (SBP) consist of unlisted options issued in MOST.

SHARE-BASED COMPENSATION

COMPENSATION SHARES AND OPTIONS GRANTED AND VESTED

During the financial year, the following share-based payments were awarded, vested, exercised, or lapsed:

TABLE 1: OPTIONS AWARDED

Grant Date and Vesting Date	Expiry Date	Grant Date Fair Value	Number	Original Exercise Price of Option	Fair Value Expense under AASB 2
		\$		\$	\$
N/A	N/A	-	-	0.00	-
			-		-
WEIGHTED AVERAGE FAIR VALUE OF OPTIONS GRANTED:					0.00000

TABLE 2: OPTIONS EXERCISED

Grant Date and Vesting Date	Expiry Date	Grant Date Fair Value	Number	Original Exercise Price of Option	Fair Value Expense under AASB 2
		\$		\$	\$
N/A	N/A	-	-	0.00	-

TABLE 3: OPTIONS EXPIRED \ LAPSED

Grant Date and Vesting Date	Expiry Date	Grant Date Fair Value	Number	Original Exercise Price of Option	Fair Value Expense under AASB 2
		\$		\$	\$
11-Nov-2020	28-Oct-2023	0.004499	375,000	0.75	1,687
11-Nov-2020	28-Oct-2023	0.011400	375,000	0.50	4,275
09-Dec-2021	29-Nov-2023	0.094400	250,000	0.80	23,600
09-Dec-2021	26-July-2023	0.094400	500,000	0.80	47,200
26-Nov-2021	07-July-2023	0.141100	2,000,000	0.70	282,200
26-Nov-2021	12-Apr-2024	0.141100	2,000,000	0.70	282,200
03-July-2022	05-Mar-2024	0.153600	1,000,000	0.63	153,600
07-Dec-2022	11-June-2024	0.084000	2,000,000	0.80	168,000
			8,500,000		962,762

COMPENSATION SHARES AND RIGHTS GRANTED AND VESTED

During the financial year, the following rights-based payments were awarded, vested, converted, or lapsed:

TABLE 4: PERFORMANCE RIGHTS AWARDED

Grant Date and Vesting Date	Expiry Date	Grant Date Fair Value	Number	Original Exercise Price of Right	Fair Value Expense under AASB 2
		\$		\$	\$
N/A	N/A	-	-	0.00	-
WEIGHTED AVERAGE FAIR VALUE OF RIGHTS GRANTED:					0.00000

TABLE 5: PERFORMANCE RIGHTS CONVERTED

Grant Date and Vesting Date	Expiry Date	Grant Date Fair Value	Number	Original Exercise Price of Right	Fair Value Expense under AASB 2
		\$		\$	\$
N/A	N/A	-	-	0.00	-
			-		-

TABLE 6: PERFORMANCE RIGHTS LAPSED

Grant Date and Vesting Date	Expiry Date	Grant Date Fair Value	Number	Original Exercise Price of Right	Fair Value Expense under AASB 2
		\$		\$	\$
N/A	N/A	-	-	0.00	-
			-		-

SHARE OPTION PLAN: MOST

Magnis Energy Technologies Ltd operates an ownership-based scheme for Directors and Employees of the Company. In accordance with the provisions of the Plan, listed Ordinary Fully Paid shares and unlisted options are held on behalf of Plan Participants by the Trustee of the **Magnis Option Share Trust ('MOST')**.

During the year, NIL unlisted options (2023: 7,000,000) on similar terms and conditions were allotted to the Trust pursuant to the rules of MOST.

SHARE PLAN: MEST

Magnis Energy Technologies Ltd operates an ownership-based scheme for Directors and Employees of the consolidated entity. In accordance with the provisions of the Plan, listed Ordinary Fully Paid shares are held on behalf of Plan Participants by the Trustee of the **Magnis Employee Share Trust ('MEST')**.

During the year, NIL Ordinary Fully Paid shares (2023: NIL) were issued to the MEST, held on behalf of one Plan Participant pursuant to their employment agreement.

RIGHTS PLAN: MERT

Magnis Energy Technologies Ltd operates an ownership-based scheme for Directors and Employees of the consolidated entity. In accordance with the provisions of the Plan, unlisted Performance Rights are held on behalf of Plan Participants by the Trustee of the **Magnis Executive Rights Trust ('MERT')**.

During the year, NIL unlisted Performance Rights (2023: NIL) were allotted to the Trust under the rights scheme.

ADDITIONAL DISCLOSURES RELATING TO KEY MANAGEMENT PERSONNEL

The number of shares in the Company held during the financial year by each director and other members of key management personnel of the consolidated entity, including their personally related parties, is set out below:

Ordinary shares	Year Start Balance	Granted	Additions	(Disposals)	Year End Balance
F. Poullas	17,387,506	-	3,106,828	-	20,494,334
P. Tsegas	1,270,000	-	-	-	1,270,000
H. Daruwalla	-	-	-	-	-
F. Perilli (Appointed 31 Jul. 2023) ~	-	-	-	-	-
C. Bibby (Ceased: 11 Mar. 2024) *	-	-	-	-	-
G. Gunsekera (Ceased: 5 Nov. 2024)	-	-	-	-	-
J. Reynolds (Appointed 23 Oct. 2023) ~	-	-	-	-	-
D. Taylor (Ceased 1 Dec. 2023) *	-	-	-	-	-
D. Glasgow (Ceased 6 Aug. 2024)	-	-	-	-	-
R. Chittenden	860,334	-	-	-	860,334
J. Behrens	900,000	-	-	-	900,000
	20,417,840	-	3,106,828	-	23,524,668

~ Opening balance as at appointment date

* Closing balance as at cease date

DIRECTORS' REPORT

OPTION HOLDING

The number of options over ordinary shares in the Company held during the financial year by each director and other members of key management personnel of the consolidated entity, including their personally related parties, is set out below:

<i>Options over ordinary shares</i>	Year Start Balance	Granted	Additions / (Disposals)	(Lapsed)	Year End Balance [^]
F. Poullas	-	-	-	-	-
P. Tsegas	-	-	-	-	-
M. E. Dajani (Ceased 31 Dec 2023) *	2,000,000	-	-	(2,000,000)	-
M. Siva (Ceased 7 Apr. 2023) *	2,000,000	-	-	(2,000,000)	-
C. Bibby (Ceased 11 Mar. 2024) *	2,000,000	-	-	(2,000,000)	-
G. Gunsekera (Ceased 5 Nov. 2024)	2,000,000	-	-	-	2,000,000
H. Daruwalla	2,000,000	-	-	-	2,000,000
D. Taylor (Ceased 1 Dec 2023) *	1,000,000	-	-	(1,000,000)	-
R. Chittenden	250,000	-	-	-	250,000
J. Behrens	1,000,000	-	-	(750,000)	250,000
	12,250,000	-	-	(7,750,000)	4,500,000

[^] All options vest immediately and are exercisable at anytime

[~] Opening balance as at appointment date

^{*} Closing balance as at cease date

RIGHTS HOLDING

The number of rights over ordinary shares in the Company held during the financial year by each director and other members of key management personnel of the consolidated entity, including their personally related parties, is set out below:

<i>Ordinary shares</i>	Year Start Balance	Granted	Additions / (Disposals)	(Lapsed)	Year End Balance [^]
F. Poullas	2,000,000	-	-	-	2,000,000
P. Tsegas	2,000,000	-	-	-	2,000,000
	4,000,000	-	-	-	4,000,000

[^] All rights vest immediately and are convertible at anytime

[~] Opening balance as at appointment date

^{*} Closing balance as at cease date

LOANS MADE TO DIRECTORS AND THEIR RELATED PARTIES

During FY2024, Frank Poullas advanced to the Company a total of \$197,500. These funds were provided with no fixed date for repayment, on an interest-free and unsecured basis. There were no other loans or advances made to or provided by directors and their related parties during the financial year ended 30 June 2024. This amount was fully repaid by 31 December 2024.

OTHER TRANSACTIONS WITH DIRECTORS AND THEIR RELATED PARTIES

During or since the financial year, no Director of the Company has received or become entitled to receive a benefit, other than a benefit included in the aggregate amount of remuneration received or due and receivable by the Directors shown in the consolidated accounts, by reason of a contract entered into by the Company or an entity that the Company controlled or a body corporate that was related to the Company when the contract was made or when the Director received, or became entitled to receive, the benefit with:

- a Director, or
- a firm of which a Director is a member, or
- an entity in which a Director has substantial financial interest except the usual professional fees for their services paid by the Company to:

DIRECTORS' REPORT

Identity of Related Party	Nature of Relationship	Terms & Conditions of Transaction	Type of Transaction	Due and Payable 30-Jun-2024 \$	Total Settled 30-Jun-2024 \$	Total Invoiced 30-Jun-2024 \$	(Restated) Total Invoiced 30-Jun-2023 \$
Spectrum IT Pty Ltd	Mr. Poullas is a related party of Spectrum IT Pty Ltd T/A Strong Solutions and Executive Chairman of Magnis Energy Technologies Ltd	Normal commercial terms	Consulting fees and IT Services	210,800 186,102	- -	210,800 186,102	223,300 220,492
Claire Bibby Pty Ltd	Ms. Bibby is a related party of Claire Bibby Pty Ltd and a Non-executive Director of Magnis Energy Technologies Ltd	Normal commercial terms	Consulting fees and Legal Services	-	28,600	28,600	61,600 11,000
Pillsbury Winthrop Shaw Pittman LLP	Ms. Dajani was a related party of Pillsbury Winthrop Shaw Pittman LLP and a Non-executive Director of Magnis Energy Technologies Ltd	Normal commercial terms	Consulting fees	-	-	-	16,799
Mona Dajani, Esq.	Mona Dajani is a related party of Mona Dajani, Esq. and a Non-executive Director of Magnis Energy Technologies Ltd	Normal commercial terms	Consulting fees and Impact Advisory	-	-	-	117,092
Global Impact Initiative Pty Ltd	Giles Gunsekera is a related party of Global Impact Initiative Pty Ltd and Non-executive Director of Magnis Energy Technologies Ltd	Normal commercial terms	Consulting fees	-	-	-	37,900 84,700
The Gunsekera Trust	Giles Gunsekera is a related party of the Gunsekera Trust as well as a Non-executive Director of Magnis Energy Technologies Ltd	Normal commercial terms	Consulting fees	-	-	-	30,800
F Perilli Family Trust	Mr. Perilli is a related party of F Perilli Family Trust and a Non-executive Director of Magnis Energy Technologies Ltd	Normal commercial terms	Director's fees	68,833	-	68,833	-
Yatha Enterprises LLC	Mr. Daruwalla is a related party of Yatha Enterprises LLC and an Executive Director of Magnis Energy Technologies Ltd	Normal commercial terms	Consulting fees and Engineering Services	482,238 155,000	218,002 99,163	700,240 254,163	233,301 34,767
AmeriAnode Inc	Mr. Daruwalla is a related party of AmeriAnode Inc and an Executive Director of Magnis Energy Technologies Ltd	Normal commercial terms	Consulting Fees	-	-	-	(2,101)

This concludes the remuneration report, which has been audited.

DIRECTORS' REPORT

SHARES UNDER OPTION

Details of unissued shares under option as at 30 June 2024 in Magnis Energy Technologies Ltd are:

Number of ordinary shares under option	Class of shares	Exercise price of option \$	Expiry date of option
10,000,000	Ordinary	0.50000	25/11/2024
20,000,000	Ordinary	0.40000	25/11/2024
1,300,000	Ordinary	0.60000	07/12/2024
625,000	Ordinary	0.80000	09/12/2024
4,000,000	Ordinary	0.80000	07/12/2025
10,000,000	Ordinary	0.50000	18/05/2026
25,000,000	Ordinary	0.50000	18/05/2026
70,925,000	WEIGHTED AVERAGE EXERCISE PRICE	0.49300	

WEIGHTED AVERAGE REMAINING LIFE OF OPTIONS: 1.1930 years

The holders of these options do not have the right, by virtue of the option, to participate in any share issue or interest issue of the Company or of any other body corporate or registered scheme. No voting rights are attached to the options.

During the 2024 financial year, NIL shares were issued due to exercising of options (2023: NIL).

PERFORMANCE RIGHTS

Details of performance rights as at 30 June 2024 in Magnis Energy Technologies Ltd are:

Number of ordinary shares under option	Class of shares	Conversion price of right \$	Expiry date of right
4,000,000	Ordinary	0.00	n/a
4,000,000	WEIGHTED AVERAGE CONVERSION PRICE	0.00	

WEIGHTED AVERAGE REMAINING LIFE OF RIGHTS: 7.7761 years

The holders of these MERT rights do not have the right, by virtue of the MERT right, to participate in any share issue or interest issue of the Company or of any other body corporate or registered scheme. No voting rights are attached to the MERT right.

During the 2024 financial year, NIL shares were issued due to converting of rights (2023: NIL).

INDEMNIFICATION AND INSURANCE OF DIRECTORS AND OFFICERS

The Company has indemnified the directors and executives of the Company for costs incurred in their capacity as a director or executive, for which they may be held personally liable, except where there is a lack of good faith.

During the financial year, the Company paid a premium in respect of a contract to insure the directors and executives of the Company against a liability to the extent permitted by the *Corporations Act 2001*. The contract of insurance prohibits disclosure of the nature of liability and the amount of the premium. The policy expired on 31 July 2024 and was not renewed.

INDEMNIFICATION AND INSURANCE OF AUDITOR

To the extent permitted by law, the Company has not agreed to indemnify its auditors, Hall Chadwick Melbourne Audit, as part of the terms of its audit engagement agreement against claims by third parties arising from the audit.

No payment has been made to indemnify Hall Chadwick Melbourne Audit during or since the year ended 30 June 2024.

DIRECTORS' REPORT

PROCEEDINGS ON BEHALF OF THE COMPANY

No person or entity has applied to the Court under Section 237 of the Corporations Act 2001 for leave to bring proceedings on behalf of the Company, or to intervene in any proceedings to which the Company is party for the purpose of taking responsibility on behalf of the Company for all or part of those proceedings.

SUBSEQUENT EVENTS

Events after the reporting period or since the end of the year are outlined in Note 22 'Events After Reporting Period' to the Financial Statements.

ROUNDING OF AMOUNTS

The Company is a company of the kind referred to in ASIC Corporations (Rounding in Financial / Directors' Reports) Instrument 2016/191, dated 24 March 2016, and in accordance with that Corporations Instrument amounts in the Directors' Report and the Financial Statements are rounded off to the nearest dollar, unless otherwise indicated.

NON-AUDIT SERVICES

Details of the amounts paid or payable to the auditor excluding GST/Taxes for non-audit services provided during the financial year by the auditor are outlined below:

Hall Chadwick Melbourne

- Taxation services: \$19,219
- Corporate services: \$44,366

BDO East Africa: Dar es Salaam, Tanzania

- Taxation services: \$55,776
- Corporate services: \$7,532

The Directors are satisfied that the provision of non-audit services during the financial year, by the auditor (or by another person or firm on the auditor's behalf), is compatible with the general standard of independence for auditors imposed by the Corporations Act 2001.

The Directors are of the opinion that the Auditors' services as disclosed in Note 23 to the financial statements do not compromise the external auditor's independence requirements of the Corporations Act 2001 for the following reasons:

- all non-audit services have been reviewed and approved to ensure that they do not impact the integrity and objectivity of the auditor; and
- none of the services undermine the general principles relating to auditor independence as set out in APES 110 Code of Ethics for Professional Accountants issued by the Accounting Professional and Ethical Standards Board, including reviewing, or auditing the auditor's own work, acting in a management or decision-making capacity for the company, acting as advocate for the company or jointly sharing economic risks and rewards.

OFFICERS OF THE COMPANY WHO ARE FORMER AUDIT DIRECTORS OF HALL CHADWICK MELBOURNE

There are no officers of the Company who are former audit directors of Hall Chadwick Melbourne.

DIRECTORS' REPORT

AUDITOR INDEPENDENCE

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act, 2001 is set out on page 35.

This report is made in accordance with a resolution of the directors, pursuant to section 298(2)(a) of the Corporations Act, 2001.

On behalf of the directors



F Poullas

Executive Chairman

Sydney, 23 May 2025

CORPORATE GOVERNANCE STATEMENT

YEAR ENDED 30 JUNE 2024

The Board of Magnis Energy Technologies Ltd (Board) is committed to ensuring that the Company's obligations and responsibilities to its various stakeholders are fulfilled through its corporate governance practices. The directors of the Company (Directors, being either Non-Executive Directors or Executive Directors) undertake to perform their duties with honesty, integrity, care, and due diligence, to act in good faith in the best interests of the Company in a manner that reflects the highest standards of corporate governance.

The Company's Board is committed to a high standard of corporate governance practices, ensuring that the Company complies with the *Corporations Act 2001 (Cth)*, ASX Listing Rules, Company Constitution and other applicable laws and regulations.

Corporate Governance Compliance

The Company has followed the 4th edition of the ASX Corporate Governance Council's Principles and Recommendations (Principles and Recommendations) where the Board has considered the recommendations to be an appropriate benchmark for its corporate governance practices.

Where after due consideration, the Company's corporate governance practices depart from a recommendation, the Board has offered full disclosure and reason for adoption of its own practice, in compliance with the "if not, why not" regime.

The 2024 Corporate Governance Statement is dated as at 23 May 2025 and reflects the corporate governance practices in place throughout the year ended 30 June 2024. A description of the Company's current corporate governance practices is set out in the Company's Corporate Governance Manual which can be viewed online at www.magnis.com.au.

This statement was approved by the Board on 23 May 2025.

ASX CORPORATE GOVERNANCE COUNCIL'S PRINCIPLES AND RECOMMENDATIONS

Principle	Recommendation	Conform	Disclosure
Principle 1:	Lay solid foundation for management and oversight		
1.1	A listed entity should have and disclose a board charter setting out: (a) the respective roles and responsibilities of its board and management; and (b) those matters expressly reserved to the board and those delegated to management.	Yes	The Board Charter details the functions and responsibilities of the Board and management, including matters reserved for the Board. The Board Charter is included in the Corporate Governance Manual on the Company's website.
1.2	A listed entity should: (a) undertake appropriate checks before appointing a person, or putting forward to security holders a candidate for election, as a Director; and (b) provide security holders with all material information in its possession relevant to a decision on whether or not to elect or re-elect a Director.	Yes	The full Board undertakes the duties that fall to the nomination committee under the Company's Nomination Committee Charter, which is included in the Corporate Governance Manual on the Company's website. The role of the Nomination Committee is to identify and recommend candidates to fill casual vacancies and to determine the appropriateness of director nominees for election to the Board. The Nomination Committee Charter requires the Board to make appropriate background checks prior to recommending a candidate for election or re-election as a director. The Board must identify and recommend candidates only after considering the necessary and desirable competencies of new Board members to ensure the appropriate mix of skills and experience and after an assessment of how the candidate can contribute to the strategic direction of the Company. The Nomination Committee Charter also requires the Board to ensure appropriate background checks are undertaken for all senior executive candidates. All material information relevant to whether or not to elect or re-elect a director is provided to the Company's shareholders as part of the Notice of Meeting and explanatory memorandum for the relevant meeting of shareholders which addresses the election or re-election of a Director.

Principle	Recommendation	Conform	Disclosure
1.3	A listed entity should have a written agreement with each Director and senior executive setting out the terms of their appointment.	Yes	The Remuneration Committee Charter, which is included in the Corporate Governance Manual on the Company's website, requires the Company to have a written agreement with each Director and senior executive setting out the terms of their engagement. Each Non-Executive Director has signed a letter of appointment. Each Executive Director has signed an executive service agreement. Each senior executive has signed an employment agreement.
1.4	The Company Secretary of a listed entity should be accountable directly to the Board, through the Chair, on all matters to do with the proper functioning of the Board.	Yes	The Company Secretary is accountable to the Board, through the Chair, on all governance matters and reports directly to the Chair as the representative of the Board. The Company Secretary has primary responsibility for ensuring that the Board processes and procedures run efficiently and effectively.
1.5	A listed entity should: (a) have and disclose a diversity policy; (b) through its board or a committee of the board set measurable objectives for achieving gender diversity in the composition of its board, senior executives and workforce generally; and (c) disclose in relation to each reporting period: (1) the measurable objectives set for that period to achieve gender diversity; (2) the entity's progress towards achieving those objectives; and (3) either: (A) the respective proportions of men and women on the board, in senior executive positions and across the whole workforce (including how the entity has defined "senior executive" for these purposes); or (B) if the entity is a "relevant employer" under the Workplace Gender Equality Act, the entity's most recent "Gender Equality Indicators", as defined in and published under that Act. If the entity was in the S&P / ASX 300 Index at the commencement of the reporting period, the measurable objective for achieving gender diversity in the composition of its board should be to have not less than 30% of its directors of each gender within a specified period.	Does not comply. Refer to "Diversity" in the Corporate Governance Manual	The Company has adopted a Diversity Policy which is included in the Corporate Governance Manual disclosed on the Company's website. The Company recognises that a diverse and talented workforce is a competitive advantage and encourages a culture that embraces diversity. The Company does not think that it is appropriate to state measurable objectives for achieving gender diversity due to its size and stage of development. The proportion of women employees in the whole organisation is < 10% (excluding directors). There are currently no women in senior executive positions or on the Board.
1.6	A listed entity should: (a) have and disclose a process for periodically evaluating the performance of the Board, its committees and individual Directors; and (b) disclose for each reporting period whether a performance evaluation has been undertaken in accordance with that process during or in respect of that period.	Yes Yes	The process for periodically evaluating the performance of the Board, its committees and individual Directors is included in the Corporate Governance Manual on the Company's website. It requires the Chair to conduct performance reviews on an annual basis. The Chair has conducted a formal evaluation of the performance of the Board, its committees and individual Directors for the year ended 30 June 2024.

Principle	Recommendation	Conform	Disclosure
1.7	A listed entity should: (a) have and disclose a process for evaluating the performance of its senior executives at least once every reporting period; and (b) disclose for each reporting period whether a performance evaluation has been undertaken in accordance with that process during or in respect of that period.	Yes Yes	The process for periodically evaluating the performance of the Company's senior executives is included in the Corporate Governance Manual on the Company's website. It requires the Chair to conduct performance reviews on an ongoing basis. This evaluation is based on specific criteria, including the business performance of the Company and its subsidiaries, whether strategic objectives are being achieved and the development of management and personnel. The Chair has conducted an evaluation of the performance of senior executives for the year ended 30 June 2024.
Principle 2	Structure the Board to be effective and add value		
2.1	The board of a listed entity should: (a) have a nomination committee which: (1) has at least three members, a majority of whom are independent directors; and (2) is chaired by an independent director, and disclose: (3) the charter of the committee; (4) the members of the committee; and (5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or (b) if it does not have a nomination committee, disclose that fact and the processes it employs to address board succession issues and to ensure that the board has the appropriate balance of skills, knowledge, experience, independence and diversity to enable it to discharge its duties and responsibilities effectively.	Yes No No Yes Yes No Yes	The Board has decided that, due to the Company's current stage of development, no efficiencies will be achieved by establishing a separate nomination committee. The Board carries out the duties that would otherwise be undertaken by the nomination committee, in accordance with the Nomination Committee Charter, which is included in the Corporate Governance Manual on the Company's website. The Board has, for the year ended 30 June 2024 formally considered whether the board has the appropriate balance of skills, knowledge, experience, independence and diversity to enable it to discharge its duties and responsibilities effectively.
2.2	A listed entity should have and disclose a board skills matrix setting out the mix of skills that the board currently has or is looking to achieve in its membership.	Yes	The board skills matrix setting out the mix of skills that the board currently has or is looking to achieve in its membership is included in the Corporate Governance Manual on the Company's website.
2.3	A listed entity should disclose: (a) the names of the Directors considered by the Board to be independent Directors; (b) if a Director has an interest, position, association or relationship of the type described in Box 2.3 but the Board is of the opinion that it does not compromise the independence of the Director, the nature of the interest, position, association or relationship in question and an explanation of why the Board is of that opinion; and (c) the length of service of each Director.	Yes Yes Yes	The names of the Directors considered by the Board to be independent Directors is set out in the Directors Report. Taking into account the Company's current stage of development and in an effort to minimize cash remuneration, the Board considers allocations of performance-based remuneration (including options or performance rights) does not of itself lead to a determination that the director is not independent. The details of performance-based remuneration for each director is set out in the Directors Report. The Board considers these benefits are not of sufficient magnitude to affect the relevant directors' ability to discharge his duties with an independent mind. The length of service of each Directors is set out in the Directors Report.

Principle	Recommendation	Conform	Disclosure
2.4	A majority of the Board of a listed entity should be independent Directors.	No	Over the year ended 30 June 2024, independent directors have not comprised the majority of the Board. Taking into account the Company's current stage of development, the Board considers the risks resulting from this do not outweigh the potential benefits. The Board is conscious of this imbalance and keeps it under review.
2.5	The chair of the Board of a listed entity should be an independent Director and, in particular, should not be the same person as the CEO of the entity.	No	Mr Frank Poullas fulfills the role of Executive Chairman of the Company. Taking into account the Company's current stage of development, the Board considered the benefits to be obtained from Mr Poullas fulfilling this role outweighs the potential risks.
2.6	A listed entity should have a program for inducing new directors and for periodically reviewing whether there is a need for existing directors to undertake professional development to maintain the skills and knowledge needed to perform their role as directors effectively.	Yes	Induction and professional development form part of the responsibilities of the Nomination Committee as noted in the Nomination Committee Charter, which is included in the Corporate Governance Manual on the Company's website. The Company Secretary is available to assist with the process of new Directors familiarising themselves with the Company. Professional development requirements are addressed by the Board on at least an annual basis.
Principle 3	Instil a culture of acting lawfully, ethically and responsibly		
3.1	A listed entity should articulate and disclose its values.	Yes	The Company has formulated a general Code of Conduct and a Code of Conduct for Directors and Executives which all employees and directors are expected, at a minimum, to follow. The Codes are included in the Corporate Governance Manual on the Company's website.
3.2	A listed entity should: (a) have and disclose a code of conduct for its directors, senior executives and employees; and (b) ensure that the board or a committee of the board is informed of any material breaches of that code.	Yes Yes	The Company has formulated a general Code of Conduct and a Code of Conduct for Directors and Executives which all employees and directors are expected, at a minimum, to follow. The Codes are included in the Corporate Governance Manual on the Company's website. The Code of Conduct states that any breach of the Code is to be reported directly to the Chairman or CEO or Audit Committee under the Whistle-blower Policy, as appropriate, with any material breach to be reported to the full Board.
3.3	A listed entity should: (a) have and disclose a whistleblower policy; and (b) ensure that the board or a committee of the board is informed of any material incidents reported under that policy.	Yes Yes	The Company has formulated a Whistle-blower Policy, which is included in the Corporate Governance Manual on the Company's website. The Audit Committee is responsible for carrying out the processes under the policy. The Policy states that the Committee must report the results of any material incidents to the Board.
3.4	A listed entity should: (a) have and disclose an anti-bribery and corruption policy; and (b) ensure that the board or committee of the board is informed of any material breaches of that policy.	Yes Yes	The Company has formulated an anti-bribery and corruption policy. Any breach of the policy is to be reported directly to the Chair or CEO or Audit Committee or under the Whistle-blower Policy, as appropriate, with any material breach to be reported to the full Board.

Principle	Recommendation	Conform	Disclosure
Principle 4	Safeguard the integrity of corporate reports		
4.1	The board of a listed entity should: (a) have an audit committee which: (1) has at least three members, all of whom are non-executive directors and a majority of whom are independent directors; and (2) is chaired by an independent director, who is not the chair of the board, and disclose: (3) the charter of the committee. (4) the relevant qualifications and experience of the members of the committee; and (5) in relation to each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or (b) if it does not have an audit committee, disclose that fact and the processes it employs that independently verify and safeguard the integrity of its corporate reporting, including the processes for the appointment and removal of the external auditor and the rotation of the audit engagement partner.	Yes No No Yes Yes Yes Yes	The Board has decided that, due to the Company's current stage of development, no efficiencies will be achieved by convening a separate audit committee. The Board carries out the duties that would otherwise be undertaken by the audit committee, in accordance with the Audit Committee Charter, which is included in the Corporate Governance Manual on the Company's website. The relevant qualifications and experience of the Board is set out in the Directors' Report The Board has, for the year ended 30 June 2024, relied on the declarations made by the Executive Chairman and Chief Financial Officer received in accordance with the requirements of the Corporations Act, and relied on the independent external audit function to verify and safeguard the integrity of its corporate reporting. The processes for the appointment and removal of the external auditor and the rotation of the audit engagement partner is set out in the Policy on Selection, Appointment and Rotation of External Auditors, which is included in the Corporate Governance Manual on the Company's website.
4.2	The Board of a listed entity should, before it approves the entity's financial statements for a financial period, receive from its CEO and CFO a declaration that, in their opinion, the financial records of the entity have been properly maintained and that the financial statements comply with the appropriate accounting standards and give a true and fair view of the financial position and performance of the entity and that the opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.	Yes	Under the Company's Risk Management Policy, which is included in the Corporate Governance Manual on the Company's website, the Executive Chairman and Chief Financial Officers will provide a written declaration of assurance that in their opinion, the financial records of the Company for the relevant reporting period have been properly maintained, comply with appropriate accounting standards and give a true and fair view of the financial position and performance of the Company and has been formed on the basis of a sound system of risk management and internal control which is operating effectively.
4.3	A listed entity should disclose its process to verify the integrity of any periodic corporate report it releases to the market that is not audited or reviewed by an external auditor.	Yes	The Company provides quarterly updates of the Company's progress across all areas of the business, including select financial information. The Board is responsible for all such updates. Individual components are also reviewed by senior management with responsibility for the specific component subject matter. The financial information is compiled by the Chief Financial Officer in accordance with generally accepted accounting practices.

Principle	Recommendation	Conform	Disclosure
Principle 5	Make timely and balanced disclosure		
5.1	A listed entity should have and disclose a written policy for complying with its continuous disclosure obligations under listing rule 3.1.	Yes	The Company has adopted a Continuous Disclosure Policy, which is included in the Corporate Governance Manual on the Company's website. The Policy is designed to guide compliance with ASX Listing Rules disclosure requirements, and to ensure all Directors, senior executives and employees of the Company understand their responsibilities under the Policy.
5.2	A listed entity should ensure that its board receives copies of all material market announcements promptly after they have been made.	Yes	The Board Charter, which is included in the Corporate Governance Manual on the Company's website, delegates to the Company Secretary responsibility for ensuring all market announcements are provided to all directors promptly after release.
5.3	A listed entity that gives a new and substantive investor or analyst presentation should release a copy of the presentation materials on the ASX Market Announcements Platform ahead of the presentation.	Yes	The Company has adopted a Continuous Disclosure Policy, which is included in the Corporate Governance Manual on the Company's website. The Policy stipulates that the Company should release a copy of the presentation materials on the ASX Market Announcements Platform ahead of the presentation.
Principle 6	Respect the rights of security holders		
6.1	A listed entity should provide information about itself and its governance to investors via its website.	Yes	The Company's website provides information about the Company, its projects, its Board and management and governance. It is a platform to disclose ASX announcements of material information and periodic reports, notices and presentations.
6.2	A listed entity should have an investor relations program that facilitates effective two-way communication with investors.	Yes	The Company has a Shareholder Communication Policy, which is included in the Corporate Governance Manual on the Company's website. The company website provides a mechanism for shareholders to contact the Company via email.
6.3	A listed entity should disclose how it facilitates and encourages participation at meetings of security holders.	Yes	The Company has a Shareholder Communication Policy, which is included in the Corporate Governance Manual on the Company's website. The Policy specifically encourages full participation of shareholders at the Annual General Meeting to ensure a high level of accountability and identification with the Company's strategy and goals and outlines the various ways in which the Company communicates with shareholders.
6.4	A listed entity should ensure that all substantive resolutions at a meeting of security holders are decided by a poll rather than by a show of hands.	Yes	In accordance with ASX guidance, all Listing Rule resolutions and all substantive resolutions are decided by a poll rather than by a show of hands.
6.5	A listed entity should give security holders the option to receive communications from, and send communications to, the entity and its security registry electronically.	Yes	Shareholders can register with the Company to receive email notifications when an announcement is made by the Company to ASX, including the release of annual, half-yearly and quarterly reports. Further, the Company provides a facility through its website enabling security holders to email the Company. The share registrar also provides the ability to email the share registrar and to receive documents by email from the share registrar.

Principle	Recommendation	Conform	Disclosure
Principle 7	Recognise and manage risk		
7.1	The board of a listed entity should: (a) have a committee or committees to oversee risk, each of which: (1) has at least three members, a majority of whom are independent directors; and (2) is chaired by an independent director, and disclose: (3) the charter of the committee. (4) the members of the committee; and (5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or (b) if it does not have a risk committee or committees that satisfy (a) above, disclose that fact and the processes it employs for overseeing the entity's risk management framework.	No Yes	The Board has decided that, due to the Company's current stage of development, no efficiencies will be achieved by convening a separate risk management committee. The Board carries out the duties that would otherwise be undertaken by the risk management committee, in accordance with the Risk Management Committee Charter, which is included in the Corporate Governance Manual on the Company's website. The Board recognises its responsibility for identifying areas of significant business risk and for ensuring that arrangements are in place for adequately managing these risks. This issue is regularly reviewed at Board meetings and risk management culture is encouraged amongst employees and contractors.
7.2	The board or a committee of the board should: (a) review the entity's risk management framework at least annually to satisfy itself that it continues to be sound and that the entity is operating with due regard to the risk appetite set by the board; and (b) disclose, in relation to each reporting period, whether such a review has taken place.	Yes	The Board determines the Company's 'risk profile' and is responsible for overseeing and approving risk management strategy and policies, internal compliance and non-financial internal control. For the year ended 30 June 2024, the Board has undertaken a review of the entity's risk management framework and has satisfied itself that it continues to be sound and that the entity is operating with due regard to the risk appetite set by the Board.
7.3	A listed entity should disclose: (a) if it has an internal audit function, how the function is structured and what role it performs; or (b) if it does not have an internal audit function, that fact and the processes it employs for evaluating and continually improving the effectiveness of its governance, risk management and internal control processes	No Yes	The Company does not have an internal audit function. Under the Company's Risk Management Policy, the responsibility for undertaking and assessing risk management and internal control effectiveness is assumed by the full Board.

Principle	Recommendation	Conform	Disclosure
7.4	A listed entity should disclose whether it has any material exposure to environmental or social risks and, if it does, how it manages or intends to manage those risks.	Yes	The Company operates, inter alia, in the mineral resources sector and is subject to a variety of environmental and social risks that have the potential to have a material impact on its business. These risks include, but are not limited to: Environmental risks As with most resources' projects, the Company's activities have the potential to impact on the environment giving rise to substantial costs for environmental rehabilitation, damage, control and losses. Exploration, development and operational activities are subject to relevant Government laws and regulations concerning the environment. The Company strives to conduct its activities to the highest standard of environmental obligation, including compliance with all environmental laws. Social risks Whilst not materially exposed to social risk, the Company has an articulated Sustainability focus, which is included in the ESG Principles on the Company's website, designed to minimise adverse impacts of its operations on host communities.
Principle 8	Remunerate fairly and responsibly		
8.1	The board of a listed entity should: (a) have a remuneration committee which: (1) has at least three members, a majority of whom are independent directors; and (2) is chaired by an independent director, and disclose: (3) the charter of the committee; (4) the members of the committee; and (5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or (b) if it does not have a remuneration committee, disclose that fact and the processes it employs for setting the level and composition of remuneration for directors and senior executives and ensuring that such remuneration is appropriate and not excessive.	No No No Yes Yes No Yes	The Board has decided that, due to the Company's current stage of development, no efficiencies will be achieved by convening a separate remuneration committee. The Board carries out the duties that would otherwise be undertaken by the remuneration committee, in accordance with the Remuneration Committee Charter, which is included in the Corporate Governance Manual on the Company's website. The Board recognises its responsibility for setting the level and composition of remuneration for directors and senior executives and ensuring that such remuneration is appropriate and not excessive. Performance, duties and responsibilities, market comparisons and independent advice are all considered as part of the remuneration process.
8.2	A listed entity should separately disclose its policies and practices regarding the remuneration of non-executive directors and the remuneration of executive directors and other senior executives.	Yes	Details of the Company's policies and practices regarding the remuneration of Directors and other senior management is set out in the Remuneration Report as disclosed in the Directors' Report.
8.3	A listed entity which has an equity-based remuneration scheme should: (a) have a policy on whether participants are permitted to enter into transactions (whether through the use of derivatives or otherwise) which limit the economic risk of participating in the scheme; and (b) disclose that policy or a summary of it.	Yes	The Company has a Securities Trading Policy, which is included in the Corporate Governance Manual on the Company's website. The Company's Securities Trading Policy provides guidance encouraging employees not to engage in margin lending or otherwise leveraging securities without the fully informed consent of the board.

Principle	Recommendation	Conform	Disclosure
Principle 9	Additional recommendations that apply only in certain cases		
9.1	A listed entity with a director who does not speak the language in which board or security holder meetings are held or key corporate documents are written should disclose the processes it has in place to ensure the director understands and can contribute to the discussions at those meetings and understands and can discharge their obligations in relation to those documents.	Yes	The Board includes Mr Henian Chen a native and resident of China. To ensure that Mr Chen is able to discharge his director's duties appropriately, key documentation, including Board papers, are translated for Mr Chen by either fellow director, Mr David Wang or Mr Chen's alternate director, Ms Simone Sun. In addition, Mr Chen and Mr Wang attend board meetings from the same physical location and Mr Wang acts as a translator as required in session; or alternatively Mr Chen and Ms Sun attend board meetings telephonically or by video conference in which case Ms Sun acts as translator in session
9.2	A listed entity established outside Australia should ensure that meetings of security holders are held at a reasonable place and time.	Not applicable	
9.3	A listed entity established outside Australia, and an externally managed listed entity that has an AGM, should ensure that its external auditor attends its AGM and is available to answer questions from security holders relevant to the audit.	Not applicable	

**MAGNIS ENERGY TECHNOLOGIES LIMITED
AND CONTROLLED ENTITIES
ABN 26 115 111 763**

**AUDITOR'S INDEPENDENCE DECLARATION
UNDER SECTION 307C OF THE CORPORATIONS ACT 2001
TO THE DIRECTORS OF MAGNIS ENERGY TECHNOLOGIES LIMITED AND CONTROLLED
ENTITIES**

In accordance with section 307C of the *Corporations Act 2001*, I am pleased to provide the following declaration of independence to the directors of Magnis Energy Technologies Limited and controlled entities. As the lead audit partner for the audit of the financial report of Magnis Energy Technologies Limited and controlled entities for the year ended 30 June 2024, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

- (i) the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the audit; and
- (ii) any applicable code of professional conduct in relation to the audit.

**Hall Chadwick Melbourne
Level 14 440 Collins Street
Melbourne VIC 3000**



Anh (Steven) Nguyen
Director
Date: 23 May 2025

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

YEAR ENDED 30 JUNE 2024

	Notes	Consolidated 2024 \$	2023 \$
Income			
Interest received		155,877	232,960
Foreign exchange gain		21,830	123,522
Profit on sale of fixed assets		36,709	4,959
Profit / (Loss) arising from Deconsolidation - iM3NY	28(a)	51,813,572	-
Currency Profit / (Loss) arising from Deconsolidation - iM3NY		1,902,709	-
Other revenue		-	29,332
Total income		53,930,697	390,773
Expenditure			
Administration expenses	32	6,167,631	13,580,054
Depreciation expense		832,616	1,611,935
Directors' fees		513,199	612,950
Employee benefits expense		3,630,686	6,572,488
Interest expense	31	10,363,674	15,515,195
Borrowing & Loan Costs	34	3,808,951	14,290,372
Legal and consulting expenses	33	7,752,554	4,436,815
Cost of Production expenditure		7,046,273	13,305,795
Impairment of prepayments	8	3,588,112	-
Share-based payment to employees	29(a)	-	375,200
Share-based payment to non-employees	29(a)	-	556,000
Exploration and evaluation expenses		1,202,897	2,251,575
Total expenditure		44,906,593	73,108,379
Profit / (Loss) before income tax expense		9,024,104	(72,717,606)
Income tax expense	6	-	-
Net profit / (loss) for the year		9,024,104	(72,717,606)
Net profit / (loss) for the year attributable to			
Owners of Magnis Energy Technologies Ltd		15,417,117	(57,073,989)
Non-controlling Interest		(6,393,013)	(15,643,617)
Net profit / (loss) for the year		9,024,104	(72,717,606)
Other comprehensive income / (loss)			
<i>Items that will not be reclassified subsequently to profit or (loss)</i>			
Change in fair value of financial assets at FVOCI	10, 17	(15,096,142)	-
<i>Items that may be reclassified subsequently to profit or (loss)</i>			
Exchange differences on iM3NY deconsolidation reclassified to profit and (loss)		(1,902,709)	-
Gain / (loss) on foreign currency translation		1,491,359	(3,753,431)
Other comprehensive income / (loss) for the year, net of tax		(15,507,492)	(3,753,431)
Total comprehensive income / (loss) for the year, net of tax		(6,483,388)	(76,471,037)
Total comprehensive earnings / (loss) for the year attributable to			
Owners of parent entity		(90,375)	(60,853,756)
Non-controlling Interest		(6,393,013)	(15,617,281)
Total comprehensive earnings / (loss) for the year attributable to		(6,483,388)	(76,471,037)
Basic earnings / (loss) per share (cents per share)	24	1.29	(5.12)
Diluted earnings / (loss) per share (cents per share)	24	1.29	(5.12)

The above Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the accompanying Notes.

STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2024

	Notes	Consolidated 2024 \$	2023 \$
Current assets			
Cash and cash equivalents	7, 19(b)	89,669	22,137,605
Trade and other receivables	8	771,763	9,922,214
Other assets	9(a)	-	22,032,717
Total current assets		861,432	54,092,536
Non-current assets			
Other assets - iM3NY	9(b)	-	2,495,804
Financial assets at FVOCI	10	-	15,096,142
Right-of-use-assets	11	689,681	31,049,975
Development assets	12	7,955,173	8,029,704
Plant & equipment iM3NY	13(a)	-	92,984,518
Plant & equipment	13(b)	53,803	107,148
Total non-current assets		8,698,657	149,763,291
TOTAL ASSETS		9,560,089	203,855,827
Current liabilities			
Trade and other payables	14	9,251,623	15,632,853
Lease Liability	15(a)	274,250	3,025,815
Provisions	15(b)	585,116	472,090
Borrowings	15(c)	5,303,593	4,600,000
Total current liabilities		15,414,582	23,730,758
Non-current liabilities			
Lease Liability	15(a)	459,611	30,657,582
Borrowings	15(c)	-	150,631,220
Total non-current liabilities		459,611	181,288,802
TOTAL LIABILITIES		15,874,193	205,019,560
NET ASSETS		(6,314,104)	(1,163,733)
Equity			
Contributed equity	16(a)	241,876,346	259,137,517
Reserves	18	8,574,807	15,024,976
Accumulated Profits/(Losses)		(256,765,257)	(287,398,720)
Parent Interest - Capital and Reserves		(6,314,104)	(13,236,227)
Issued Capital - Non-controlling Interest		-	27,716,111
Accumulated Profits/(Losses) - Non-controlling Interest		-	(15,643,617)
Non-controlling interests		-	12,072,494
TOTAL EQUITY		(6,314,104)	(1,163,733)

The above Statement of Financial Position should be read in conjunction with the accompanying Notes.

STATEMENT OF CHANGES IN EQUITY

YEAR ENDED 30 JUNE 2024

Notes	Issued Capital \$	FVOCI Reserve \$	Share Based Payment Reserves \$	Foreign Currency Translation Reserve \$	Accumulated (Losses) \$	Non controlling interests \$	Total Equity \$
At 30 June 2023	259,137,517	5,076,057	3,841,692	6,107,227	(287,398,720)	12,072,494	(1,163,733)
Profit / (Loss) for the period	-	-	-	-	15,417,117	(6,393,013)	9,024,104
Other comprehensive Income / (loss)	-	(15,096,142)	-	(411,350)	-	-	(15,507,492)
Total comprehensive income / (loss) for current year	-	(15,096,142)	-	(411,350)	15,417,117	(6,393,013)	(6,483,388)
Transactions with owners:							
Contributions of equity, net of transaction costs	7,193,177	-	-	-	-	-	7,193,177
Deconsolidation of iM3NY	(24,454,348)	-	-	-	24,454,348	-	-
Derecognition of non-controlling on loss of control of iM3NY	-	-	-	-	-	(5,679,481)	(5,679,481)
Share-based payment (SBP) 29(a)	-	-	-	-	-	-	-
SBP (Forfeited) 29(a)	-	-	(962,762)	-	962,762	-	-
Other	-	-	-	-	(180,679)	-	(180,679)
Reclassification from reserve	-	10,020,085	-	-	(10,020,085)	-	-
At 30 June 2024	241,876,346	-	2,878,930	5,695,877	(256,765,257)	-	(6,314,104)

YEAR ENDED 30 JUNE 2023

Notes	Issued Capital \$	FVOCI Reserve \$	Share Based Payment Reserves \$	Foreign Currency Translation Reserve \$	Accumulated (Losses) \$	Non controlling interests \$	Total Equity \$
At 30 June 2022	234,105,997	5,076,057	2,910,493	9,860,658	(206,510,298)	1,112,277	46,555,184
Previous year after tax loss	-	-	-	-	5,501,114	(2,711,813)	2,789,301
Profit / (Loss) for the period	-	-	-	-	(57,073,989)	(15,643,617)	(72,717,606)
Other comprehensive Income / (loss)	-	-	-	(3,753,431)	-	-	(3,753,431)
Total comprehensive income / (loss) for current year	-	-	-	(3,753,431)	(57,073,989)	(15,643,617)	(76,471,037)
Transactions with owners:							
Contributions of equity, net of transaction costs	24,713,108	-	-	-	-	-	24,713,108
Contributions of equity, net of transaction costs iM3NY	318,412	-	-	-	-	-	318,412
Share-based payment (SBP) 29(a)	-	-	1,060,000	-	100	-	1,060,100
SBP (Forfeited) 29(a)	-	-	(128,800)	-	-	-	(128,800)
Non-Controlled interest	-	-	-	-	(29,315,647)	29,315,647	-
Rounding	-	-	(1)	-	-	-	(1)
At 30 June 2023	259,137,517	5,076,057	3,841,692	6,107,227	(287,398,720)	12,072,494	(1,163,733)

The above Statement of Changes in Equity should be read in conjunction with the accompanying Notes.

STATEMENT OF CASH FLOWS

YEAR ENDED 30 JUNE 2024

		2024	2023
	Notes	\$	\$
Cash flows from operating activities			
Payments to suppliers and employees		(2,818,930)	(26,320,561)
Payment of exploration expenditure		(2,030,642)	(2,233,044)
Recovery of / (Payment for) development assets		93,311	(1,610,732)
Payments to production		(7,046,273)	(13,305,795)
Interest and other costs of finance paid		(8,531,744)	(15,468,369)
Interest received		153,364	224,846
Other income received		-	29,332
Net cash (used in) / from operating activities	19(a)	(20,180,914)	(58,684,323)
Cash flows from investing activities			
Acquisition of plant & equipment		(880,966)	(43,153,600)
Acquisition of interest in associate		-	(941,488)
Acquisition of interest in financial asset		-	(4,999)
Proceeds from sale of property, plant, and equipment		1,834,117	4,959
Payment of loan to related parties		-	9,778,901
Net cash flows (used in) / from investing activities		953,151	(34,316,227)
Cash flows from financing activities			
Proceeds from issues of ordinary shares and options		7,700,000	26,128,108
Proceeds from issues/sale of ordinary shares - iM3NY		762,998	470,124
Proceeds from issues/sale of ordinary shares - iM3 PL		-	30
Proceeds remaining from Conv. Note Facility		-	2,850,000
Capital raising expenses		(506,823)	(1,415,000)
Proceeds from borrowings		7,341,593	5,520,087
Repayment of borrowings		(6,638,000)	-
Transaction costs related to loans and borrowings		(4,733,000)	(20,833,242)
Net cash flows (used in) / from financing activities		3,926,768	12,720,107
Net increase / (decrease) in cash and cash equivalents		(15,300,995)	(80,280,443)
Net foreign exchange differences		282,730	2,179,804
Less cash in iM3NY subsidiary as at date of deconsolidation		(7,029,671)	-
Add opening cash and cash equivalents		22,137,605	100,238,244
Closing cash and cash equivalents	7, 19(b)	89,669	22,137,605

The above Statement of Cash Flows should be read in conjunction with the accompanying Notes.

Notes to the Financial Statements – Year Ended 30 June 2024

1. GENERAL INFORMATION

The financial statements cover Magnis Energy Technologies Ltd as a consolidated entity consisting of Magnis Energy Technologies Ltd and its controlled entities described in Note 28(b) ('the Group'). Magnis Energy Technologies Ltd is a company, limited by shares, incorporated and domiciled in Australia whose shares are publicly traded on the Australian Securities Exchange ('ASX'). Its registered office and principal place of business is:

Suite 11.01, 1 Castlereagh Street
Sydney NSW 2000

A description of the nature of the consolidated entity's operations and its principal activities are included in the directors' report, which is not part of the financial statements.

The principal accounting policies adopted in the preparation of the financial statements are set out below.

Going Concern

The Group is involved in the exploration, evaluation, development and exploitation of the wholly owned Nachu Graphite Project in Tanzania and down-stream materials in the lithium-ion battery supply chain.

For the year ended 30 June 2024, the Group reported a net profit of \$9,024,104 (2023: loss \$72,717,606) and net operating cash outflows of \$20,180,914 (2023: \$58,684,323). The operating cash outflows have been funded by cash in hand at the beginning of the financial year and cash inflows from net equity raisings and borrowings of \$7,896,770 (2023: \$30,233,195) during the year. As at 30 June 2024 the Group had net current liabilities of \$14,553,150 (2023: assets \$30,361,778) including cash reserves of \$89,669 (2023: \$22,137,605). The breakup of cash reserves is provided in Note 7. As at 30 June 2024 the Group had current trade and other payables of \$9,251,623 of which \$2,676,477 has been settled subsequent to the year end, leaving \$6,575,146 still payable. The Group has received a written commitment of financial support from a number of creditors amounting to a total of \$3,305,353.

The balance of these cash reserves will not be sufficient to meet the Group's planned expenditure, evaluation, and development budget, including operating and administration expenditure for the 12 months to 21 May 2026. To fully implement its evaluation and development strategy, the Group will require additional funds.

The consolidated entity has prepared a cash flow forecast which extends 12 months from the date of signing these financial statements and which indicates that the consolidated entity will have sufficient funds to meet its expenditure commitments for this period based on that forecast, which includes the following principal assumptions:

- No repayment of principal or interest on the McEvoy Street (Alexandria) Pty Ltd (McEvoy) secured debt which has a present principal outstanding amount of \$8.032 million and a maturity of 15 May 2026.
- Financial support from McEvoy in relation to the Group's ongoing operating costs and working capital requirements in an amount of up to \$5 million over the next 12 months.
- The equity financing agreement with Global Corporate Finance (GCF), whereby GCF has provided a total commitment amount of \$10 million, with an option to increase it by further \$5,000,000 to a total of \$15 million subject to mutual agreement, to be applied towards general working capital purposes with a 30-month term, becoming contractually effective through receiving shareholder approval and the ASX having given approval for the Company's shares to be re-quoted for trading on the ASX and such re-quotation becoming effective.
- That the GCF equity financing agreement will become operationally effective through the Company's shares trading on the ASX at a premium to the contractual minimum price of \$0.04 per share.
- Reduced expenditure profile for the period, including for operating and investing activities.
- Counter-parties continuing to work with the consolidated entity to enable it to continue to match cash outflows from operating and investing activities with cash inflows from financing activities.
- No cash outflows associated with any contingent liabilities.

Having carefully assessed the uncertainties relating to the likelihood of realising the assumptions set out in the cash flow forecast and the Group's ability to effectively manage its expenditures and cash flows from operations, the Directors believe the Group will continue to operate as a going concern for the foreseeable future. Therefore, the Directors consider it appropriate to prepare the financial statements on a going concern basis.

If the assumptions underpinning the basis of preparation do not occur as anticipated, there is material uncertainty that may cast significant doubt over whether the Group will continue to operate as a going concern. If the Group is unable to continue as a going concern it may be required to realise its assets and extinguish its liabilities other than in the normal course of business and at amounts different to those stated in the financial statements. No adjustments have been made to the financial report relating to the recoverability and classification of the asset carrying amounts or the classification of liabilities that might be necessary should the Group not continue as a going concern.

Notes to the Financial Statements – Year Ended 30 June 2024

Basis of preparation

The financial report is a general-purpose financial report, which has been prepared in accordance with the requirements of the *Corporations Act 2001*, Australian Accounting Standards and interpretations and complies with other requirements of the law.

Accounting policies are selected and applied in a manner which ensures that the resulting financial information satisfies the concepts of relevance and reliability, thereby ensuring that the substance of the underlying transactions or other events is reported.

The accounting policies detailed below have been consistently applied to all of the years presented unless otherwise stated. The financial statements are for the Group consisting of Magnis Energy Technologies Ltd and its subsidiaries.

The financial report is prepared in Australian dollars, \$.

Historical cost convention

The financial statements have been prepared on an accrual basis under the historical cost convention, as modified by the revaluation of selected non-current assets, financial assets, and financial liabilities for which the fair value basis of accounting has been applied.

Critical accounting estimates

The preparation of the financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the consolidated entity's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 3.

New or amended Accounting Policies Adopted by the Group

- *AASB 2021-2: Amendments to Australian Accounting Standards – Disclosure of Accounting Policies and Definitions of Accounting Estimates*

The Group adopted AASB 2021-2 which makes some small amendments to a number of standards including the following: AASB 7, AASB 101, AASB 108, AASB 134 and AASB Practice Statement 2. The adoption of the amendment did not have a material impact on the financial statements.

- *AASB 2022-7: Editorial Corrections to Australian Accounting Standards and Repeal of Superseded and Redundant Standards*

AASB 2022-7 makes various editorial corrections to a number of standards effective for reporting periods beginning on or after 1 January 2023. The adoption of the amendment did not have a material impact on the financial statements.

The Group has adopted all amendments required for the year ended 30 June 2024. The adoption of these amendments did not have a material impact on the financial statements.

Notes to the Financial Statements – Year Ended 30 June 2024

New or amended Accounting Policies Not Yet Adopted by the Group

- *AASB 2020-1: Amendments to Australian Accounting Standards – Classification of Liabilities as Current and Non-current*

The amendment amends AASB 101 to clarify whether a liability should be presented as current or non-current.

The Group plans on adopting the amendment for the reporting period ending 30 June 2025. The amendment is not expected to have a material impact on the financial statements once adopted.

- *AASB 2022-6: Amendments to Australian Accounting Standards – Non-current Liabilities with Covenants*

AASB 2022-6 amends AASB 101 to improve the information an entity provides in its financial statements about liabilities arising from loan arrangements for which the entity's right to defer settlement of those liabilities for at least 12 months after the reporting period is subject to the entity complying with conditions specified in the loan arrangement. It also amends an example in Practice Statement 2 regarding assessing whether information about covenants is material for disclosure. The Group plans on adopting the amendment for the reporting period ending 30 June 2025. The amendment is not expected to have a material impact on the financial statements once adopted.

No other new and amended accounting standards not yet adopted are expected to have a material effect on the entity and will be adopted as required.

Statement of Compliance

The financial report was authorised for issue, in accordance with a resolution of directors, on 23 May 2025. The directors have the power to amend and reissue the financial statements.

The financial report complies with Australian Accounting Standards, which include Australian equivalents to International Financial Reporting Standards (AIFRS). Compliance with AIFRS ensures that the financial report comprising the financial statements and notes thereto complies with International Financial Reporting Standards (IFRS).

Parent entity information

In accordance with the *Corporations Act 2001*, these financial statements present the results of the consolidated entity only. Supplementary information about the parent entity is disclosed in Note 27.

Notes to the Financial Statements – Year Ended 30 June 2024

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES

The following is a summary of the material accounting policies adopted by the consolidated Group in the preparation of the financial statements. The accounting policies have been consistently applied to all years presented, unless otherwise stated.

Exploration and evaluation costs

Exploration and evaluation expenditure is expensed directly to profit or loss when incurred. Accounting policies for the Group's development assets are outlined in Note 12 'Development Assets'.

Employee benefits

Provision is made for employee benefits accumulated as a result of employees rendering services up to the reporting date. These benefits include wages and salaries, annual leave, and long service leave when it is probable that settlement will be required.

Liabilities arising in respect of wages and salaries, annual leave and any other employee benefits expected to be settled within twelve months of the reporting date are measured at their nominal amounts based on remuneration rates which are expected to be paid when the liability is settled including related on-costs, such as workers compensation and payroll tax.

Revenue recognition

Interest revenue is recognised as interest accrues using the effective interest method.

Goods and services tax (GST) and/or value added tax (VAT)

Revenues, expenses, and assets are recognised net of the amount of GST/VAT except:

- where the GST/VAT incurred on a purchase of goods and services is not recoverable from the taxation authority, in which case the GST/VAT is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
- receivables and payables are stated with the amount of GST/VAT included.

The net amount of GST/VAT recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statement of financial position.

Cash flows are included in the Statement of Cash Flows on a gross basis and the GST/VAT component of cash flows arising from investing and financing activities, which is recoverable from, or payable to, the taxation authority, are classified as operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST/VAT recoverable from, or payable to, the taxation authority.

Contributed equity

Ordinary shares are classified as equity. Any transaction costs arising on the issue of ordinary shares are recognised directly in equity as a reduction of the share proceeds received.

Restatement of comparatives

When required by accounting standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year.

Notes to the Financial Statements – Year Ended 30 June 2024

Fair value measurement

When an asset or liability, financial or non-financial, is measured at fair value for recognition or disclosure purposes, the fair value is based on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date; and assumes that the transaction will take place either in the principal market, or, in the absence of a principal market, in the most advantageous market.

Fair value is measured using the assumptions that market participants would use when pricing the asset or liability, assuming they act in their economic, best interests. For non-financial assets, the fair value measurement is based on its highest and best use. Valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value are used, maximising the use of relevant observable inputs, and minimising the use of unobservable inputs.

Assets and liabilities measured at fair value are classified into three levels, using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. Classifications are reviewed at each reporting date and transfers between levels are determined based on a reassessment of the lowest level of input that is significant to the fair value measurement.

For recurring and non-recurring fair value measurements, external valuers may be used when internal expertise is either not available or when the valuation is deemed to be significant. External valuers are selected based on market knowledge and reputation. Where there is a significant change in fair value of an asset or liability from one period to another, an analysis is undertaken, which includes a verification of the major inputs applied in the latest valuation and a comparison, where applicable, with external sources of data.

Foreign currency translation

Functional and presentation currency

The functional currency of each of the Group's entities is measured using the currency of the primary economic environment in which that entity operates. The consolidated financial statements are presented in Australian dollars which is the parent entity's functional and presentation currency.

Transactions and balances

Foreign currency transactions are translated into functional currency using the exchange rates prevailing at the date of the transaction. Foreign currency monetary items are re-translated at the year-end exchange rate. Non-monetary items measured at historical cost continue to be carried at the exchange rate at the date of the transaction. Non-monetary items measured at fair value are reported at the exchange rate at the date when fair values were determined. Exchange differences arising on the translation of monetary items are recognised in profit or loss.

Financial statements of foreign operations

The financial results and position of foreign operations whose functional currency is not Australian dollars, the Group's presentation currency, are translated as follows:

- assets and liabilities are translated at year-end exchange rates prevailing at that reporting date.
- income and expenses are translated at average exchange rates for each month during the period.

Exchange differences arising on translation of foreign operations are transferred directly to the Group's foreign currency translation reserve in other comprehensive income. These differences are recognised in the statement of comprehensive income in the period in which the operation is disposed.

Notes to the Financial Statements – Year Ended 30 June 2024

3. CRITICAL ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements.

Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue, and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, that management believes to be reasonable under the circumstances.

The resulting accounting judgements and estimates will seldom equal the related actual results. The estimate, judgements and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities (refer to the respective Notes) within the next financial year are discussed below.

Share-based payment transactions

The Group measures the cost of equity-settled transactions with employees and directors by reference to the fair value of the equity instruments at the date at which they are granted. The fair value of share options is determined by an external valuer using a binomial option pricing model that uses the assumptions detailed in Note 29(g).

Indirect tax receivables and liabilities

The Group is subject to indirect taxes in Australia and the jurisdiction where it has foreign operations. Significant judgement is required in determining the amounts recorded as receivables for recovery of such taxes and payables for payment of such taxes. The Group is subject to an audit by a tax authority in the jurisdiction in which it operates.

The Group recognises liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. The Group has adequately recorded receivables and payables for the amounts it believes will ultimately be payable. Where the final outcome of any matter is different from amounts recorded, such differences will impact the indirect tax receivables or provision in the period in which such determination is made.

Fair value estimates of financial instruments

The Group is required to classify all assets and liabilities, measured at fair value, using a three-level hierarchy, based on the lowest level of input that is significant to the entire fair value measurement, being:

- Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.
- Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly; and
- Level 3: Unobservable inputs for the asset or liability.

Considerable judgement is required to determine what is significant to fair value and therefore which category the asset or liability is placed in can be subjective. The fair value of assets and liabilities classified as Level 3 is determined by the use of valuation models. These include discounted cash flow analysis or the use of observable inputs that require significant adjustments based on unobservable inputs.

Continuing operations

The results of iM3NY have been included as part of continuing operations of the Group. As at 30 June 2024, the Group continued to execute on its plan to re-acquire control of Imperium3 through the acquisition of the secured debt or through other financing mechanisms.

4. SEGMENT INFORMATION

Identification of reportable segments

Operating segments are presented using the 'management approach', where the information presented is on the same basis as the internal reports provided to the Chief Operating Decision Makers ('CODM'). The CODM, which is the Board of Directors, is responsible for the allocation of resources to operating segments and assessing their performance.

The Group has determined its reportable segments for the financial year ended 30 June 2024 as follows:

- lithium-ion battery investments
- graphite exploration and development
- head-office support

Notes to the Financial Statements – Year Ended 30 June 2024

	Deconsolidated Lithium-ion Battery Plant Investment USA	Lithium-ion Battery Plant Investment Australia	Graphite Exploration and Development Tanzania	Head-Office Support Australia	Consolidated
Segment financial information	\$	\$	\$	\$	\$
30 June 2024					
Segment income	53,897,504	-	-	33,193	53,930,697
Segment profit/(loss) before tax	(24,616,918)	-	(1,352,300)	34,993,322	9,024,104
Segment current assets	-	-	476,858	384,574	861,432
Segment non-current assets	-	-	8,163,759	534,898	8,698,657
Segment liabilities	-	-	(1,418,232)	(14,455,961)	(15,874,193)

	Deconsolidated Lithium-ion Battery Plant Investment USA	Lithium-ion Battery Plant Investment Australia	Graphite Exploration and Development Tanzania	Head-Office Support Australia	Consolidated
Segment financial information	\$	\$	\$	\$	\$
30 June 2023					
Segment income	97,798	26,039	1,512	265,424	390,773
Segment profit/(loss) before tax	(57,927,224)	-	(1,743,486)	(13,046,896)	(72,717,606)
Segment current assets	45,920,697	61,986	838,650	7,271,203	54,092,536
Segment non-current assets	140,660,631	-	8,115,819	986,841	149,763,291
Segment liabilities	(198,608,964)	-	(277,335)	(6,133,261)	(205,019,560)

Accounting policies

The Group applies AASB 8 Operating Segments and determines its operating segments to be based on its geographical location and also by operational type. Lithium-ion battery investment refers to the Group's ownership in operating or planned battery factories: Imperium3 Pty Ltd and Imperium3 New York Inc. Graphite exploration and development refers to the pre-development Nachu Graphite Project in Tanzania. The financial performance of these segments is reported to the Board on a periodical basis. The accounting standards adopted in preparing internal reports to the Board are consistent with those adopted in preparing this annual report. Operating segments are subject to risks and returns that are different to those of segments operating in other economic environments.

Inter-segment transactions

To avoid asymmetrical allocation within segments which management believe would be inconsistent policy, if items of revenue and expense are not allocated to operating segments then any associated assets and liabilities are also not allocated to segments.

Segment assets and liabilities

Segment assets include all assets used by a segment and consist primarily of cash and cash equivalents, development assets, plant and equipment, right of use assets and trade and other receivables. While most of these assets can be directly attributable to individual segments, the carrying amounts of certain assets are used jointly by segments are not allocated. Segment liabilities consist primarily of trade and other creditors, borrowings, lease liabilities and employee benefits. Segment assets and liabilities do not include deferred income taxes.

Notes to the Financial Statements – Year Ended 30 June 2024

5. DIVIDENDS PAID OR PROVIDED FOR ON ORDINARY SHARES

No dividends were paid or declared since the start of the financial year.
No recommendation for payment of dividends has been made.

6. INCOME TAX

	Consolidated 2024 \$	2023 \$
Current income tax credit/(expense)	(850,429)	15,720,595
Tax losses not recognised as not probable	2,956,867	(19,881,329)
(Under)/over provision in prior year	2,106,438	(4,160,734)
Deferred income tax		
Relating to origination and reversal of temporary differences Tax losses brought to account to offset net deferred tax liability	(2,106,438)	4,160,734
	-	-
Income tax credit/(expense) reported in the Statement of Comprehensive Income	-	-

(a) Statement of Changes in Equity

Deferred income tax related to items charged or credited directly to equity

Share issue costs	(456,811)	(74,479)
Deferred tax offset	456,811	74,479
Income tax benefit reported in Equity	-	-

(b) Tax Reconciliation

A reconciliation between tax expense and the product of accounting profit before income tax multiplied by the Group's applicable income tax rate is as follows

	2024 \$	2023 \$
Accounting profit / (loss) before tax	9,024,104	(72,717,606)
At the Group's statutory 30% tax rate (2023: 30%)	(2,707,232)	21,815,282
Share-based payment expense	-	(223,980)
Movement in temporary differences	437,142	(806,982)
Share of net P&L of associate accounted for using equity method	-	-
Exploration and evaluation expense write off	-	(82,755)
Non-assessable R&D offset income	-	-
Deductible option issue costs	456,811	456,811
Other adjustments	(1,143,588)	(1,277,047)
Tax losses not brought to account	2,956,867	(19,881,329)
Loss recoupment	-	-
Income tax (expense) reported in the Statement of Comprehensive Income	-	-

The benefit of these losses and temporary differences will only be obtained if:

- the Group derives future assessable income of a nature and an amount sufficient to enable the benefit from the deductions for the loss to be realised.
- the Group continues to comply with the condition of deductibility imposed by law; and
- no changes in tax legislation adversely affect the Group in realising the benefit from the deduction for the loss.

At the reporting date, the Group has estimated tax losses of (refer below) available to offset against future taxable income subject to continuing to meet relevant statutory tests.

Notes to the Financial Statements – Year Ended 30 June 2024

To the extent that it does not offset a deferred tax liability, a deferred tax asset has not been recognised for these losses because it is not probable that future taxable income will be available to use against such losses.

	2024
	\$
Group tax losses	54,879,886
Transferred tax losses	26,706,090
Tax losses in foreign companies	152,597,831
Total tax losses	234,183,807

Accounting policies

The income tax expense or revenue for the period is the tax payable on the current period's taxable income based on the national income tax rate for each jurisdiction adjusted by the changes in deferred tax assets and liabilities attributable to temporary differences between the tax bases of assets and liabilities and their carrying amounts in the financial statements, and to unused tax losses. Deferred income tax is provided on all temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes. Deferred income tax liabilities are recognised for all temporary differences, except:

- where the deferred income tax liability arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; or
- when the taxable temporary difference is associated with investments in subsidiaries, associates or interests in joint ventures and the timing of the reversal of the temporary difference can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred income tax assets are recognised for all deductible temporary differences, carry-forward of unused tax assets and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary difference, and the carry-forward of unused tax assets and unused tax losses can be used, except:

- where the deferred income tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- when the deductible temporary differences are associated with investments in subsidiaries, associates or interests in joint ventures, in which case a deferred tax asset is only recognised to the extent that it is probable that the temporary difference will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be applied.

The carrying amount of deferred income tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised. Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted at the reporting date. Income taxes relating to items recognised directly in equity are recognised in equity and not in the statement of financial position.

Tax consolidated Group

The Company and its wholly owned Australian subsidiaries have elected to form a tax consolidated Group from 1 July 2015, with Magnis Energy Technologies Ltd being the head entity within that Group. These entities are taxed as a single entity.

7. CURRENT ASSETS - CASH AND CASH EQUIVALENTS

	Consolidated	
	2024	2023
	\$	\$
Cash on hand	4,506	16,148
Cash at bank	85,163	3,653,977
Cash at bank – iM3NY	-	18,467,480
	89,669	22,137,605

Accounting policies

For statement of cash flows presentation purposes, cash and cash equivalents include cash on hand, deposits held at call with financial institutions, other short-term highly liquid investments that are readily convertible to known amounts of cash and which are subject to insignificant risk of change in value, and bank overdrafts.

Notes to the Financial Statements – Year Ended 30 June 2024

8. TRADE AND OTHER RECEIVABLES

	Consolidated	
	2024	2023
	\$	\$
Accrued interest	8,007	4,947
GST / VAT recoverable	522,544	202,273
Prepayments and other receivables	32,857	4,013,903
Prepayments and other receivables- iM3NY	5,499,001	5,499,001
Deconsolidation of prepayments and other receivables- iM3NY	(5,499,001)	-
Security deposit	208,355	202,090
	771,763	9,922,214

Accounting policies

Other receivables are recognised and measured at amortised cost, less any allowance for expected credit losses.

Impairment

At each reporting date, the Group reviews the carrying values of trade and other receivables to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value, has less costs to sell and value in use, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to profit or loss. Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. As at 30 June 2024, the directors resolved to impair the carrying value of prepayments for anode active material plant & equipment under development in an amount of \$3,588,112 (2023 : \$Nil).

9(a) OTHER ASSETS

	Consolidated	
	2024	2023
	\$	\$
Accrued interest	-	26,039
Credit Card Clearing Account	-	21,461
Advances/Loans - Imperium3 Townsville	-	31,000
Inventory - iM3NY	-	11,939,026
Advances/Deposits on purchases - iM3NY	-	10,015,191
	-	22,032,717

Accounting policies

Allowance for expected credit losses

The consolidated entity has recognised a loss of \$NIL (2023: \$NIL) in profit or loss in respect of the expected credit losses related to other assets for the year ended 30 June 2024.

	Consolidated	
	2024	2023
	\$	\$
Movements in Capitalised Loan Costs are as follows:		
Opening balance	22,032,717	3,631,733
Additional advances/loans recognised	-	18,400,984
Reversal of advances/loans recognised	(78,500)	-
iM3NY deconsolidation	(21,954,217)	-
Closing balance	-	22,032,717

Notes to the Financial Statements – Year Ended 30 June 2024

9(b) OTHER ASSETS - Non-Current

	Consolidated	
	2024	2023
	\$	\$
Capitalised Loan Costs - iM3NY	-	2,495,804
Less: allowance for amortisation - Loan Costs - iM3NY	-	-
	-	2,495,804

Accounting policies

Capitalised Loan Costs and Allowance for Amortisation of Capitalised Loan Costs - iM3NY

These are capitalised expenses incurred in securing and refinancing loaned funds for iM3NY Inc. and include such items as legal fees, agency fees, borrowing costs and other loan-related costs that will be amortised in accordance to their respective nature. The consolidated entity has recognised \$NIL (2023: \$2,495,804) in profit or loss in respect of iM3NY related capitalised loan costs for the year ended 30 June 2024.

	Consolidated	
	2024	2023
	\$	\$
Movements in Capitalised Loan Costs are as follows:		
Opening balance	2,495,804	13,655,704
Additional advances/loans capitalised- iM3NY	-	2,612,767
Reversal of advances/loans capitalised- iM3NY	(2,612,767)	-
Loan costs written off during the year - iM3NY	-	(12,522,172)
Currency translation	116,963	(1,250,495)
Closing balance	-	2,495,804

10. FINANCIAL ASSET at FVOCI

	Consolidated	
	2024	2023
	\$	\$
Equity investment in Charge CCCV LLC	-	15,096,142
Equity investment in iM3NY LLC Group	-	-
	-	15,096,142

On 29 March 2018, Magnis announced a strategic investment to acquire a 10.00% interest in a US based, lithium-ion battery technology Group, Charge CCCV LLC ('C4V') and secured an exclusive agreement over selective patents in certain territories. Magnis also appointed one representative to the Board of Directors of C4V, secured a first right of refusal for any future capital raising initiatives that C4V undertakes and executed an agreement over selected C4V technology licenses and intellectual property. On 28 April 2021 and as clarified in announcement on 9 September 2021, Riverstone Credit Partners received a 3.50% free-carry stake in C4V which effectively diluted the Company's ownership in C4V to 9.65%.

During the 1st half of the year, the Company announced that Imperium3 New York, Inc. ('Inc.') ('the Borrower'), and others, including iM3NY LLC ('LLC') and C4V (who provided their patented BMLMP technology as security), were served with a default notice by ACP Post Oak Credit I LLC ('ACP' or 'the Lender'). The default notice was issued by the Lender, with respect to the US\$100 million Senior Secured Term Loan Credit Agreement ('Credit Facility'), alleging that various events of default had occurred under and/or in relation to the Credit Facility. The Lender further stated that it may seek to enforce the security it has over the assets of the Borrower (and others, including LLC and C4V) unless the matter can be resolved. As of 30 November 2023, C4V held a 31.0% ownership in LLC, while LLC continued to hold a majority ownership of 95.5% in Inc, as its holding company.

During the 1st half of the year, the Lender also exercised their rights and appointed two directors to the board of Inc and removed all the other directors except for C4V Chairman Dr. S. Upreti.

As of 30 June 2024, Magnis continued to hold a 9.65% stake in C4V (30 June 2023: 9.65%). However, with Inc.'s funding and the alleged default matter remaining largely unresolved at the date of this financial report, along with the materiality of the above events impacting C4V, significant uncertainty exists over the future of C4V and its ability to continue to operate as a going concern. This has resulted in a reduction in the carrying value of Magnis' investment in C4V. Refer to Note 17 for a greater insight.

Notes to the Financial Statements – Year Ended 30 June 2024

As set out above and in Note 28(a), with effect from 30 November 2023, the Company deconsolidated the iM3NY LLC Group. As a result, the investment in the iM3NY Group from that date is accounted for as a financial asset at Fair Value through Other Comprehensive Income ('FVOCI'). As of 30 June 2024, Magnis continues to hold an economic interest of 74% in the iM3NY LLC Group (30 June 2023: 73% and consolidated). In January 2025, the directors of each LLC and Imperium3 filed for creditor protection under Chapter 11 of the US Bankruptcy Code. On 31 March 2025, the Delaware Bankruptcy Court approved the sale of the assets of the iM3NY Group to Musashi Auto Parts Michigan Inc for consideration of US\$10 million, with the sale to close on 4 April 2025. At present the Company is not aware of the disposition of the proceeds. It appears unlikely that the Company will obtain a return on its investment through the bankruptcy process. With Inc.'s funding, the alleged default matter continuing to remain largely unresolved and the companies remaining under Chapter 11 proceedings as at the date of this financial report, along with the materiality of the above events impacting the iM3NY LLC Group, significant uncertainty continues to exist over the future of the iM3NY LLC Group and its ability to continue to operate as a going concern. This is reflected in the carrying value of Magnis' investment in the iM3NY LLC Group. Refer to Note17 for a greater insight.

Accounting policies

a. Classification of financial assets at fair value through other comprehensive income

Financial assets at fair value through other comprehensive income comprises of:

- i. equity securities which are not held for trading, and for which the Group has made an irrevocable election at initial recognition to recognise changes in fair value through OCI rather than profit or loss as these are strategic investments and the Group considered this to be more relevant, and
- ii. debt securities where the contractual cash flows are solely principal and interest, and the objective of the Group's business model is achieved both by collecting contractual cash flows and selling financial assets.

b. Equity investments at fair value through other comprehensive income

Equity investments at fair value through other comprehensive income (FVOCI) comprise the following investment:

Non-current assets

Unlisted securities - Charge CCCV LLC
Unlisted securities - iM3NY LLC Group

Consolidated	
2024	2023
\$	\$
-	15,096,142
-	-
-	15,096,142

Upon disposal of these equity investments, any balance within the OCI reserve for these equity investments is reclassified to retained earnings and is not reclassified to profit or loss.

c. Debt investments at fair value through other comprehensive income

There are no debt investments at *fair value through other comprehensive income* (FVOCI) for both years. Information about the methods and assumptions used in determining fair value is provided in Note 17.

Movements in Financial Assets at FVOCI carrying value are as follows:

	Consolidated	
	2024	2023
	\$	\$
Carrying amount at start of period	15,096,142	15,096,142
Change in fair value	(15,096,142)	-
Carrying value of financial assets at FVOCI	-	15,096,142

11. RIGHT OF USE ASSET (RoU)

Non-current assets

Carrying amount at start of period

Additions

iM3NY RoU asset carrying value at time of deconsolidation

Depreciation expense

Currency translation

Carrying amount of Right-of-use assets

Consolidated	
2024	2023
\$	\$
31,049,975	30,149,281
47,501	1,230,731
(29,768,181)	-
(682,602)	(1,462,303)
42,988	1,132,266
689,681	31,049,975

Accounting policies

The right-of-use assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day, less any lease incentives received and any initial direct costs. They are subsequently measured at cost, less accumulated depreciation, and impairment losses.

Notes to the Financial Statements – Year Ended 30 June 2024

12. DEVELOPMENT ASSETS

Non-current assets

Consolidated
2024 **2023**
\$ **\$**

Development assets	7,955,173	8,029,704
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The Company's subsidiary in Tanzania received a notice of non-compliance from the Mining Commission concerning Special Mining License (SML 550/2015) on 4 April 2024. The notice pertains to the subsidiary's failure to commence development activities within the stipulated 18-month period from the license grant date, as mandated by the Mining Act, Cap 123. The company has responded to the Mining Commission to address this matter and ensure compliance. Currently, there are no indications of issues affecting the validity of the license.

Accounting policies

Development assets are stated at cost less accumulated amortisation and impairment losses. Cost represents the accumulation of all the compensation and resettlement expenditure incurred by, or on behalf of, the entity in relation to areas of interest in which construction or development has commenced. Compensation and resettlement expenditures are capitalised as development assets. Development costs, in which the Group has an interest are amortised over the life of the area of interest to which the costs relate to on a units of production basis over the estimated proven and probable ore-reserves and proportion of other measured and indicated mineral resources where there is a high degree of confidence that they can be extracted economically. Changes in the life of the area of interest and / or ore reserves, and other mineral resources are accounted for prospectively.

As at 30 June 2024, the depreciation in development asset has not commenced yet because the exploitation of the mine has not begun.

Impairment

At each reporting date, the Group reviews the carrying values of its development assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's Fair Value less Costs of disposal or Value In Use, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to profit or loss. Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash- generating unit to which the asset belongs.

As at 30 June 2024, no impairment to the carrying value of the development assets has been deemed necessary.

Movements in development assets are as follows:

	Consolidated 2024	2023
	\$	\$
Carrying amount at start of period	8,029,704	6,170,865
Development costs capitalised / (recovered) during the year	(93,311)	1,610,732
Currency translation difference	18,780	248,107
Carrying value of Development assets	7,955,173	8,029,704

13 (a) PLANT AND EQUIPMENT - iM3NY

Non-current assets

Consolidated
2024 **2023**
\$ **\$**

Plant and Equipment - iM3NY	-	92,984,518
	-	92,984,518

Accounting policies

P&E - iM3NY assets are stated at cost less accumulated depreciation and impairment losses.

Costs represent the accumulation of all the plant and equipment, and expenditure incurred by, or on behalf of, the entity in relation to the establishment and preparation of the production plant. P&E - iM3NY costs in which the Group has an interest are amortised over the projected life of the production plant. As at 30 November 2023, the company's iM3NY assets were deconsolidated. Refer to Note: 28(a) for a greater insight.

Impairment

As at 30 November 2023, the company's iM3NY assets were deconsolidated. Refer to Note: 28(a) for a greater insight.

Notes to the Financial Statements – Year Ended 30 June 2024

Movements in P&E - iM3NY assets are as follows:

	Consolidated	
	2024	2023
	\$	\$
Carrying amount P&E - iM3NY at start of period	92,984,518	49,414,529
P&E - iM3NY costs capitalised during the year	882,536	43,038,645
P&E - iM3NY assets as at date of deconsolidation	(90,692,389)	
Currency translation difference	(3,174,665)	531,344
Carrying value of P&E - iM3NY assets	-	92,984,518

13. (b) PLANT AND EQUIPMENT – Group excluding iM3NY

	Consolidated	
	2024	2023
	\$	\$
Plant and Equipment – Group excluding iM3NY	53,803	107,148
	53,803	107,148

Accounting policies

Each class of plant and equipment is carried at cost, less, where applicable, any accumulated depreciation and impairment losses.

The cost of fixed assets constructed within the Group includes the cost of materials, direct labour, borrowing costs and an appropriate proportion of fixed and variable overheads.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably.

All other repairs and maintenance are charged to profit or loss during the financial period in which they are incurred.

Depreciation

Depreciation is provided on plant and equipment, motor vehicles, office equipment, furniture, and fittings, and is calculated on a straight-line basis, commencing from the time the asset is first used, so as to write off the net costs of each asset over its expected useful life.

The following useful lives are used in the calculation of depreciation:

- Plant & equipment 2 to 5 years
- Vehicles 2 to 5 years
- Office equipment, furniture & fittings 2 to 20 years

The residual value and useful life of assets are reviewed, and adjusted if appropriate, at each reporting date.

Gains and losses on disposal(s), if any, are determined by comparing the proceeds with the carrying amount. These are included in profit or loss.

Impairment

At each reporting date, the Group reviews the carrying values of its plant & equipment assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's Fair Value less Costs to sell and Value In Use, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to profit or loss. Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. As at 30 June 2024, no impairment to the carrying value of its plant & equipment assets has been deemed necessary.

Notes to the Financial Statements – Year Ended 30 June 2024

13. (b) PLANT AND EQUIPMENT - Group excluding iM3NY

Reconciliation of carrying amounts at the beginning and end of the financial year:

YEAR ENDED 30 JUNE 2024	Consolidated Group					Total
	Plant and equipment	Office equipment	Office furniture and fittings	Office improvements	Motor vehicles	
	\$	\$	\$	\$	\$	\$
Balance at 1 July 2023 net of accumulated depreciation	29,164	72,385	5,599	-	-	107,148
Additions	-	5,835	-	-	-	5,835
(Disposals)	(6,430)	-	(975)	-	-	(7,405)
Currency translation differences	(108)	(281)	(23)	-	-	(412)
Depreciation charge for the year	(13,459)	(35,089)	(2,815)	-	-	(51,363)
Balance at 30 June 2024 net of accumulated depreciation	9,167	42,850	1,786	-	-	53,803
At 30 June 2024						
Cost	477,592	208,902	24,342	69,031	37,894	817,761
Accumulated depreciation and impairment	(468,425)	(166,052)	(22,556)	(69,031)	(37,894)	(763,958)
Net carrying amount	9,167	42,850	1,786	-	-	53,803
YEAR ENDED 30 JUNE 2023						
Balance at 1 July 2022 net of accumulated depreciation	8,961	34,934	448	-	-	44,343
Additions	40,095	62,612	8,331	2,529	1,388	114,955
(Disposals)	-	-	-	-	-	-
Currency translation differences	(6,391)	(8,084)	(1,022)	(812)	(446)	(16,755)
Depreciation charge for the year	(13,501)	(17,077)	(2,158)	(1,717)	(942)	(35,395)
Balance at 30 June 2023 net of accumulated depreciation	29,164	72,385	5,599	-	-	107,148
At 30 June 2023						
Cost	484,022	203,067	25,317	69,031	37,894	819,331
Accumulated depreciation and impairment	(454,858)	(130,682)	(19,718)	(69,031)	(37,894)	(712,183)
Net carrying amount	29,164	72,385	5,599	-	-	107,148

Notes to the Financial Statements – Year Ended 30 June 2024

14. TRADE AND OTHER PAYABLE

	Consolidated	
	2024	2023
Current	\$	\$
Trade payables	6,662,383	15,276,232
Other payables and accruals	2,589,240	356,621
	9,251,623	15,632,853

Accounting policies

Trade and other payables are recognised when the Group becomes obliged to make further payments from the purchase of goods and services and are measured at amortised cost using the effective interest method, less any impairment losses.

15. (a) LEASE LIABILITIES

	Consolidated	
	2024	2023
Current	\$	\$
Lease Liabilities	274,250	3,025,815
	274,250	3,025,815
Non-current		
Lease Liabilities	459,611	30,657,582
	459,611	30,657,582

Accounting policies

The lease liability is measured at the present value of the fixed and variable lease payments, net of cash lease incentives, that are not paid at the balance date. Lease payments are apportioned between finance charges and a reduction of the lease liability using the incremental borrowing rate implicit in the lease where available, or an assumed Group incremental borrowing rate, to achieve a constant rate of interest on the remaining balance of the liability.

15. (b) PROVISIONS

	Consolidated	
	2024	2023
Current	\$	\$
Employee benefits	585,116	472,090
	585,116	472,090

Annual Leave and Long Service Leave

An estimate of annual leave and long service leave is provided after reviewing relevant workplace agreements and industrial awards for respective employees and determining entitlement at the reporting date. The cost includes an account of direct employment costs.

The significant assumptions applied in the measurement of this provision include devising probabilities for employees complying with the legislative requirements (years of service) and the computed employment costs, discounted by using RBA bond rates applied for the respective years of service.

Notes to the Financial Statements – Year Ended 30 June 2024

Accounting policies

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the reporting date.

If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability. The increase in the provision resulting from the passage of time is recognised in finance costs.

15 (c) BORROWINGS

	Consolidated	
	2024	2023
	\$	\$
Current		
Unsecured debt	703,593	-
Secured debt	4,600,000	4,600,000
	5,303,593	4,600,000
Non-current		
Senior Secured Loan - iM3NY	-	150,631,220
	-	150,631,220

Unsecured debt

During FY2024, the Company received \$703,593 from several shareholders, including \$197,500 from related party Frank Poullas. All funds were provided with no fixed date for repayment, on an interest-free and unsecured basis.

Secured debt

During the December 2023 quarter, Magnis procured a \$4.6 million secured debt from sophisticated and professional investors. The debt is secured by a general security deed executed by the Company, a share pledge in respect of each of its subsidiaries and a debenture deed issued by each of its Tanzanian subsidiaries, incurs interest at 5.0% per month and matures on 30 June 2024. In July 2024, the debt was assigned to McEvoy Street (Alexandria) Pty Ltd, refer note 22.

Senior Secured Loan – iM3NY

Magnis deconsolidated Imperium3 New York Inc. ('iM3NY') from the Group following the restructuring of the iM3NY board of directors by the Lender, including its US\$100 million loan facility ('loan facility'). Key loan facility terms included:

- **Commencement date:** 19 April 2022
- **Lender:** ACP POST OAK CREDIT I LLC through Atlas Credit Partners ('ACP'),
- **Amount:** US\$100 Million, **Term:** 3 Years,
- **Guarantor:** Charge CCCV LLC (C4V),
- **Security:** a lien over the assets of iM3NY and the intellectual property of C4V, and
- **Interest cost:** Secured Overnight Financing Rate (SOFR - that has a floor of 1%) + a 6% margin and Credit Insurance Wrap Premium, which in Year 1 is 8.25%, Year 2 is 4.6% and in Year 3 is 4.35% or 2.25% (if milestone achieved).

Accounting policies

Loans and borrowings are initially recognised at fair value, net of transaction costs incurred. Loans and borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in the Income Statement over the period of the borrowings using the effective interest method.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the balance date.

The component of secured notes that exhibits characteristics of debt is recognised as a liability in the Statement of Financial Position, net of transaction costs.

On issue of secured notes, the fair value of the liability component is determined using a market rate for an equivalent non-convertible bond and this amount is carried as a liability on the amortised cost basis until extinguished on conversion or redemption. The increase in the liability due to the passage of time is recognised as a finance cost. The remainder of the proceeds is allocated to the equity component and is recognised in shareholders' equity. The carrying amount of the equity component is not remeasured in subsequent years.

Notes to the Financial Statements – Year Ended 30 June 2024

16. CONTRIBUTED EQUITY

a) Issued capital	Number	2024
	of shares	\$
Ordinary Fully Paid shares	1,199,498,151	241,876,346
Ordinary Fully Paid shares carry a vote per share and carry a right to dividends.		
b) Movements in fully paid shares	Number	2024
	of shares	\$
At 30 June 2023	1,115,331,483	259,137,517
Shares - iM3NY at date of deconsolidation	-	(24,454,348)
Shares issued	84,166,668	7,700,000
Transaction costs	-	(506,823)
At 30 June 2024	1,199,498,151	241,876,346

During the year the Company raised funds from equity as follows:

- \$7,700,000 (2023: \$26,128,108) from share placements of 84,166,668 (2023: 148,846,154) ordinary fully paid shares. Transaction costs amounted to \$506,823 (2023: \$1,415,000).
- \$NIL (2023: NIL) from the exercise of unlisted options, issuing NIL (2023: NIL) Ordinary Fully Paid shares.
- Previously some equity issues by iM3NY were accounted for as contributed equity of the group. As iM3NY has been deconsolidated this has been reversed.

c) Capital management

Management's prime objective when managing the Group's capital is to ensure the entity continues as a going concern as well as ensuring that funds are appropriately expended. The capital structure is intended to provide the lowest cost of capital available to the Group considering its present phase of operations.

Capital risk management.

In order to maintain or adjust the capital structure, the consolidated entity may return capital to shareholders, issue new shares or sell assets to reduce debt.

17. FAIR VALUE MEASUREMENT

The fair value of financial assets and financial liabilities are equivalent to the net carrying amount.

Fair values are those amounts at which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction. The carrying amounts of cash, trade and other receivables and trade and other payables are assumed to approximate their fair values due to their short-term nature.

The Group classified the fair value of its other financial instruments according to the following fair value hierarchy based on the number of observable inputs used to value the instruments. The three levels of the fair value hierarchy are:

- Level 1: Values based on unadjusted quoted prices available in active markets for identical assets or liabilities as of the reporting date.
- Level 2: Values based on inputs, including quoted prices, time value and volatility factors, which can be substantially observed or corroborated in the marketplace. Prices in Level 2 are either directly or indirectly observable as of the reporting date.
- Level 3: Values based on prices or valuation techniques that are not based on observable market data.

Financial assets measured at fair value	Level in Fair Value hierarchy	Consolidated	
		2024 \$	2023 \$
Financial assets at FVOCI using	3	-	15,096,142
Financial assets measured at fair value		-	15,096,142

Notes to the Financial Statements – Year Ended 30 June 2024

Financial assets at FVOCI

Financial assets at *Fair Value through Other Comprehensive Income* ('FVOCI') comprise the Group's investment in:

- private US based, lithium-ion battery technology company, Charge CCCV LLC ('C4V'), which is accounted for as a financial asset measured at FVOCI. The investment is unlisted, meaning it's not quoted in an active market and accordingly the fair value of this investment is included within Level 3 of the hierarchy.

C4V has expertise and patented technology in lithium-ion battery composition and manufacture. C4V has executed binding agreements to receive royalty income from the exclusive use of both its patented anode chemistry and its cobalt and nickel free cathode chemistry. C4V also retains the right to receive licensing and reservation fees upon the granting of exclusive use of its patented intellectual property (IP) by iM3NY and other potential battery factories.

At year end, C4V maintains a shareholder ownership of 31.0% (30 June 2023: 31.00%) in iM3NY LLC, being the holding company of Imperium3 New York Inc. ('iM3NY'), which owned the battery plant assets and lithium-ion battery manufacturing facility, based at the Huron Campus in Endicott, New York.

- private US based, lithium-ion battery manufacturing Group, iM3NY LLC and its subsidiary Imperium3 New York Inc. (as described above), which is accounted for as a financial asset measured at FVOCI. The investment is unlisted, meaning it's not quoted in an active market and accordingly the fair value of this investment is included within Level 3 of the hierarchy.

As at year end, the Company maintains a shareholder ownership of 62.0% and an economic interest of 74% in iM3NY LLC. In January 2025, the directors of each LLC and Imperium3 filed for creditor protection under Chapter 11 of the US Bankruptcy Code. On 31 March 2025, the Delaware Bankruptcy Court approved the sale of the assets of the iM3NY Group to Musashi Auto Parts Michigan Inc for consideration of US\$10 million, with the sale to close on 4 April 2025. Presently the Company is not aware of the disposition of the proceeds. It appears unlikely that the Company will obtain a return on its investment through the bankruptcy process.

Valuation Techniques- Level 3

Following the actions taken by the secured lender of iM3NY during the half year to December 2023, and because of the uncertainty in relation to both iM3NY and C4V as set out in Note 10 above, the Group has utilised the discounted cash flow (DCF) method to calculate the enterprise value of both C4V and the iM3NY LLC Group.

The DCF involves the projection of a series of cash flows and to this an appropriate market derived discount rate is applied to establish the present value of the income stream. The Group decides its valuation policies and procedures in line with its business objectives and with reference to the Group's assessment of its investment in individual projects.

Position papers are prepared to apprise the audit and risk committee of the valuation techniques adopted. The Group normally reviews the valuation of its financial assets at FVOCI at least once every six months, in line with the Group's half-yearly and yearly reporting requirements.

Changes in level 3 fair values are analysed at the end of each reporting period during this review.

Project and Investment Risk

The fair value of the Group's investment in both C4V and the iM3NY LLC Group is measured against their respective enterprise value of C4V and the iM3NY LLC Group, which is determined using present value techniques.

The present value calculations use cash flows that are estimates rather than known amounts. There is inherent uncertainty in this valuation technique. In addition:

- C4V holds patents that require management of existing patents while also striving for active research results that lead to new patents, highlighting that its economic success is uncertain. I
- claims against these patents and the cost of defending claims are likewise uncertain but do represent a real risk.

As a result, the fair value is exposed to various forms of risk.

Notes to the Financial Statements – Year Ended 30 June 2024

Royalties and Reservation Fee

C4V has executed binding agreements to receive royalty income from the exclusive use of both its patented anode chemistry and its cobalt and nickel free cathode chemistry. C4V also retains the right to receive a once-off reservation fee upon the granting of exclusive use of its patented IP at any future battery plants which utilise its technology. The royalty income is dependent upon the successful production of lithium-ion batteries.

There is a risk that C4V will not receive the estimated reservation fee or royalty income if the customer is unsuccessful in securing the required capital to commence construction of the individual projects.

There is also a risk that the annual royalty income derived from the individual projects will be less than estimated due to delays in production timelines or reduction in the expected annual production.

Any reduction in annual royalty income or reservation fee income will lower the fair value. The contracts between C4V and its customers contain commercially sensitive information and as such cannot be disclosed in the financial report as it would likely be prejudicial to Magnis. The contracted royalty and reservation fees have been used by the Group in determining the fair value of C4V.

Currency rate risk

Adverse foreign currency fluctuations can impact the estimation of the value of the relevant investment project, arising from future commercial transactions and recognised financial assets and financial liabilities denominated in a currency that is not the entity's native currency. To protect the exposure against exchange rate movements, the Group may consider entering into standard, forward foreign exchange contracts.

Risk adjusted discount rate.

The above risks have been factored into the risk adjusted discount rate. Any favourable mitigation of the risks outlined above would result in a decrease in the discount rate and an increase in the fair value.

18. RESERVES

a) Reserves

	Consolidated	
	2024	2023
	\$	\$
Foreign currency translation	5,695,877	6,107,227
Share-based payment	2,878,930	3,841,692
FVOCI Reserve	-	5,076,057
	8,574,807	15,024,976

b) Nature and purpose of reserves

- i. **Foreign currency translation reserve:** Exchange differences arising on translation of foreign controlled entities are taken to the foreign currency translation reserve, as described in Note 2.

The reserve is recognised in profit or loss when the net investment is disposed of.

- ii. **Share-based payment reserve:** The share-based payment reserve is used to recognise the fair value of options and performance rights issued to Directors, employees, and contractors.

- iii. **FVOCI reserve:** The FVOCI Reserve is used to recognise any increment or impairment on assets and liabilities using the fair value of measurement, thereby ensuring fair values are equivalent to their respective net carrying value.

Notes to the Financial Statements – Year Ended 30 June 2024

19. STATEMENT OF CASH FLOWS

a) Reconciliation of the net profit / (loss) after income tax to the net cash flows from operating activities

Operating activities

	Consolidated	
	2024	2023
	\$	\$
Net profit / (loss)	(126,462,976)	(70,703,449)
Non-cash and non-operating items		
Depreciation of non-current assets	51,363	35,395
Amortisation of borrowing costs	3,543,905	12,500,355
Employee and other share-based remuneration	(658,701)	931,200
Profit / (loss) on non-recoverable assets / investments	84,470,729	(4,959)
Net foreign currency translation gain / (loss)	1,776,354	3,388,455
Changes in assets and liabilities		
(Increase) / decrease in trade and other receivables	7,152,226	(16,097,308)
(Increase) / decrease in prepayments	112,606	46,814
(Increase) / decrease in security bonds	110,113	(189,362)
(Increase) / decrease in development assets	93,311	(1,601,762)
Increase / (decrease) in trade and other payables	9,858,895	11,980,319
Increase / (decrease) in provisions	(228,739)	1,029,979
Net cash outflow from operating activities	(20,180,914)	(58,684,323)

b) Reconciliation of cash and cash equivalents

Cash at bank and in hand	89,669	22,137,605
	89,669	22,137,605

20. COMMITMENTS

a) Exploration and Equipment commitments

The Group has certain commitments to meet minimum expenditure requirements on the mineral exploration assets in which it has an interest as well as acquiring new equipment. Exploration expenditure commitments beyond twelve months could not be reliably determined because the annual commitment was set at the anniversary date for each tenement. Note 1 outlines the Group's future funding options to meet its commitments. Outstanding commitments are as follows:

	Consolidated	
	2024	2023
	\$	\$
Not later than one year - Exploration	93,441	89,817
After one year but no more than five years - AAM Equipment	2,910,000	4,453,189
	3,003,441	4,543,006

21. CONTINGENT ASSETS AND LIABILITIES

As at 30 June 2024, the Group has the following contingent liabilities:

- The company has two bank guarantee facilities: one for \$150,977 and another for \$202,089. The \$202,089 facility is currently being utilised in accordance with the lease agreement and is secured by a fixed deposit of the same amount
- The company has received a claim from a supplier of a former subsidiary for an amount of \$4.98M (2023: \$NIL). The company is working closely with its internal legal counsel to defend the claim.
- In April 2024, the Australian Securities and Investments Commission (ASIC) lodged an Originating Process and Concise Statement of Claim against the Company alleging certain breaches of, inter alia, the continuous disclosure requirements of the Corporations Act. ASIC has sought, inter alia, pecuniary damages be awarded against the Company. In October 2024, the Company filed its defence in the proceedings in which it denies that it either failed to comply with its continuous disclosure obligations or engaged in misleading or deceptive conduct. Court proceedings are presently scheduled for February 2026.

Notes to the Financial Statements – Year Ended 30 June 2024

22. EVENTS AFTER REPORTING PERIOD

During the December 2023 quarter, the Company procured a \$4.6 million secured debt from sophisticated and professional investors. The debt is secured by a general security deed executed by the Company, a share pledge in respect of each of its subsidiaries and a debenture deed issued by each of its Tanzanian subsidiaries, bears interest at 5.0% per month and is repayable on 30 June 2024. However, on 1 July 2024, the parties to the \$4.6 million secured debt agreed to extend the maturity date, with the debt being assigned to McEvoy Street (Alexandria) Pty Ltd (Incoming Lender) on 17 July 2024. The Company and the Incoming Lender entered into a side deed, with the following material terms relating to the debt:

- the principal amount owing to the Incoming Lender was agreed at \$5.5 million,
- interest will accrue at 4.5% per month payable on maturity,
- maturity date of 16 October 2024, and
- all other terms and conditions under the existing secured debt facility remain.

As of 16 October 2024, the maturity date of the secured debt was extended by the parties by mutual agreement to 16 January 2025.

On 5 November 2024, Non-Executive Director Mr Giles Gunesekera resigned.

On 22 November 2024, Magnis advised that the Baupost Group LLC, as secured lender for the debt owed by Imperium3 New York Inc (Inc), had sold the debt to HSBC.

On 25 November 2024, 10,000,000 unlisted options at \$0.50 exercise price and 20,000,000 unlisted options at \$0.40 exercise price, with 25 November 2024 expiry date, expired.

On 7 December 2024, 1,300,000 unlisted options at \$0.60 exercise price, with 7 December 2024 expiry date, expired.

On 9 December 2024, unlisted options of 625,000, at \$0.80 exercise price and 9 December 2024 expiry date, expired within the Magnis Option Share Trust (MOST).

In December 2024, the Secured Lender, McEvoy Street (Alexandria) Pty Ltd, agreed to increase the Principal Amount owing under the Secured Debt from \$5.5 million to \$6.752 million and to extend the term of the loan to 30 April 2025.

In January 2025, Magnis and the Secured Lender agreed to increase the Principal Amount owing under the Secured Debt from \$6.752 million to \$7.262 million. In May 2025, the Secured Lender agreed to increase the Principal Amount owing under the Secured Debt from \$7.262 million to \$8.032 million. McEvoy has advised it intends to continue to provide financial support to Magnis in relation to its ongoing operating costs and working capital requirements in an amount of up to \$5 million over the next 12 months. In April 2025, the term of the loan was extended to 15 May 2026. All other terms and conditions under the existing Secured Debt agreement remain.

In January 2025, the directors of each IM3NY LLC and Imperium3 filed for creditor protection under Chapter 11 of the US Bankruptcy Code. On 31 March 2025, the Delaware Bankruptcy Court approved the sale of the assets of the IM3NY Group to Musashi Auto Parts Michigan Inc for consideration of US\$10 million, with the sale to close on 4 April 2025. At present the Company is not aware of the disposition of the proceeds. It appears unlikely that the Company will obtain a return on its investment through the bankruptcy process.

In May 2025, the Tanzanian Minister of Minerals, Hon Anthony Mavunde, announced that on 14 April 2025 the government issued Notices of Breach to 95 large- and medium-scale mining companies for alleged violations of licence conditions. The Notices of Breach were issued with a deadline for responses of 13 May 2025. "If they have any justifications, they should submit them. We will verify and, if satisfied, we'll lift the restrictions. If not, we will revoke their licences in accordance with the Mining Act, Chapter 123, particularly Section 63, which governs the issuance and revocation of mining licences. The law clearly states that once granted a licence, work must begin within 18 months," said Mr Mavunde. The Company advises that subsequent to 14 April 2025 and up to today's date it has not been a recipient of a Notice of Breach. The Company continues to monitor the situation and will respond to any formal correspondence received from the authorities.

In March 2025, the Company entered into an equity financing agreement with Global Corporate Finance (GCF), a US based financial institution. GCF has provided a total commitment amount of \$10 million, with an option to increase to \$15 million subject to mutual agreement, to be applied towards general working capital purposes with a 30-month term.

Under the agreement, the Company has the right to issue a subscription notice to GCF to subscribe for shares in the Company, which shall commence a 15-trading day-weighted average price evaluation period, following which CGF shall deposit the share subscription amount with the Company, subject to satisfaction of certain matters.

The subscription amount shall be the number of shares tendered in the subscription notice multiplied by the exercise price, which shall be the higher of \$0.04 per share; or 90% of the average daily volume weighted average price during the evaluation period. The agreement is conditional upon:

Notes to the Financial Statements – Year Ended 30 June 2024

- (i) shareholders approving:
 - (a) entry into the agreement and
 - (b) the allotment of shares and grant of options in accordance with the agreement; and
- (ii) the ASX having given approval for the Company's shares to be re-quoted for trading on the ASX and such re-quotations becoming effective.

Upon the agreement becoming effective, GCF will be entitled to the grant of 20 million options exercisable at \$0.06 each with a life of four years plus a commitment fee of \$150,000 payable as to \$100,000 within 60 days of the shares being re-quoted on ASX and the balance within 12 months of the first subscription proceeds being received, and at the Company's option payable in cash by deducting 10% from any subscription proceeds or in shares at a conversion price calculated as 95% of the average closing bid price of shares during the 15 trading days preceding the due date for payment.

On 6 February 2025, unlisted options of 2,000,000, at \$0.80 exercise price and 7 December 2025 expiry date, were cancelled within the Magnis Option Share Trust (MOST) due to the resignation of Non-Executive Directors.

23. AUDITORS' REMUNERATION

The auditor of Magnis Energy Technologies Ltd in the current year is Hall Chadwick Melbourne Audit.

a. Amounts due and payable to Magnis Group Auditor (Australia) for:

	Consolidated	
	2024	2023
	\$	\$
An audit or review of the financial report of the entity and consolidated Group	130,961	98,070
Other services in relation of the entity and any other entity in the consolidated Group:		
• Taxation services	19,219	77,588
• Corporate services	44,366	28,963
	194,546	204,621

b. Amounts due and payable to related practices of Magnis Group Auditor (Australia) for:

An audit or review of the financial report of the entity and consolidated Group	-	-
Other services in relation of the entity and any other entity in the consolidated Group:		
• Taxation services	-	-
• Corporate services	-	-
	-	-

24. EARNINGS / (LOSS) PER SHARE

a. Reconciliation of earnings to profit or loss:

	Consolidated	
	2024	(Restated) 2023
	\$	\$
Net profit / (loss) used in calculating basic loss per share	15,417,117	(57,073,989)

b. Weighted average number of ordinary shares outstanding during the year used in calculating basic loss per share:

	2024	(Restated) 2023
	Shares	Shares
Weighted average ordinary share number used in calculating basic loss per share	1,199,498,151	1,115,331,483
Basic earnings / (loss) per share (cents per share)	1.29	(5.12)

Accounting policies

Basic earnings per share is calculated as the profit / (loss) attributable to equity holders of the Company, excluding any costs of servicing equity other than ordinary shares, divided by the weighted average number of ordinary shares outstanding during the financial year, adjusted for any bonus elements in ordinary shares during the year.

Notes to the Financial Statements – Year Ended 30 June 2024

c. Dilutive earnings per share

For the purpose of calculating diluted earnings per share, the Company shall adjust profit / (loss) attributable to ordinary equity holders of the parent entity, and the weighted average number of shares outstanding, for the effects of all dilutive potential ordinary shares, For the year ended 30 June 2024 and for the comparative period, there are no dilutive ordinary shares.

	2024	(Restated) 2023
Diluted earnings / (loss) per share (cents per share)	1.29	(5.12)

Accounting policies

Diluted EPS adjusts the figures used in the determination of basic EPS to consider after income tax effect of interest and other financing costs associated with dilutive, ordinary shares and the weighted average number of shares assumed to have been issued for no consideration in relation to dilutive potential ordinary shares.

25. KEY MANAGEMENT PERSONNEL

a. Compensation

The aggregate compensation made to directors and other members of key management personnel of the consolidated entity is set out below:

Consolidated

	2024	(Restated) 2023
	\$	\$
Short-term employee benefits	2,262,083	2,166,933
Termination benefits	-	-
Post-employment benefits	234,818	124,976
Share-based payments	-	375,200
	2,496,901	2,667,109

b. Outstanding balances arise from purchases of goods and services at the reporting date in relation to other transactions with key management personnel.

Consolidated

	2024	2023
	\$	\$
Trade and other payables	155,000	30,000
	155,000	30,000

Notes to the Financial Statements – Year Ended 30 June 2024

c. Other transactions and balances with key management personnel and their related parties

Identity of Related Party	Nature of Relationship	Terms and Conditions	Type of Transaction	Settled Amount	
				2024	(Restated) 2023
Spectrum IT Pty Ltd	Frank Poullas is a related party of Spectrum IT Pty Ltd trading as	Normal commercial terms	Consulting fees and	-	223,300
	Strong Solutions Pty Ltd, and a Executive Chairman of Magnis Energy Technologies Ltd		IT Services	-	220,492
Claire Bibby Pty Ltd	Claire Bibby is a related party of Claire Bibby Pty Ltd and a Non-executive Director of Magnis Energy Technologies Ltd	Normal commercial terms	Consulting fees and	28,600	61,600
			Legal Services	-	11,000
Pillsbury Winthrop Shaw Pittman LLP	Mona Dajani was a related party of Pillsbury Winthrop Shaw Pittman LLP and a Non-executive Director of Magnis Energy Technologies Ltd	Normal commercial terms	Consulting fees	-	16,799
Mona Dajani, Esq.	Mona Dajani is a related party of Mona Dajani, Esq. and a Non-executive Director of Magnis Energy Technologies Ltd	Normal commercial terms	Consulting fees	-	117,092
Global Impact Initiative Pty Ltd	Giles Gunsekera is a related party of Global Impact Initiative Pty Ltd and Non-executive Director of Magnis Energy Technologies Ltd	Normal commercial terms	Consulting Fees and	-	37,900
			Impact Advisory	-	84,700
The Gunsekera Trust	Giles Gunsekera is a related party of the Gunsekera Trust as well as a Non-executive Director of Magnis Energy Technologies Ltd	Normal commercial terms	Consulting Fees	-	30,800
F Perilli Family Trust	Fabrizio Perrilli is a related party of F Perilli Family Trust and a Non-executive Director of Magnis Energy Technologies Ltd	Normal commercial terms	Consulting Fees	-	-
Yatha Enterprises LLC	Hoshi Daruwalla is a related party of Yatha Enterprises LLC and an Executive Director of Magnis Energy Technologies Ltd	Normal commercial terms	Consulting Fees and	218,002	233,301
			Other Services	99,163	34,767
AmeriAnode Inc	Hoshi Daruwalla is a related party of AmeriAnode Inc and an Executive Director of Magnis Energy Technologies Ltd	Normal commercial terms	Consulting Fees	-	(2,101)

26. RELATED PARTY DISCLOSURES

Parent entity

Magnis Energy Technologies Ltd is the ultimate Australian parent entity of the consolidated entity. Its interests in controlled entities are set out in Note 28(b).

Wholly owned Group transactions

Controlled entities made payments on behalf of and received funds from Magnis Energy Technologies Ltd and other controlled entities by way of inter-company loan accounts with each controlled entity. These loans are unsecured, bear no interest and are repayable on demand. However, demand for repayment is not expected in the next twelve months. Transactions and balances between the Company and its controlled entities were eliminated in the preparation and consolidation of the financial statements Group.

Notes to the Financial Statements – Year Ended 30 June 2024

Key management personnel

Details relating to key management personnel, including remuneration paid, are included in Note 15(c), Note 25 and the Remuneration Report within the Directors' Report.

Transactions with related parties

During the year ended 30 June 2024, Frank Poullas advanced to the Company \$197,500. These funds were provided with no fixed date for repayment, on an interest-free and unsecured basis. There were no other loans made to or provided by directors and their related parties during the financial year ended 30 June 2024. The outstanding amount will be settled in cash. No guarantees have been given or received. No expense has been recognised in the period for bad or doubtful debts in respect of the amounts owed by related parties.

27. PARENT ENTITY INFORMATION

Set out below is the supplementary information about the parent entity.

	Parent	
	2024	(Restated) 2023
	\$	\$
Statement of profit or (loss) and other comprehensive income		
Profit or (Loss) after income tax	(102,960,992)	(15,490,464)
Total comprehensive (loss) \ income	(102,960,992)	(15,490,464)
Statement of financial position		
Total current assets	257,984	7,381,342
Total non-current assets	748,323	96,231,323
Total assets	1,006,307	103,612,665
Total current liabilities	13,697,944	5,227,159
Total non-current liabilities	554,243	767,428
Total liabilities	14,252,187	5,994,587
Total Net assets / (liabilities)	(13,245,880)	97,618,078
Equity		
Issued capital	241,876,346	234,683,169
Equity settled employee benefits reserve	2,878,930	3,841,692
Equity FVOCI reserve	-	5,076,057
Retained profits / (losses)	(258,001,156)	(145,982,840)
Total Equity	(13,245,880)	97,618,078

Commitments - AAM Equipment

Refer to Note 20 for parent entity's commitment to acquire AAM equipment.

Contingent assets and liabilities

Refer to Note 21 for parent entity's undertakings to trade payable.

28 (a) CHANGES IN OWNERSHIP INTERESTS IN SUBSIDIARY

During the year ended 30 June 2024, the Company announced that Imperium3 New York, Inc. ('Inc.' or 'the Borrower'), and others, including iM3NY LLC ('LLC') and C4V, were served with a default notice by ACP Post Oak Credit I LLC ('ACP' or 'the Lender').

The default notice was issued by the Lender with respect to the US\$100 million Senior Secured Term Loan Credit Agreement ('Credit Facility'), alleging that various events of default had occurred under and/or in relation to the Credit Facility. The Lender further stated that it may seek to enforce the security it has over the assets of the Borrower (and others, including LLC and C4V, who provided its patented BMLMP technology as security), unless the matter can be resolved.

Notes to the Financial Statements – Year Ended 30 June 2024

The Lender exercised its rights and appointed two directors to the board of Inc. and removed all the directors except for C4V Chairman Dr. S. Upreti. As the alleged default matter continues to remain largely, unresolved as at the date of this financial report, Magnis resolved that it would deconsolidate its subsidiaries LLC and Inc. from the Group with effect from 30 November 2023.

The below table sets out the Statement of Financial position of the Imperium3 New York Group as at 30 November 2023, as well as the fair value of that Group's net liabilities and gain arising on deconsolidation attributable to the shareholders of Magnis..

Imperium 3 New York Group	
Statement of Financial Position as at date of deconsolidation	30/11/2023
Current Assets	A\$
Cash at bank	2,104,877
Receivables	13,668,264
Inventory	11,260,141
Total current Assets	27,033,282
Non-current assets	
Cash at bank, restricted	4,924,794
Receivables	1,912,714
Plant and equipment	90,692,389
Right of use property plant and equipment	29,693,505
Total non-current assets	127,223,402
Total assets	154,256,684
Current liabilities	
Trade and other payables	17,267,917
Borrowings, current portion	2,073,767
Total current liabilities	19,341,684
Non-current liabilities	
Borrowings	181,049,091
Total non-current liabilities	181,049,091
Total liabilities	200,390,775
Net liabilities	(46,134,091)
Equity	
Share capital at beginning of year	97,069,787
Share capital issued during the period 1 July to date of deconsolidation	14,469,013
Capital fund raising expenses	(9,326,113)
Accumulated deficit at beginning of year	(124,294,046)
Loss on operations for period 1 July to date of deconsolidation	(24,052,732)
Total Equity	(46,134,091)
Net liabilities	(46,134,091)
Fair value of iM3NY net assets following deconsolidation	-
Carrying amount of non-controlling interests in former subsidiary	(5,679,481)
(Profit) / Loss arising on deconsolidation attributable to shareholders of Magnis	(51,813,572)

Notes to the Financial Statements – Year Ended 30 June 2024

28 (b) INTERESTS IN CONTROLLED ENTITIES

The consolidated financial statements incorporate the assets, liabilities, and results of the following subsidiaries in accordance with the accounting policy described in Note 1:

Name	Country of incorporation	Ownership Direct (D) Indirect (I)	Class of shares	Equity Holding ¹	
				2024	2023
Uranex (Tanzania) Limited ²	Tanzania	D and I	Ordinary	100.00%	100.00%
Magnis Technologies (Tanzania) Limited ³	Tanzania	D and I	Ordinary	100.00%	100.00%
Uranex ESIP Pty Ltd	Australia	D	Ordinary	100.00%	100.00%
Imperium3 Pty Ltd ⁴	Australia	D	Ordinary	66.67%	66.67%
Imperium3 Townsville Pty Ltd	Australia	I	Ordinary	66.67%	66.67%
Patriot Energy Holdings Inc	USA	D	Common	100.00%	-%
Magnis AAM LLC. ⁵	USA	I	Common	100.00%	100.00%
iM3NY LLC ⁶	USA	D	Common	-%	62.00%
Imperium3 New York Inc. ⁷	USA	I	Common	-%	73.00%

¹ percentage in proportion to ownership (direct and indirect).

² **Uranex (Tanzania) Limited** is 67.00% directly owned by the parent entity and 33.00% directly owned by Uranex ESIP Pty Ltd.

³ **Magnis Technologies (Tanzania) Limited** is 99.00% directly owned by the parent entity and 1.00% directly owned by Uranex ESIP Pty Ltd.

⁴ **Imperium 3 Pty Ltd** was incorporated in NSW, Australia on 27 June 2017, which wholly owns iM3 Townsville Pty Ltd. 66.67% is owned directly by Magnis (2023: 66.67 %).

⁵ **Magnis AAM LLC** was incorporated in Delaware USA on 3 January 2023. 100.0% is owned directly by Magnis (2023: 100.00%).

⁶ **iM3NY LLC** was incorporated for consolidation purposes on 16 April 2021. On 30 November 2023, the iM3NY LLC subsidiary was deconsolidated from the Magnis Group.

⁷ **Imperium3 New York Inc.** was incorporated for consolidation purposes on 29 June 2020, of which 95.50% is owned directly by iM3NY LLC (2023:95.50%) while 4.50% has been attributed to non-controlling interests. On 30 November 2023, the Imperium3 New York Inc. subsidiary was deconsolidated from the Magnis Group.

Accounting policies:

Principles of consolidation

The consolidated financial statements are those of the consolidated entity, comprising Magnis Energy Technologies Ltd (the parent entity), special purpose entities and all entities which Magnis Energy Technologies Ltd controlled from time to time during the year and at reporting date. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee, if and only if the Group has the power over the investee; the exposure, or rights, to variable returns from its involvement with the investee, and the ability to use its power over the investee to affect its returns. When the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including the contractual arrangement with the other holders of the investee, rights arising from other contractual arrangements and the Group's rights and potential rights.

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income, and expenses of a subsidiary acquired or disposed of during the year are included in the statement of comprehensive income from the date the Group gains control until the date the Group ceases to control the subsidiary. Profit or loss and each component of other comprehensive income 'OCI' are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies. All intra-Group assets and liabilities, equity, income, expenses, and cash flows relating to transactions between members of the Group are eliminated in full, on consolidation. A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it:

- de-recognises the assets (including goodwill) and liabilities of the subsidiary.
- de-recognises the carrying amount of any non-controlling interests.
- de-recognises the cumulative translation differences recorded in equity.
- recognises the fair value of the consideration received.
- recognises the fair value of any investment retained.
- recognises any surplus or deficit in profit or loss.
- reclassifies the parent's share of components previously recognised in OCI to profit or loss or retained earnings, as appropriate, as would be required if the Group had directly disposed of the related assets or liabilities.

Notes to the Financial Statements – Year Ended 30 June 2024

As mentioned in Note 28(a), Magnis resolved that it would deconsolidate its subsidiaries iM3NY LLC and Imperium3 New York Inc. from the Group with effect from 30 November 2023.

Business Combinations

The acquisition method of accounting is used to account for all business combinations, regardless of whether equity instruments or other assets are acquired.

The consideration transferred for the acquisition of a subsidiary comprises the:

- fair values of the assets transferred.
- liabilities incurred to the former owners of the acquired business.
- equity interests issued by the Group.
- fair value of any asset or liability resulting from a contingent consideration arrangement, and
- fair value of any pre-existing equity interest in the subsidiary.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date.

The Group recognises any non-controlling interest in the acquired entity on an acquisition-by-acquisition basis either at fair value or at the non-controlling interest's proportionate share of the acquired entity's net identifiable assets.

Acquisition-related costs are expensed as incurred.

The excess of the

- consideration transferred,
- amount of any non-controlling interest in the acquired entity, and
- acquisition-date fair value of any previous equity interest in the acquired entity

over the fair value of the net identifiable assets acquired is recorded as goodwill. If those amounts are less than the fair value of the net identifiable assets of the business acquired, the difference is recognised directly in profit or loss as a bargain purchase.

Where an acquisition does not meet the definition of a business in AASB 3 Business Combinations, the transaction is accounted for as an asset acquisition. Acquired assets are measured at their proportionate share of the transaction consideration, and no goodwill or bargain purchase is recognised.

Dividends are recorded as a component of other revenues in the separate income statement of the parent entity, and do not impact the recorded cost of the investment. Upon receipt of dividend payments from subsidiaries, the parent will assess whether any indicators or impairment of the carrying value of the investment in the subsidiary exist.

Where such indicators exist, to the extent that the carrying value of the investment exceeds its recoverable amount, an impairment loss is recognised.

29. SHARE-BASED PAYMENT PLANS

(a) Recognised share-based payment expenses

The expense recognised for employees and non-employees received during the year is shown below:

	Consolidated	
	2024	2023
	\$	\$
Expense arising from the issue / (cancellation) of MOST options (employees)	(962,762)	375,200
Expense arising from the issue of DIRECT options (non-employee)	-	556,000
Total equity-settled transactions	(962,762)	931,200

Notes to the Financial Statements – Year Ended 30 June 2024

(b) Types of share-based payment plans:

OPTION SHARE PLAN: MOST - ('EMPLOYEES')

Magnis Energy Technologies Ltd operates an ownership-based scheme for Directors, Key Management Personnel (KMP) employees and other employees of the consolidated entity.

The **Magnis Option Share Trust ('MOST')** is designed to align participants' interests with those of shareholders. In accordance with the provisions of the Plan, listed Ordinary Fully Paid shares and unlisted options are held on behalf of Plan Participants by the Trustee of the MOST.

Under the MOST, the exercise price of the options is set by the Board on the date of grant. The life of options granted to participants is for 3 years, but these must be exercised within 3 months of the option holder ceasing employment with Magnis Energy Technologies Ltd. There are no cash settlement alternatives.

RIGHTS PLAN: MERT - ('EMPLOYEES')

Magnis Energy Technologies Ltd operates an ownership-based scheme for Directors and Employees of the consolidated entity.

In accordance with the provisions of the Plan, unlisted performance share rights are held on behalf of Plan Participants by the Trustee of the **Magnis Executive Rights Trust ('MERT')**.

Under MERT, the Executive Rights are divided into five tranches and conversion of each tranche is dependent on satisfaction of performance milestones and service conditions applicable to each tranche, including the relevant person being a director at the time the respective performance milestone tranche is satisfied.

Although no specific expiry date exists for each tranche, it has been accepted under AASB2 that the life of the Executive Rights granted to participants are for 10 years, but they will immediately lapse when the Executive Rights holder ceases employment with Magnis Energy Technologies Ltd. There are no cash settlement alternatives.

(c) Share-based payment plans for non-employee ('Consultant option'):

Share options are granted to selected non-employees from time to time in consideration for the services of the consultant as a share-based incentive ('Consultant options').

Each Consultant Option is granted for NIL consideration for services provided by unrelated parties to the Company, the terms are subject to the same terms of the Company's existing unlisted options.

No funds are raised from the issue of the Consultant Options, as they are issued to the consultant in consideration for assistance with the Company's progress and success. There are no cash settlement alternatives.

(d) Summary of options and rights granted under share-based payment

Options granted under share-based payment.

The following table illustrates the number (No.) and weighted average exercise prices (WAEP) of, and movements in, MOST share options issued during the year.

	2024 No.	2024 WAEP	2023 No.	2023 WAEP
Outstanding at the beginning of the year	13,125,000	0.75	10,125,000	0.72
Granted during the year	-	-	7,000,000	1.34
Exercised during the year	-	-	-	-
(Expired \ Lapsed) during the year	(8,500,000)	0.85	(4,000,000)	-
Outstanding at the end of the year	4,625,000	0.80	13,125,000	0.75
Exercisable at the end of the year	4,625,000	0.80	13,125,000	0.75

The range of exercise prices for options outstanding at the end of the year was between \$0.40 and \$0.80 (2023: \$0.40 and \$0.80).

Notes to the Financial Statements – Year Ended 30 June 2024

Rights granted under share-based payment.

The table below shows the number of, and movements in, MERT performance share rights issued during the year.

	2024 No.	2024 WAEP	2023 No.	2023 WAEP
Outstanding at the beginning of the year	4,000,000	-	4,000,000	-
Granted during the year	-	-	-	-
Exercised during the year	-	-	-	-
Lapsed during the year	-	-	-	-
Outstanding at the end of the year	4,000,000	-	4,000,000	-
Exercisable at the end of the year	4,000,000	-	4,000,000	-

During 2024, NIL ordinary fully paid shares (2023: NIL) were issued as a result of converting performance rights.

(e) Weighted average remaining estimated life.

The weighted average remaining estimated life outstanding as at 30 June 2024 is:

- Share options - MOST: 1.30 years (2023:1.87 years)
- Share rights - MERT: 9.00 years (2023:9.00 years)

(f) Weighted average fair value.

The weighted average fair value granted during the year to 30 June 2024 is:

- Share options - MOST: \$0.08541 (2023: \$0.09394)
- Share rights - MERT: \$0.00923 (2023: \$0.00923)

(g) Option pricing model Equity-settled transactions

The fair value of the equity-settled share options granted under the share-based payment is estimated as at the date of grant using a Binomial Model, considering the terms and conditions upon which the options were granted.

The following table lists the inputs to the models used for the year ended 30 June 2024:

Dividend yield (%)	NIL
Expected volatility (%)	47 - 99
Risk-free interest rate (%)	0.062 - 3.878
Expected life of option (years)	2.0 - 3.0
Option exercise price (cents)	40 - 80
Weighted average share price at measurement dates (cents)	18.5 - 53.0
Exercise price multiple	2
Model used	Binomial

The effects of early exercise have been incorporated into calculations by using an expected life for the option that is shorter than the estimated life based on historical exercise behaviour, which is not necessarily indicative of exercise patterns that may occur in the future.

The expected volatility was determined using a historical sample of Company share prices. The resulting expected volatility therefore reflects the assumption that the historical volatility is indicative of future trends which may also not necessarily be the actual outcome.

The option holders were assumed to exercise prior to expiry date when the price is twice that of the exercise price. This reflects the restrictions to trading of directors and employees outlined in the Company's share trading policy. During the financial year, the Magnis Option Share Trust ('MOST') scheme acquired and was issued with NIL (2023: 7,000,000) options on varying terms and conditions for allotment to Directors and employees.

Notes to the Financial Statements – Year Ended 30 June 2024

Accounting policies

The Group provides benefits to employees (including directors) of, and consultants to, the Group in the form of share-based payment transactions, whereby services are rendered in exchange for shares or rights over shares ('equity-settled transactions').

The cost of equity-settled transactions is measured by reference to the fair value at the date at which they are granted. The fair value of options and performance rights with market-based performance criteria is determined by an external valuer using a binomial option pricing model. The fair value of performance plan rights with non-market performance criteria is determined by reference to the Company's share price at date of grant.

The cost of equity-settled transactions is recognised, together with a corresponding increase in equity, over the period in which the performance conditions are fulfilled, ending in the date on which the recipient becomes fully entitled to the award ('vesting date').

The cumulative expense recognised for equity-settled transactions at each reporting date until vesting date reflects the extent to which the vesting period has expired and the number of awards that, in the opinion of the directors, based on the best available information at reporting date will ultimately vest.

No adjustment is made for the likelihood of market conditions being met as the effect of these conditions is included in the determination of fair value at the grant date. The charge or credit for the period represents the movement in cumulative expense recognised as at the beginning and end of the period. Where awards vest immediately, the expense is also recognised in profit or loss.

No expense is recognised for awards that do not ultimately vest, except for awards where vesting is conditional upon a market condition. Where the terms of an equity-settled award are modified, as a minimum, an expense is recognised as if the terms had not been modified. In addition, an expense is recognised for any increase in the value of the transaction as a result of the modification, as measured at the date of modification.

Where the terms of an equity-settled award are cancelled, it is treated as if it had been vested on the date of cancellation and any expense not yet recognised for the award is recognised immediately. However, if a new award is substituted for the cancelled award and designated as a replacement award on the date that it is granted, the cancelled and the new award are treated as if they were a modification of the original award as described in the previous paragraph.

The dilutive effect, if any, of outstanding options is reflected as additional share dilution in the computation of earnings per share.

30. FINANCIAL INSTRUMENTS

(a) Financial risk management objectives and policies

The Group's principal financial instruments consist of short-term deposits, receivables, and payables. These activities expose the Group to a variety of financial risks: market risk, (i.e., interest rate risk and foreign exchange risks), credit risk and liquidity risk.

The overall objective of the Group's financial risk management policies is to meet its financial targets whilst protecting future financial security.

The Board fulfils its corporate governance and oversight responsibilities by monitoring and reviewing the integrity of financial statements, the effectiveness of internal financial control and the policies on risk oversight and management. Management is charged with implementing the policies.

The management manages the different types of risks to which the Group is exposed by considering risk and monitoring levels of exposure to interest risk and by being aware of market forecasts for interest rates.

Liquidity risk is monitored through general business budgets and forecasts. The Board reviews and agrees on policies for managing these risks.

Notes to the Financial Statements – Year Ended 30 June 2024

(b) Market Risk

Foreign currency risk

The Group undertakes certain transactions denominated in foreign currency and is exposed to foreign currency risk through foreign exchange rate fluctuations. Foreign exchange risk arises from future commercial transactions and recognised financial assets and financial liabilities denominated in a currency that is not the entity's national currency. The risk is measured using sensitivity analysis and cash flow forecasting. The carrying amount of the Group's foreign currency denominated financial assets and financial liabilities at the reporting date were as follows:

Consolidated US dollars	Assets US\$		Liabilities US\$	
	2024	2023	2024	2023
	5,766,943	6,300,913	932,699	39,615

At reporting date, the Group had net assets (assets less liabilities) denominated in foreign currencies of US\$4,834,244 (2023: US\$6,261,298).

Based on this exposure, had the Australian dollar weakened or strengthened by 5% against these foreign currencies with all other variables held constant, the consolidated entity's **loss before tax** for the year would have been \$162,350 higher / \$146,889 lower, while the consolidated entity's **net assets \ equity** would have been \$384,109 higher / \$347,527 lower.

The percentage change is the expected overall volatility of the significant currencies, which is based on management's assessment of reasonable possible fluctuations taking into consideration movements over the last 6 months each year and the spot rate at each reporting date.

The actual foreign exchange loss realised at reporting date was \$21,830 (2023: \$123,522)

Interest rate risk

The Group is exposed to movements in market interest rates on short-term deposits. Management ensures a balance is maintained between the liquidity of cash assets and the interest rate return. Presently, the Group has no variable rate, interest-bearing liabilities. At reporting date, the Group had the following cash and cash equivalents exposed mostly to Australian variable interest rates and are unhedged.

Cash and cash equivalents	Consolidated	
	2024 \$	2023 \$
	89,669	22,137,605

In accordance with the Group policy of reviewing this risk, the following sensitivity analysis based on interest rate exposure at reporting date where the interest rate movement varies, and other variables remain constant, post-tax loss and equity would have been affected as shown.

post-tax loss and equity would have been affected as shown.

Consolidated Entity Financial asset	Carrying Amount	Interest Rate Risk -1%		Interest Rate Risk +1%	
		Net Loss \$	Equity \$	Net Loss \$	Equity \$
30 June 2024					
Cash and cash equivalents	89,669	(897)	(897)	897	897
30 June 2023					
Cash and cash equivalents	22,137,605	(221,376)	(221,376)	221,376	221,376

(c) Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. The maximum exposure to credit risk at the reporting date to recognised financial assets is the carrying amount, net of any provisions for impairment of those assets, as disclosed in the statement of financial position and Notes to the financial statements. The Group does not hold any collateral. The Group has adopted a simplified lifetime expected loss allowance in estimating expected credit losses to trade and other receivables. The Group has no significant concentrations of credit risk. The maximum exposure to credit risk at reporting date is the carrying amount (net of expected credit loss) of those assets as disclosed in the statement of financial position and Notes to the financial statements.

Notes to the Financial Statements – Year Ended 30 June 2024

(d) Liquidity risk

Liquidity risk arises from the financial liabilities of the Group and the Group's subsequent ability to meet their obligations to repay their financial liabilities as and when they fall due. The Group's objective is to maintain a balance between continuity of funding and flexibility as to its source. The Directors receive cash flow reports periodically and increase the frequency of review when the safety margin is or is nearly breached. The Board formulates plans to replenish its cash resources when required and implements cost reduction programmes to reduce cash expenditure. The table below reflects all contractually fixed payoffs, repayments, and interest from recognised financial liabilities. For these obligations the undiscounted cash flows for the respective upcoming financial years are presented.

Cash flows for financial assets and liabilities without fixed timing or amount are based on the conditions existing at the reporting date. The remaining contractual maturities of the Group entity's financial liabilities consisting of trade and other payables are:

	Consolidated	
	2024	2023
	\$	\$
On demand	-	-
Less than 1 year	9,251,623	15,632,853
	9,251,623	15,632,853

(e) Net Fair Values

The carrying amounts of financial assets and liabilities as shown in the statement of financial position approximate their fair value.

31. INTEREST EXPENSES

	Consolidated	
	2024	2023
	\$	\$
Interest Expense	2,794,787	363,095
Interest on Lease Liability	57,179	46,826
Interest Expense	2,851,966	409,921
Interest expenses - iM3NY #	7,511,708	15,105,274
	10,363,674	15,515,195

On 30 November 2023, the Imperium3 New York Inc. and iM3NY LLC subsidiaries were deconsolidated from the Magnis Group.

32. ADMINISTRATION EXPENSES

	Consolidated	
	2024	2023
	\$	\$
Audit Fees	176,450	143,319
Insurance	487,696	373,294
Rental expenses	-	131,139
Travel costs	188,728	320,623
C4V Service Supply Fees	73,881	885,175
Other expenses	1,611,529	3,280,080
Administration expenses	2,538,284	5,133,630
Audit Fees - iM3NY	296,499	674,087
Insurance - iM3NY	120,530	488,032
Rental expenses - iM3NY	1,269,396	3,056,534
Travel costs - iM3NY	18,524	118,298
Other expenses - iM3NY	1,924,398	4,109,473
Administration expenses - iM3NY #	3,629,347	8,446,424
	6,167,631	13,580,054

On 30 November 2023, the Imperium3 New York Inc. and iM3NY LLC subsidiaries were deconsolidated from the Magnis Group.

Notes to the Financial Statements – Year Ended 30 June 2024

33. LEGAL AND CONSULTANCY EXPENSES

	Consolidated	
	2024	2023
	\$	\$
Legal	1,832,898	454,829
Consultants	5,492,600	3,237,300
Marketing	175,071	156,546
Legal and consulting expenses	7,500,569	3,848,675
Legal - iM3NY	231,012	456,001
Marketing - iM3NY	20,973	132,139
Legal and consulting expenses - iM3NY #	251,985	588,140
	7,752,554	4,436,815

On 30 November 2023, the Imperium3 New York Inc. and iM3NY LLC subsidiaries were deconsolidated from the Magnis Group.

34. BORROWING COSTS AND LOAN AMORTISATION

	Consolidated	
	2024	2023
	\$	\$
Loan Amortization - iM3NY	3,543,905	12,500,355
Borrowing Costs - iM3NY #	265,046	1,790,017
Borrowing Costs and Loan Amortization – iM3NY #	3,808,951	14,290,372

On 30 November 2023, the Imperium3 New York Inc. and iM3NY LLC subsidiaries were deconsolidated from the Magnis Group.

CONSOLIDATED ENTITY DISCLOSURE STATEMENT

YEAR ENDED 30 JUNE 2024

Set out below is a list of entities that are consolidated in this set of Consolidated financial statements at the end of the financial year.

Name of entity ¹	Type of entity	Trustee, partner or participant in joint venture ²	Percentage of share capital held	Country of incorporation	Australian resident or foreign resident	Foreign tax jurisdiction(s) of foreign residents
Uranex (Tanzania) Limited	Body corporate	N/A	100.00%	Tanzania	Foreign	N/A
Magnis Technologies (Tanzania) Limited	Body corporate	N/A	100.00%	Tanzania	Foreign	N/A
Uranex ESIP Pty Ltd	Body corporate	N/A	100.00%	Australia	Australian	N/A
Imperium 3 Pty Ltd	Body corporate	N/A	66.67%	Australia	Australian	N/A
Imperium 3 Townsville Pty Ltd	Body corporate	N/A	66.67%	Australia	Australian	N/A
Patriot Energy Holdings Inc	Body corporate	N/A	100.00%	USA	Foreign	N/A
Magnis AAM LLC	Body corporate	N/A	100.00%	USA	Foreign	N/A

¹ Entities listed here are those that are part of the consolidated entity at the end of the financial year. Entities disposed of during the year, or where the entity has lost control by the reporting date, are not included here. This means that entities listed could be different to the 'Interests in subsidiaries' note contained in the notes to the financial statements.

² This means whether, at that time, the entity was a trustee of a trust within the consolidated entity, a partner in a partnership within the consolidated entity, or a participant in a joint venture within the consolidated entity

Basis of Preparation

This Consolidated Entity Disclosure Statement (CEDS) has been prepared in accordance with the *Corporations Act 2001*. The CEDS includes certain information for each entity that was part of the consolidated entity as at 30 June 2024 and has regard to the Australian Taxation Office's Practical Compliance Guidance 2018/9.

Determination of Tax Residency

Section 295(3A) of the *Corporation Acts 2001* defines tax residency as having the meaning in the *Income Tax Assessment Act 1997*. The determination of tax residency involves judgment as there are different interpretations that could be adopted, and which could give rise to a different conclusion on residency.

In determining tax residency, the consolidated entity has applied the following interpretations:

Australian tax residency

The consolidated entity has applied current legislation and judicial precedent, including having regard to the Australian Taxation Office's public guidance in Tax Ruling TR 2018/5.

Foreign tax residency

Where necessary, the consolidated entity has used independent tax advisers in foreign jurisdictions to assist in determining tax residency and ensure compliance with applicable foreign tax legislation.

Partnerships and Trusts in Australia

Additional disclosures on the tax status of partnerships and trusts have been provided where relevant. Australian tax law generally does not contain corresponding residency tests for partnerships and trusts and these entities are typically taxed on a flow-through basis.

DIRECTORS' DECLARATION

30 June 2024

1. In the opinion of the directors of Magnis Energy Technologies Limited (the 'Company'):
 - a) the financial report and the Remuneration Report included in the Directors' Report, designated as audited, of the consolidated entity are in accordance with the *Corporations Act 2001*, including:
 - i) giving a true and fair view of the consolidated entity's financial position as at 30 June 2024 and of its performance for the year ended on that date; and
 - ii) complying with Australian Accounting Standards, the Corporations Regulations 2001, professional reporting requirements and other mandatory requirements; and
 - b) the Consolidated Entity Disclosure Statement is true and correct as at 30 June 2024; and
 - c) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable; and
2. The financial statements and notes comply with International Financial Reporting Standards, as discussed in Note 1; and
3. This declaration has been made after receiving the declarations required by section 295A of the Corporations Act 2001 from the chief executive officer and chief financial officer for the financial year ended 30 June 2024.

Signed in accordance with a resolution of the Board of Directors made pursuant to section 295(5)(a) of the *Corporations Act 2001*. This declaration is made in accordance with a resolution of the directors.

On behalf of the board



F Poullas

Executive Chairman

Sydney, 23 May 2025

MAGNIS ENERGY TECHNOLOGIES LIMITED
AND CONTROLLED ENTITIES
ABN 26 115 111 763

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
MAGNIS ENERGY TECHNOLOGIES LIMITED

REPORT ON THE AUDIT OF CONSOLIDATED FINANCIAL STATEMENTS

Report on the Financial Report

Opinion

We have audited the financial report of Magnis Energy Technologies Limited and Controlled Entities (the Group), which comprises the consolidated statement of financial position as at 30 June 2024, the consolidated statement of profit and loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information, consolidated entity disclosure statement and the Directors' declaration.

In our opinion the accompanying financial report of the Group is in accordance with the *Corporations Act 2001*, including:

- a) giving a true and fair view of the Group's financial position as at 30 June 2024 and of its financial performance for the year then ended; and
- b) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm the independence declaration required by the *Corporations Act 2001*, which has been given to the Directors of the Company, would be in the same terms if given to the Directors at the time of this auditor's report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Related to Going Concern

We draw attention to Note 1 in the financial report, which indicates that the Group recorded a net profit of \$9,024,104. The accounting profit is derived from \$53,716,281 gain resulting from the deconsolidation of a subsidiary. Additionally, the Group experienced negative operating cash outflows of \$20,180,914 during the year ended 30 June 2024. As at that date, the Company held cash of \$89,669 and had current liabilities of \$15,414,582. The Company has secured funding arrangements with its lenders for up to \$5,000,000, received commitment of financial support from a number of creditors, and entered into a capital commitment agreement for \$15,000,000, which is subject to mutual agreement and the Company being re-quoted on the Australian Securities Exchange (ASX), as outlined in Note 1.

As the date of this report, the company remains suspended from trading and re-quotings is not confirmed. As stated in Note 1 these events and conditions, along with other matters as set forth in Note 1, indicate that a material uncertainty exists that may cast significant doubt about the company's ability to continue as a going concern and therefore, the company may be unable to realise its assets and discharge its liabilities in the normal course of business and at the amounts stated in the financial report. Our opinion is not modified in respect of this matter.

Emphasis of Matter – Mining License Condition

We draw attention to Note 12, which states that the Company's Tanzanian mining license is not in full compliance with minimum activity requirements, as indicated in correspondence received from the Mining Commission. The Company has formally responded to the Commission regarding this matter. As at the date of this report, we are not aware of any further developments.

In addition, Note 22 describes subsequent events relating to regulatory developments in Tanzania. While the Company has not received any formal notification from the Government regarding a breach notice, public reports indicate that the Government may take regulatory action against mining companies for non-compliance with licensing conditions. The financial statements have not been adjusted in respect of this matter.

Our opinion is not modified in respect of these matters.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report for the year ended 30 June 2024. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key Audit Matter	How Our Audit Addressed the Key Audit Matter
Development Asset <i>Refer to Note 12 'Development Asset'</i> The Group has \$7,955,173 recorded as development asset as at 30 June 2024. The Group's accounting policy in respect of exploration and evaluation assets is outlined in Note 12. This is a key audit matter because the carrying value of the assets are material to the financial statements and significant judgements are applied in determining whether an indicator of impairment exists in relation to capitalised exploration and expenditure assets in accordance with Australian Accounting Standard AASB 6 <i>Exploration for and Evaluation of Mineral Resources</i>.	Our procedures included, amongst others: › In assessing whether an indicator of impairment exists in relation to the Group's exploration assets in accordance with AASB 6 – Exploration for and Evaluation of Mineral Resources, we: – assessed management's determination of its area of interest for consistency with definition in AASB 6 Exploration and Evaluation of Mineral Resources; – obtained management's position on the assessment of impairment at the end of the year and evaluated it for reasonableness; – assessed the Group's rights to tenure by corroborating to agreements in place; – obtained and reviewed the component auditor's test of details, which included verifying a sample of exploration expenditures against supporting documentation to ensure accuracy, validity, and proper classification; and – examined the disclosures made in the financial report.

Information Other Than the Financial Report and Auditor's Report Thereon

The Directors are responsible for the other information. The other information comprises the information included in the Group's annual report for the year ended 30 June 2024 but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report, or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report on in this regard.

Responsibilities of the Directors for the Financial Report

The Directors of the Group are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the Directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the Directors are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- › Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- › Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- › Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.
- › Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- › Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.
- › Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with the Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Directors, we determine those matters that were of most significance in the audit of the financial report of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on the Remuneration Report

We have audited the remuneration report included in pages 15 to 22 of the Directors' report for the year ended 30 June 2024.

In our opinion, the remuneration report of Magnis Energy Technologies Limited, for the year ended 30 June 2024, complies with 300A of the *Corporations Act 2001*.

Responsibilities

The Directors of the Group are responsible for the preparation and presentation of the remuneration report in accordance with Section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the remuneration report, based on our audit conducted in accordance with Australian Auditing Standards.

Hall Chadwick Melbourne Audit
Chartered Accountants
Level 14 440 Collins Street
Melbourne VIC 3000



Anh (Steven) Nguyen

Director

Date: 23 May 2025

Additional Securities Exchange information

As at 30 April 2025

Distribution of securities

Analysis of number of security holders by size of holding:

	Ordinary shares	% of class	Options	% of class	Performance rights	% of class
1 – 1,000	1,083	0.06	-	-	-	-
1,001 – 5,000	6,699	1.53	-	-	-	-
5,001 – 10,000	3,382	2.26	-	-	-	-
10,001 – 100,000	6,697	18.93	-	-	-	-
100,001 and over	1,578	77.22	4	100.00	2	100.00
Total	19,439	100.00	4	100.00	2	100.00

Equity security holders

The names of the twenty largest security holders of Ordinary Shares listed on the share register are:

Name	Units	% of Units
Citicorp Nominees Pty Limited	84,646,339	7.06
Mazzdel Pty Limited	30,438,781	2.54
Mr Matthew Boysen	23,202,320	1.93
Mazzdel Pty Limited <Olivia Super Fund A/C>	21,633,678	1.80
Evolution Capital Pty Ltd <MNS SEF A/C>	20,000,000	1.67
BNP Paribas Nominees Pty Ltd <IB AU Noms Retail Client>	17,632,321	1.47
Mr Frank Poullas	13,129,580	1.09
HSBC Custody Nominees (Australia) Limited - A/C 2	9,749,155	0.81
HSBC Custody Nominees (Australia) Limited	7,927,169	0.66
Kingsland Developments Australia Pty Ltd	7,932,406	0.66
BNP Paribas Nominees Pty Ltd ACF Clearstream	7,668,916	0.64
Mr John Saunig	6,982,672	0.58
Mr Tian Yong Liu and Mrs Wei Ying Jiang	6,221,498	0.52
Finclear Pty Ltd <Superhero Securities A/C>	5,577,689	0.47
Mr Marlon Pather	5,000,000	0.42
Greenhill Road Investments Pty Ltd	4,500,000	0.38
Comsec Nominees Pty Limited	4,462,707	0.37
Mr Frank Poullas <Uhorseman Super Fund A/C>	4,350,000	0.36
Miss Hazel Darcy	4,097,699	0.34
KMJ Consulting Pty Ltd	3,921,387	0.33

Unquoted equity securities

The Company has the following unquoted equity securities on issue: 25,000,000 options issued to funding providers, including 14,189,189 options held by L1 Capital; 10,000,000 options issued to financial advisors; 2,000,000 options in the Magnis Option Share Trust ('MOST'); and 4,000,000 performance rights held in the Magnis Executive Rights Trust ('MERT').

Unmarketable parcels

There are 11,670 holders holding less than a marketable parcel of the entity's quoted equity securities.

On-Market Buyback

There is no current on-market buyback.

Substantial Holders

There are no substantial holders in the Company.

Voting rights

The voting rights attached to ordinary shares are set out below:

Ordinary shares

On a show of hands every member present at a meeting in person or by proxy shall have one vote and upon a poll each share shall have one vote.

Options over ordinary shares

There are no voting rights attached to the options over ordinary shares.

Performance rights

There are no voting rights attached to the performance rights.

There are no other classes of equity securities.

Restricted securities

There are no restricted securities.

Other Stock Exchanges

The ordinary shares are traded on the OTC Markets Pink and the Frankfurt Stock Exchange.

Tenements

Licences held by Uranex in Tanzania are as follows:

- SML 550/2015 - the Special Mining Licence of 29.77 km² that covers the Nachu Graphite Project; and
- PL10929/2106 - the prospecting licence that surrounds the SML and is the licence that contains the various graphite mineralised discovered and reported from 2012 to 2015.

Resources and reserves

Resources and reserves are disclosed in the Directors' Report.

Registered and principal administrative address

Suite 11.01, 1 Castlereagh Street Sydney NSW 2000 Australia

Telephone number

+61 2 8397 9888