MAGNIS ENERGY TECHNOLOGIES

ASX: MNS | OTC: MNSEF | FSE: U1P

FINANCIAL REPORT

FOR THE HALF-YEAR ENDED | 31 DEC 2024

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This interim financial report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the annual report for the year ended 30 June 2024 and any public pronouncements made by MAGNIS ENERGY TECHNOLOGIES LTD during the interim reporting period in accordance with the continuous disclosure requirements of the Australian Securities Exchange.

DIRECTORS' REPORT

Your directors present their report on the consolidated entity of Magnis Energy Technologies Ltd ('Magnis' or 'Parent Entity' or the 'Company', Australian Securities Exchange Listing/ASX Code: MNS) for the half-year ('HY') ended 31 December 2024.

DIRECTORS

The following persons were Directors of the Company during the financial half-year and up to the date of this report unless otherwise indicated:

Mr. Frank Poullas	(Executive Chairman)
Mr. Hoshi Daruwalla	(Executive Director)
Mr. David Wang	(Executive Director)
Mr. Henian Chen	(Independent Non-Executive Director)
Ms. Meng Sun	(Alternate Director to Mr. Chen)

FORMER DIRECTORS DURING HALF-YEAR REPORTING PERIOD

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. Peter Tsegas	Non-Executive Director, 16 June 2015 to 30 June 2025

COMPANY OVERVIEW

Magnis Energy Technologies Ltd 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.

REVIEW AND RESULTS OF OPERATIONS

The net loss after tax of the consolidated entity for the half-year ended 31 December 2024 was $4,118,161 (HY Dec.2023 Profit: $14,676,386) of which:

- no gain or loss arising on deconsolidation of the iM3NY LLC group was recognised (HY Dec.2023 Gain: $51,813,572)
- exploration and evaluation expenditures were $302,669 (HY Dec.2023: $1,105,026),
- administration expenses were $642,546 (HY Dec.2023: $5,270,439) and
- interest expenses were $1,443,351 (HY Dec.2023: $8,945,462).

An operational overview is set out below.

OPERATIONAL UPDATE

Charge CCCV LLC (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 2024 financial year, principally for the reasons set out under the Imperium3 section below, the directors determined that the fair value of the investment should be set at $nil. The directors have used their experience and concluded that no increase or decrease in the fair value of the investment is appropriate in the half-year ended 31 December 2024. 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 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 credentialed 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. 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 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.

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. As at 30 June 2024, the directors determined that 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. The directors have used their experience and concluded that whilst the future of Imperium3 remains unclear no increase or decrease in the fair value of the investment is appropriate in the half-year ended 31 December 2024. The fair value of this investment will be reviewed in the future based on circumstances as they arise.

During the current financial half-year, 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 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 Imperium3 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 June 2025, the Delaware Bankruptcy Court ordered the dismissal of the Chapter 11 case and accordingly IM3NY has emerged from Chapter 11 bankruptcy protection. 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 2024 financial year, 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. Also, during the 2024 financial year, 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.

During the current financial half-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 half-year, the consolidated entity recognised segment expenses of $0.9 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. Over the financial half-year, no material expenditure was incurred in relation to the Anode Active Material project.

Borrowings

In the 2024 financial year, 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 (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 Secured 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 April 2025, the maturity date of the loan was extended to 15 May 2026. 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 June 2025, the Secured Lender agreed to increase the Principal Amount owing under the Secured Debt from $8.032 million to $8.238 million. In July 2025, the Secured Lender agreed to increase the Principal Amount owing under the Secured Debt from $8.238 million to $8.437 million. All other terms and conditions under the existing secured debt agreement remain. In addition, the Company borrowed funds totalling $0.7 million, with no fixed date for repayment, on an interest-free, unsecured basis from several shareholders. These borrowings were fully repaid by 31 December 2024.

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 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 2024 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. During the current financial half-year, 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 in the lithium-ion battery supply chain.

For the half-year (HY) ended 31 December 2024 the Group reported a net loss of $4,118,161 (HY Dec.2023 Profit: $14,676,386) and net operating cash outflows of $1,422,151 (HY Dec.2023: $19,008,562). Net operating cash outflows have been funded by existing cash reserves and cash inflows from equity raisings and borrowings totalling $1,358,000 (HY Dec.2023: $8,462,998).

As at 31 December 2024 the Group had net current liabilities of $18,753,590 (30 June 2024: $14,553,150) including consolidated cash reserves of $26,670 (30 June 2024: $89,669). Refer to Note 5 for a breakup of consolidated cash and cash equivalents. As at 31 December 2024 the Group had current trade and other payables of $11,183,924 of which $1,335,023 has been settled subsequent to the half year end, leaving $9,848,901 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 3 July 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 $8.437 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.

Significant Changes in the State of Affairs

Significant changes in the state of the consolidated affairs during the half-year ended 31 December 2024 are reflected under the operating and financial review above.

CORPORATE

CAPITAL FUNDS

The Company did not raise any capital funds during the half-year ended 31 December 2024, but did announce the cancellation and expiry of 31.925 million unlisted options, as follows:

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

As at 31 December 2024, the Company had:

- 1,199,498,151 fully paid ordinary shares on issue.
- 35,000,000 unlisted options ('MNSAR') remain issued with a strike price at $0.50, expiring 18 May 2026.
- 4,000,000 unlisted options ('MNSAS') outstanding in MOST with a strike price at $0.80 and varying expiry dates ranging from February 2025 to December 2025.
- 4,000,000 performance rights ('MNSAL') outstanding in the Magnis Executive Rights Trust ('MERT').

SUBSEQUENT EVENTS

Material events since the end of the half-year are outlined in Note 20 'Subsequent Events' to the Financial Statements.

AUDITOR'S INDEPENDENCE DECLARATION

A copy of the Auditor's Independence Declaration as required under section 307C of the *Corporations Act 2001* is set out on page 12.

This report is made in accordance with a resolution of the Board of Magnis Energy Technologies Ltd.

Mr. Frank Poullas
Executive Chairman
Sydney, New South Wales

3 July 2025

MAGNIS ENERGY TECHNOLOGIES LTD
ABN 26 115 111 763

AUDITOR'S INDEPENDENCE DECLARATION
UNDER SECTION 307C OF THE CORPORATIONS ACT 2001
TO THE DIRECTORS OF MAGNIS ENERGY TECHNOLOGIES LTD

As lead auditor for the review of Magnis Energy Technologies Ltd and controlled entities for the half-year ended 31 December 2024, I declare that, the best of my knowledge and belief, there have been:

(i) no contraventions of the auditor independence requirements of the Corporations Act 2001 in relation to the review; and

(ii) no contraventions of any applicable code of professional conduct in relation to the review.

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

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Anh (Steven) Nguyen
Director
Date: 3 July 2025

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

HALF-YEAR ENDED 31 DECEMBER 2024

	Notes	Consolidated	
		31-Dec 2024	31-Dec 2023
		$	$
Total Income	4, 17	**20,929**	**50,715,533**
Total (Expenses)	4	**(4,139,090)**	**(36,039,147)**
(Loss)/Profit before income tax		**(4,118,161)**	**14,676,386**
Income tax benefit/(expense)		-	-
NET (LOSS)/PROFIT FOR THE PERIOD	17	**(4,118,161)**	**14,676,386**
Net (loss)/profit for the period attributable to:			
Owners of parent entity		(4,118,161)	21,069,399
Non-controlling Interest		-	(6,393,013)
NET (LOSS)/PROFIT FOR THE PERIOD		**(4,118,161)**	**14,676,386**
OTHER COMPREHENSIVE INCOME OR (LOSS)			
Items that will not be reclassified subsequently to profit or (loss):			
Change in fair value of financial assets at FVOCI	8	-	(15,096,142)
Items that may be reclassified subsequently to profit or (loss):			
Foreign currency translation profit		435,278	670,675
Other comprehensive profit/(loss) for the period net of tax		**435,278**	**(14,425,467)**
TOTAL COMPREHENSIVE (LOSS)/PROFIT FOR THE PERIOD		**(3,682,883)**	**250,919**
Total comprehensive (loss)/profit attributable to:			
Owners of parent entity		(3,682,883)	6,643,932
Non-controlling Interest		-	(6,393,013)
TOTAL COMPREHENSIVE (LOSS)/PROFIT FOR THE PERIOD		**(3,682,883)**	**250,919**
Basic (loss)/earnings per share (cents per share)		(0.34)	1.78
Diluted (loss)/earnings per share (cents per share)		(0.34)	1.78

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

STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2024

	Notes	Consolidated	
		31-Dec 2024	**30-Jun 2024**
Current Assets		**$**	**$**
Cash and cash equivalents	5	26,670	89,669
Trade and other receivables	6	242,947	771,763
Other assets	7(a)	-	-
Total Current Assets	17	**269,617**	**861,432**
Non-Current Assets			
Other assets	7(b)	-	-
Financial assets at FVOCI	8	-	-
Right-of-use assets	9	1,722,841	689,681
Development assets	10	8,478,289	7,955,173
Plant and equipment		32,277	53,803
Total Non-Current Assets	17	**10,233,407**	**8,698,657**
TOTAL ASSETS		**10,503,024**	**9,560,089**
Current Liabilities			
Trade and other payables	11	11,183,924	9,251,623
Lease liabilities	12	392,592	274,250
Provisions		785,098	585,116
Borrowings	13	6,661,593	5,303,593
Total Current Liabilities		**19,023,207**	**15,414,582**
Non-Current Liabilities			
Lease liabilities	12	1,476,804	459,611
Total Non-Current Liabilities		**1,476,804**	**459,611**
TOTAL LIABILITIES	17	**20,500,011**	**15,874,193**
NET ASSETS		**(9,996,987)**	**(6,314,104)**
Equity			
Contributed equity	14	241,876,346	241,876,346
Reserves		7,052,085	8,574,807
Accumulated (Losses)		(258,925,418)	(256,765,257)
TOTAL EQUITY		**(9,996,987)**	**(6,314,104)**

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

STATEMENT OF CASH FLOWS

HALF-YEAR ENDED 31 DECEMBER 2024

	Notes	Consolidated	
		31-Dec 2024	31-Dec 2023
Cash flows from operating activities		$	$
Payments to suppliers and employees		(1,154,577)	(1,407,244)
Payment for exploration and evaluation expenditure		(183,114)	(1,630,091)
Payments for development expenditure		-	(188,701)
Payments to production		-	(7,046,273)
Interest and other costs of finance paid		(87,500)	(8,915,004)
Interest received		3,040	178,751
Net cash outflow used in operating activities		**(1,422,151)**	**(19,008,562)**
Cash flows from investing activities			
Acquisition of property, plant, and equipment		-	(892,129)
Proceeds from sale of property, plant, and equipment		-	1,834,117
Net cash inflow from investing activities		**-**	**941,988**
Cash flows from financing activities			
Proceeds from issue of shares (including convertible notes)		-	7,700,000
Proceeds from third party investors issue of shares - iM3NY		-	762,998
Capital raising expenses		-	(524,823)
Proceeds from borrowings		2,066,593	6,638,000
Repayment of borrowings		(708,593)	(6,638,000)
Transaction costs related to loans and borrowings		-	(4,733,000)
Net cash inflow from financing activities		**1,358,000**	**3,205,175**
Net cash (outflows) for the reporting period		**(64,151)**	**(14,861,399)**
Effect of exchange rates on cash holdings in foreign currencies		1,152	282,109
Less cash in iM3NY as at date of deconsolidation		-	(7,029,671)
Add cash and cash equivalents at the beginning of the period	5	89,669	22,137,605
Cash and cash equivalents at the end of the period	5	**26,670**	**528,644**

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

STATEMENT OF CHANGES IN EQUITY

HALF-YEAR ENDED 31 DECEMBER 2024

		Consolidated						
	Notes	**Contributed Equity (CE)**	**FVOCI Reserve**	**Share Based Payment Reserves**	**Foreign Currency Translation Reserve**	**Accumulated Losses**	**Non-Controlled Interest**	**Total Equity**
		$	**$**	**$**	**$**	**$**	**$**	**$**
As at 1 July 2024	14	**241,876,346**	**-**	**2,878,930**	**5,695,877**	**(256,765,257)**	**-**	**(6,314,104)**
Loss for the period		-	-	-	-	(4,118,161)	-	**(4,118,161)**
Other comprehensive income		-	-	-	435,278	-	-	**435,278**
Total comprehensive income / (loss) for the half-year		**-**	**-**	**-**	**435,278**	**(4,118,161)**	**-**	**(3,682,883)**
Transactions with owners in their capacity as owners								
Share-based payment (forfeited)		-	-	(1,958,000)	-	1,958,000	-	**-**
As at 31 December 2024	14	**241,876,346**	**-**	**920,930**	**6,131,155**	**(258,925,418)**	**-**	**(9,996,987)**

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

STATEMENT OF CHANGES IN EQUITY

HALF-YEAR ENDED 31 DECEMBER 2023

	Notes	Consolidated						(Restated)
		Contributed Equity (CE)	FVOCI Reserve	Share Based Payment Reserves	Foreign Currency Translation Reserve	Accumulated Losses	Non-Controlled Interest	Total Equity
		$	$	$	$	$	$	$
As at 1 July 2023		**259,137,517**	**5,076,057**	**3,841,692**	**6,107,227**	**(287,398,720)**	**12,072,494**	**(1,163,733)**
Loss for the period		-	-	-	-	21,069,399	(6,393,013)	**14,676,386**
Other comprehensive income / (loss)		-	(15,096,142)	-	670,675	-	-	**(14,425,467)**
Total comprehensive income / (loss) for the half-year		**-**	**(15,096,142)**	**-**	**670,675**	**21,069,399**	**(6,393,013)**	**250,919**
Transactions with owners in their capacity as owners								
Shares, net of trans. costs		7,175,177	-	-	-	-	-	**7,175,177**
Shares, net of trans. costs-iM3NY as at date of deconsolidation		(24,454,348)	-	-	-	(1,307,690)	25,762,038	**-**
Reversal of iM3NY accumulated losses		-	-	-	-	33,928,270	(37,834,532)	**(3,906,262)**
Share based payment issued to P&L		-	-	-	-	100	-	**100**
Share-based payment (forfeited)		-	-	(358,962)	-	358,962	-	**-**
Non-Controlled Interest		-	-	-	-	(6,393,013)	6,393,013	**-**
As at 31 December 2023		**241,858,346**	**(10,020,085)**	**3,482,730**	**6,777,902**	**(239,742,692)**	**-**	**2,356,201**

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

MAGNIS
ENERGY TECHNOLOGIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE HALF-YEAR ENDED 31 DECEMBER 2024

1. CORPORATE INFORMATION

Magnis Energy Technologies Ltd (the 'Company') is a for-profit company limited by shares, incorporated in Australia and whose shares are publicly traded on the Australian Securities Exchange.

The half-year (HY) report of the Company for the six months ended 31 December 2024 was authorised for issue in accordance with a resolution of the Board of the Company dated 3 July 2025.

2. BASIS OF PREPARATION AND ACCOUNTING POLICIES

The consolidated financial report for the half-year ended 31 December 2024 has been prepared in accordance with AASB 134 Interim Financial Reporting and the *Corporations Act 2001*.

The half-year financial report does not include all the notes of the type normally included in an annual financial report and therefore does not provide as full an understanding of the financial performance, financial position and financing and investing activities of the consolidated entity as the full year financial report.

It is recommended that the half-year financial report be read in conjunction with the annual financial report for the year ended 30 June 2024 and considered with any public announcements made by Magnis Energy Technologies Ltd during the half-year ended 31 December 2024 in accordance with the continuous disclosure obligations of the ASX Listing Rules.

The consolidated financial report for the half-year ended 31 December 2024 is presented in Australian dollars (unless otherwise indicated).

(i) New and amended standards adopted by the Group

The accounting policies adopted are consistent with those of the previous half-year financial reporting and the Group has not adopted new or amended Australian Accounting Standards and AASB Interpretations as of 1 July 2024.

3. 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 in the lithium-ion battery supply chain.

For the half-year (HY) ended 31 December 2024 the Group reported a net loss of $4,118,161 (HY Dec.2023 Profit: $14,676,386) and net operating cash outflows of $1,422,151 (HY Dec.2023: $19,008,562). Net operating cash outflows have been funded by existing cash reserves and cash inflows from equity raisings and borrowings totalling $1,358,000 (HY Dec.2023: $8,462,998).

As at 31 December 2024 the Group had net current liabilities of $18,753,590 (30 June 2024: $14,553,150) including consolidated cash reserves of $26,670 (30 June 2024: $89,669). Refer to Note 5 for a breakup of consolidated cash and cash equivalents. As at 31 December 2024 the Group had current trade payables of $11,183,924 of which $1,335,023 has been settled subsequent to the half year end, leaving $9,848,901 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 3 July 2026. To fully implement its evaluation and development strategy, the Group will require additional funds. The existence of these conditions indicates material uncertainty that may cast doubt on the Group's ability to continue as a going concern.

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 $8.437 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 continue 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.

The half-year financial statements were authorised for issue by the directors on 3 July 2025.

4. INCOME AND EXPENSES FROM ACTIVITIES

	Note	31-Dec 2024	31-Dec 2023
Income		**$**	**$**
Interest received		4,810	150,747
Foreign exchange gain		16,119	22,195
Profit on sale of fixed assets		-	36,709
Gain arising from deconsolidation - iM3NY	22	-	51,813,572
Currency profit/(loss) arising from deconsolidation - iM3NY		-	(1,307,690)
Total income		**20,929**	**50,715,533**
Expenses			
Administration, corporate and licenses		642,546	5,270,439
Service supply agreement with Charge CCCV LLC ('C4V')		-	73,881
Depreciation		178,273	668,999
Director fees		136,017	324,822
Employee benefits expense		553,673	2,924,937
Interest expense		1,443,351	8,945,462
Borrowing Costs & Loan Amortization		-	3,808,951
Legal, consulting and professional services		882,561	5,870,357
Cost of Production expenditure		-	7,046,273
Exploration and evaluation		302,669	1,105,026
Total expenses		**4,139,090**	**36,039,147**

5. CASH AND CASH EQUIVALENTS

	31-Dec 2024	30-Jun 2024
	$	**$**
Cash on hand	3,897	4,506
Cash at bank	22,773	85,163
	26,670	**89,669**

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.

6. TRADE AND OTHER RECEIVABLES

	31-Dec 2024	30-Jun 2024
	$	$
Accrued interest	2,684	8,007
Goods and services tax recoverable	3,828	522,544
Prepayments and other receivables	34,345	32,857
Term Deposit	202,090	208,355
	242,947	**771,763**

7(a). OTHER ASSETS

	31-Dec 2024	30-Jun 2024
	$	$
Current		
Accrued interest	-	-
Credit Card Clearing Account	-	-
Advances/Loans - Imperium3 Townsville	-	-
Inventory - iM3NY		
Advances/Deposits on purchases - iM3NY	-	-
	-	**-**

Accounting policies:

Short-term loans

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

Movement in the Other Assets are as follows:

	31-Dec 2024	30-Jun 2024
	$	$
Opening balance	-	22,032,717
Additional advances/loans recognised	-	-
Reversal of advances/loans recognised	-	(78,500)
iM3NY deconsolidation	-	(21,954,217)
Closing balance	**-**	**-**

7(b). OTHER ASSETS - Non-Current

	31-Dec 2024	30-Jun 2024
	$	$
Capitalised Loan Costs - iM3NY	-	-
Less: allowance for amortisation - Loan Costs - iM3NY	-	-
	-	-

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 (30 June 2024: NIL) in profit or loss in respect of iM3NY related capitalised loan costs for the half-year ended 31 December 2024.

Movements in Capitalised Loan Costs are as follows:

	31-Dec 2024	30-Jun 2024
	$	$
Opening balance	-	2,495,804
Reversal of advances/loan capitalised - iM3NY	-	(2,612,767)
Currency translation	-	116,963
Closing balance	-	-

8. FINANCIAL ASSETS AT FVOCI

	31-Dec 2024	30-Jun 2024
	$	$
Equity investment in Charge CCCV LLC	-	-
Equity investment in iM3NY LLC Group	-	-
	-	-

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 licences and intellectual property.

On 28 April 2021 and as clarified in announcement on 9 September 2021, Riverstone Credit Partners received a 3.50% stake in C4V which effectively diluted the Company's ownership in C4V to 9.65%. During the year ended 30 June 2024, the Company announced that Imperium3 New York, Inc. ('Imperium3') ('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 exercised its rights and appointed two directors to the board of Imperium3 and removed all the other directors except for C4V Chairman Dr. S. Upreti.

As of 31 December 2024, C4V held a 31.0% ownership in LLC, while LLC continued to hold a majority ownership of 95.5% in Imperium3, as its holding company. 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 LLC 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 June 2025, the Delaware Bankruptcy Court ordered the dismissal of the Chapter 11 case and accordingly IM3NY has emerged from Chapter 11 bankruptcy protection. Significant uncertainty remains over the future of C4V and its ability to continue to operate as a going concern. The Company recognised a reduction in the carrying value of Magnis' investment in C4V in the financial year ended 30 June 2024. *Refer to Note 20 for further detail*.

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'). *Refer to Note 20 for further detail*.

As of 31 December 2024, Magnis continues to hold an economic interest of 74% in the iM3NY LLC Group (30 June 2024: 74%). 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.

Movement in Financial Assets at FVOCI carrying value:

	31-Dec 2024	30-Jun 2024
	$	$
Carrying amount at start of period	**-**	15,096,142
Change in fair value	-	(15,096,142)
Carrying value at end of period	**-**	**-**

9. RIGHT OF USE ASSET

	31-Dec 2024	30-Jun 2024
	$	$
Carrying value at start of period	**689,681**	**31,049,975**
Additions	1,180,060	47,501
iM3NY RoU asset carrying value at time of deconsolidation	-	(29,768,181)
Depreciation expense	(155,671)	(682,602)
Currency Translation	8,771	42,988
Carrying value at end of period	**1,722,841**	**689,681**

10. DEVELOPMENT ASSETS

	31-Dec 2024	30-Jun 2024
	$	$
Development – Nachu Graphite Project ('NGP')	**8,478,289**	**7,955,173**

Development 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 costs. Development costs in which the Group has an interest are amortised over the life of the area of interest to which the costs relate on a units of production basis, over the estimated, proved, and probable ore reserves and a 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, ore reserves, and other mineral resources are accounted for prospectively.

The Company's subsidiary in Tanzania received a notice of non-compliance from the Mining Commission concerning Special Mining License (SML 550/2015) in May 2025. 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 and in June 2025 received confirmation that the default notice had been lifted. Currently, there are no indications of issues affecting the validity of the license.

Impairment

At each reporting date, the Group reviews the carrying value 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 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 the profit and 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 31 December 2024, no impairment charge was deemed necessary.

Movement in NGP Development Assets	31-Dec 2024	30-Jun 2024
	$	$
Carrying amount at start of period	7,955,173	8,029,704
Development costs capitalised during the period	-	(93,311)
Currency translation difference	523,116	18,780
Carrying value of development assets	**8,478,289**	**7,955,173**

11. TRADE AND OTHER PAYABLES

	31-Dec 2024	30-Jun 2024
Current	$	$
Trade payables	5,710,424	6,662,383
Other payables and accruals	5,473,500	2,589,240
	11,183,924	**9,251,623**

12. LEASE LIABILITIES

Current	31-Dec 2024 $	30-Jun 2024 $
Lease Liabilities	392,592	274,250

Non-Current	31-Dec 2024 $	30-Jun 2024 $
Lease Liabilities	1,476,804	459,611

13. BORROWINGS

Current	31-Dec 2024 $	30-Jun 2024 $
Unsecured debt	-	703,593
Secured debt	6,661,593	4,600,000
	6,661,593	5,303,593

Unsecured debt

The Company borrowed funds totalling $0.7 million, with no fixed date for repayment, on an interest-free, unsecured basis from several shareholders. These borrowings were fully repaid by 31 December 2024.

Secured debt

In the 2024 financial year, the Company procured a $4.6 million secured loan from several 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. In July 2024, the principal and accrued borrowing costs were assigned by the investors 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 Secured 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. In June 2025, the Secured Lender agreed to increase the Principal Amount owing under the Secured Debt from $8.032 million to $8.238 million. In July 2025, the Secured Lender agreed to increase the Principal Amount owing under the Secured Debt from $8.238 million to $8.437 million. All other terms and conditions under the existing secured debt agreement remain.

14. CONTRIBUTED EQUITY

	31-Dec 2024	30-Jun 2024
	$	$
Ordinary share capital fully paid	241,876,346	241,876,346

Movement in fully paid shares	31-Dec 2024	31-Dec 2024	30-Jun 2024
	Number of shares	$	$
Balance at start of period	**1,199,498,151**	**241,876,346**	**259,137,517**
Shares – iM3NY at date of deconsolidation	-	-	(24,454,348)
Shares issued	-	-	7,700,000
Transaction costs - shares	-	-	(506,823)
Balance at end of period	**1,199,498,151**	**241,876,346**	**241,876,346**

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

- During the period the Company raised $NIL funds from equity (30 June 2024: $7.7m)
- Capital raising transactions costs for the period amounted to $NIL (30 June 2024: $0.507m)

15. COMMITMENTS

As of 31 December 2024, the Group has commitments of:

- The Group has an annual exploration commitment totalling $99,558 to meet minimum expenditure requirements on the mineral exploration areas in which it has an interest (30 June 2024: $93,441).
- The Company has a capital commitment for the purchase of equipment of an amount of $2.92M (30 June 2024: $2.91M).
- There are no other commitments as at 31 December 2024.

16. CONTINGENCIES

As of 31 December 2024, the Group has the following contingent liabilities:

- The company has a bank guarantee facility for $202,090. The $202,090 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 $5.31M (30 June 2024: $4.98M). 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.
- There are no other contingent liabilities or assets as at 31 December 2024.

17. SEGMENT INFORMATION

(a) 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 half-year financial period 31 December 2024 as follows:

- Lithium-ion battery investments
- Graphite exploration and development
  Head office support

(b) Accounting policies and inter-segment transactions

The accounting policies used by the Group in reporting segments internally are the same as those contained in **Note 1** to the consolidated Financial Statements for the year ended 30 June 2024.

It is the Group's policy that if items of revenue and expense are not allocated to operating segments then any associated assets and liabilities are also not allocated to segments. This is to avoid asymmetrical allocation within segments which management believes would be inconsistent.

The following table presents reportable segments for:

- revenue and profit information for the half-years ended 31 December 2024 and 31 December 2023, and
- assets and liabilities as at 31 December 2024 and 30 June 2024.

	Lithium-ion Battery Plant Investment USA	**Graphite Exploration and Development Tanzania**	**Head-Office Support Australia**	**Consolidated**
Segment financial information	**$**	**$**	**$**	**$**
31 December 2024				
Segment income	-	-	20,929	**20,929**
Segment (loss) before tax	-	(947,828)	(3,170,333)	**(4,118,161)**
31 December 2024				
Segment current assets	-	17,746	251,871	**269,617**
Segment non-current assets	-	8,655,702	1,577,705	**10,233,407**
Segment liabilities	-	(1,800,697)	(18,699,314)	**(20,500,011)**

Segment financial information	Lithium-ion Battery Plant Investment USA $	Graphite Exploration and Development Tanzania $	Head-Office Support Australia $	Consolidated $
31 December 2023				
Segment income	50,687,105	-	28,428	**50,715,533**
Segment profit/(loss) before tax	(24,616,918)	(3,664,420)	42,957,724	**14,676,386**
30 June 2024				
Segment current assets	-	476,858	384,574	**861,432**
Segment non-current assets	-	8,163,759	534,898	**8,698,657**
Segment (total liabilities)	-	(1,418,232)	(14,455,961)	**(15,874,193)**

18. SHARE BASED PAYMENTS

(a) Recognised share-based payment expenses

The expense recognised for employee and contractor services received during the period is shown below:

	31-Dec-2024 $	31-Dec-2023 $
Expense arising from the issue of options (employees)	-	-
Expense arising from the issue of options (non-employees)	-	-
Total expense arising from equity-settled payment transactions	**-**	**-**

(b) Summaries of options and rights granted

The following table details the number and weighted-average exercise prices ('WAEP') of, and movements in, share options on issue during the half-year.

	31-Dec-2024 Number	31-Dec-2024 WAEP $
Outstanding at the beginning of the half-year	4,625,000	0.80
Expired during the period	(625,000)	(0.80)
Outstanding at the end of the half-year	4,000,000	0.80
Exercisable at the end of the half-year	4,000,000	0.80

The range of exercise prices for options outstanding at the end of the half-year was between $0.50 and $0.80 (HY Dec.2023: $0.50 and $0.80).

Significant judgement

The Group measures the cost of equity-settled transactions with consultants, 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.

19. FAIR VALUE MEASUREMENT

The fair value of financial assets and financial liabilities are the 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 at 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 at the reporting date.
- Level 3: Values based on prices or valuation techniques that are not based on observable market data.

	Level in Fair Value hierarchy	Consolidated	
		31-Dec-2024	30-June-2024
Financial assets measured at fair value		$	$
Financial assets at FVOCI using:	3	-	-

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 Imperium3 New York Inc. ('Imperium3') and other potential battery factories. As of 31 December 2024, C4V maintains a shareholder ownership of 31.0% (30 June 2024: 31.00%) in iM3NY LLC, being the holding company of Imperium3, 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 (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 of 31 December 2024, 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 LLC 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 June 2025, the Delaware Bankruptcy Court ordered the dismissal of the Chapter 11 case and accordingly IM3NY has emerged from Chapter 11 bankruptcy protection.

Valuation Techniques - Level 3

The Group utilises 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. Following the actions taken by the secured lender of Imperium3 during the 30 June 2024 financial year, and because of the continued uncertainty in relation to both iM3NY and C4V as set out in Note 8, for the half-year ended 31 December 2024, the Group continues to recognise $NIL carrying amount for financial assets at FVOCI (30 June 2024: $NIL).

Risk adjusted discount rate.

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

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 requires management of existing patents while also striving for active research results that lead to new patents, highlighting that its economic success is uncertain. In addition, claims against these patents and the cost of defending claims is likewise uncertain but does represent a real risk. As a result, the fair value is exposed to various forms of risk.

Royalties & 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. The royalty income is dependent upon the successful production of lithium-ion batteries. 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 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 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 Audit and Risk Committee may consider entering simple forward foreign exchange contracts.

20. SUBSEQUENT EVENTS

In January 2025 Magnis and the Secured Lender, McEvoy Street (Alexandria) Pty Ltd, agreed to increase the Principal Amount owing under the Secured Debt from $6.752 million to $7.262 million. In April 2025, the maturity date of the loan was extended to 15 May 2026. 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 June 2025, the Secured Lender agreed to increase the Principal Amount owing under the Secured Debt from $8.032 million to $8.238 million. In July 2025, the Secured Lender agreed to increase the Principal Amount owing under the Secured Debt from $8.238 million to $8.437 million. All other terms and conditions under the existing Secured Debt agreement remain.

In January 2025, the directors of each IM3NY LLC and Imperium3 New York Inc. 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 IM3NY to Musashi Auto Parts Michigan Inc for a consideration of US$10 million, with the sale to close on 4 April 2025. Presently the Company is not aware of the exact disposition of the proceeds. It appears unlikely that the Company will obtain a return on its investment through the bankruptcy process. In June 2025, the Delaware Bankruptcy Court ordered the dismissal of the Chapter 11 case and accordingly IM3NY has emerged from Chapter 11 bankruptcy protection.

On 6 February 2024, 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.

The Company's subsidiary in Tanzania received a notice of non-compliance from the Mining Commission concerning Special Mining License (SML 550/2015) in May 2025. 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 and in June 2025 received confirmation that the default notice had been lifted. Currently, there are no indications of issues affecting the validity of the license.

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) 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.

21. CHANGES IN OWNERSHIP INTERESTS IN SUBSIDIARY

During the current half-year, no change in ownership interest in subsidiary occurred.

During the half-year ended 31 December 2023, the Company announced that Imperium3 New York, Inc. ('Imperium3' 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.

During the December 2023 half-year, the Lender exercised its rights and appointed two directors to the board of Imperium3 and removed all the other directors except for C4V Chairman Dr. S. Upreti. Magnis resolved that it would deconsolidate its subsidiaries LLC and Imperium3 from the Group with effect from 30 November 2023:

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

Imperium 3 New York Group

Statement of Financial Position as at date of deconsolidation	**30/11/2023**
	A$
Current Assets	
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)
	102,212,687
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 from deconsolidation attributable to shareholders of Magnis	**(51,813,572)**

DIRECTORS' DECLARATION

In the opinion of the Directors of Magnis Energy Technologies Ltd:

a) the financial statements and notes of for the half-year ended 31 December 2024 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 31 December 2024 and of its performance for the financial half-year ended on that date; and

   (ii) complying with Australian Accounting Standard AASB 134 *Interim Financial Reporting and Corporations Regulations 2001*; and

b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

This declaration is signed in accordance with a resolution of the Board of Directors.

On behalf of the directors.

Mr. Frank Poullas
Executive Chairman
Sydney, New South Wales
3 July 2025

HALL CHADWICK
MELBOURNE AUDIT

MAGNIS ENERGY TECHNOLOGIES LTD
ABN 26 115 111 763

INDEPENDENT AUDITOR'S REVIEW REPORT
TO THE SHAREHOLDERS OF MAGNIS ENERGY TECHNOLOGIES LTD

Report on the Half-Year Financial Report

Conclusion

We have reviewed the accompanying half-year financial report of Magnis Energy Technologies Ltd and Controlled Entities (the Group), which comprises the consolidated statement of financial position as at 31 December 2024, the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and the Directors' declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Magnis Energy Technologies Ltd is not in accordance with the *Corporations Act 2001* including:

a) giving a true and fair view of the Group's financial position as at 31 December 2024 and of its performance for the half-year ended on that date; and
b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and *Corporations Regulations 2001*.

Basis for Conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the Auditor's Responsibilities section of our report.

We are independent of the Group in accordance with the auditor independence requirement 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 (including independence standards)* (the Code) that are relevant to our audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with these requirements.

We confirm that the independence declaration required by the *Corporations Act 2001* which has been given to the Directors of the Company, would be the same terms if given to the Directors as at the time of this Auditor's Review Report.

Material Uncertainty Related to Going Concern

We draw attention to Note 3 in the half-year financial report, which indicate that the Group recorded a loss of $4,118,161. Additionally, the Group experienced negative operating cash flows of $1,422,151 during the half-year ended 31 December 2024. As stated in Note 3, these events or conditions, along with other matters as set forth in Note 3, indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern. Our conclusion is not modified concerning this matter.

Responsibilities of the Directors for the Half-Year Financial Report

The Directors of the Group are responsible for:

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

Auditor's Responsibility for the Review of the Half-Year Financial Report

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the Group's financial position as at 31 December 2024 and its performance for the half-year ended as at that date; and complying with *Accounting Standard AASB 134: Interim Financial Reporting* and the *Corporations Regulations 2001*.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

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

Anh (Steven) Nguyen
Director
Date: 3 July 2025