

NOVONIX

ASX ANNOUNCEMENT

5 December 2017

SHAREHOLDER COMMUNICATION – RECENT SHARE TRADING



The NVX share price has traded down from \$1.42 at close of business on the day of our AGM on 21 November 2017 to \$1.00 at close of business yesterday 4 December 2017.

Given the significant downward movement we provide the following commentary to shareholders and the market generally.

We can confirm there has been no announcements or communications about the business which would give rise in our opinion to the downward movement of the share price.

We can confirm that the business is progressing well to plan and budget with respect to what we have communicated with the market.

The PUREgraphite anode materials business that we are building-up in Tennessee is progressing well with all our pilot plant equipment delivered and currently being installed and the company on track to have this plant commissioned by Christmas and in operation in the new year. We have made significant progress evaluating and short listing our supply chain and are preparing to run higher volume trials (10 to 20 ton) early in the new year which will provide the necessary performance detail to prepare to scale the business to 1,000 tpa capacity by 30 June next year as planned. We have made good progress in engaging with prospective customers both domestic US battery makers and international battery makers and getting the necessary agreements in place for evaluating and qualifying our materials starting in



the new year and based on production from our pilot plant which will be up and running.

The Battery Testing Services (BTS) business in Nova Scotia is performing well with strong organic sales growth coming from our existing tier one customer base and new customers including several global brand names in the battery making and equipment manufacturing sectors. The growth is across many fronts including sales of our original HPC technology/equipment, sales on the newly released high power HPC technology/equipment, growth in our testing services and consulting, all areas exceeding business plan at present. We are currently examining how we can further accelerate the growth of this business that is experiencing strong demand well above our capacity to produce and serve. We are currently moving to a new facility that is five times larger and preparing to launch our first marketing campaign and appoint our first dedicated marketing representative.

The Mount Dromedary Graphite Project in North Queensland is now in public notification phase of the process of obtaining a mining license and environmental authority and we expect to get these permits granted in the first half of 2018.

Andrew Liveris and Admiral Bob Natter have now invested their funds now and are strongly behind the company with a visit to our Tennessee operations planned for January.

Overall the business is performing well in all areas.

In respect to the selling of shares most of the selling was prior to the escrow release which was 2 December and no staff or directors have been selling shares.

The selling appears to be predominantly smaller holders and nominees (representing multiple small holders) profit taking and liquidating their positions at significant profit. Some of these sellers are former convertible note holders who've all converted and are taking some of their capital off the table.

There was one larger holder who had some financial difficulties and sold about \$1M worth in one line to a family office (at \$1.25) and we have seen a bit of that stock come back out onto the market.

Other larger holders have generally been holding or increasing their positions.

We hope you find this commentary helpful.

Regards,

Phil St Baker



ABOUT NOVONIX

NOVONIX LIMITED (ASX: NVX) is a developer and supplier of high performance materials, equipment and services for the global lithium-ion battery industry with operations in the USA and Canada and sales in over a dozen countries.

NOVONIX's mission is to accelerate the global development and adoption of Lithium Ion Battery technologies for a cleaner energy future.

Through both its high-performance battery materials and its highest-accuracy battery testing equipment, the Company aims to enhance the performance and reduce the cost of EV-standard and energy storage batteries.

FOR FURTHER INFORMATION

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