Magnis Energy Technologies Limited: Announces Large Sales Agreement with Tesla Inc.

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Sydney, Australia - Australian listed Magnis Energy Technologies (ASX:MNS) (FRA:U1P) (OTCMKTS:MNSEF) has signed a major agreement to supply EV and Lithium-ion Battery giant Tesla (NASDAQ:TSLA) with anode materials beginning in 2025.

Under the binding agreement Tesla will purchase up to 35,000 tonnes of anode materials per annum at a fixed price. The agreement is for a minimum 3 year term and would make Magnis one of the largest producers of anode materials in the United States. With the recently passed Inflation Reduction Act by the Biden Administration it would be expected that Magnis would be eligible for government incentives and potential loans from the US Department of Energy.

This agreement comes as many countries like the US, Canada, Japan, South Korea and Australia scramble to diversify and secure "critical minerals" like graphite with an aim to free themselves of any Chinese supply chains. China is said to supply about 85 per cent of the world's active anode material.

For now, graphite has no comparable substitute to create the necessary effect at the anode part of the lithium-ion batteries found in electric vehicles. It is also the largest component in lithium-ion batteries by weight. This makes graphite a critical mineral for the future electrification of transportation and therefore a much appreciated material by top tier electric vehicle manufacturers such as Tesla.

The significance of the anode materials produced by Magnis from its Nachu Graphite Project can not be understated as it is the only graphite player in the marketplace being able to produce these materials at battery grade and performance without the use of any chemical or thermal purification. Bypassing the purification steps due to it's high grade graphite concentrate means that Magnis anode materials would produce the greenest materials and potentially would make the group the lowest cost producer.

Magnis Chairman Frank Poullas commented "We are really excited to bring our high performing Active Anode Materials to market that requires no chemical or thermal purification throughout the whole process, which differentiates this sustainable material in the market and provides great value to all parties."

Tesla with headquarters in Austin, Texas currently has a market capitalization of US$660 Billion and plans to produce nearly 2 million electric vehicles in 2023. For the full year 2022, Tesla realized total revenues of $81.5 billion and earnings of $4.07 per share.

About Magnis Energy Technologies Limited:

Magnis Energy Technologies Ltd. (ASX:MNS) (OTCMKTS:MNSEF) (FRA:U1P) is involved in and has strategic investments in several aspects of the electrification supply chain including manufacturing of green credentialed lithium-ion battery cells, leading edge battery technology and high quality, high performance anode materials. The company's vision is to enable, support and accelerate the green energy transition critical for the adoption of Electric Mobility and Renewable Energy Storage.

About Tesla Inc.:

Tesla Inc. (NASDAQ:TSLA) is an American multinational automotive, artificial intelligence, and clean energy company headquartered in Austin, Texas. Tesla designs and manufactures electric vehicles, battery energy storage from home to grid-scale, solar panels and solar roof tiles, and related products and services. Tesla is one of the world's most valuable companies and is, as of 2023, the world's most valuable automaker.

Source:
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