



ASX ANNOUNCEMENT

(ASX: NVX)

22 November 2018

CHAIRMAN'S ADDRESS TO THE ANNUAL GENERAL MEETING

The last financial year was one of considerable progress in advancing our downstream processing capability in advanced anode materials for the rechargeable battery market.

Our PUREgraphite JV is also now purifying synthetic and natural graphite at pilot scale and we are now well advanced in scaling up to initial commercial quantities.

Our innovative, low cost technology will produce anode materials from Synthetic graphite, natural graphite and blends aimed at achieving particular performance characteristics and, in particular, to greatly enhance battery life and recharge rates.

At our Halifax operation, Novonix Battery Testing Services, we have expanded our customer base for our high technology battery testing equipment. We have also invested in our small scale battery manufacturing line to be able to manufacture batteries for our customers and also test our own batteries in a much shorter R&D cycle than our competitors.

We are able to test various anode materials, various combinations and blends of anode materials, electrolytes, combinations of electrolytes and anode materials, and other battery chemistries. Importantly, we can test our batteries within a few weeks for the various applications for which alternative performance characteristics are required.

As we have previously advised, we have electrolyte development capability at our facility in Halifax and have now developed world-first, non-destructive high-precision battery testing equipment. With a new R&D relationship formed with Dalhousie University, we are now including additional important battery materials and technologies in our development program, such as silicon.

In the short to medium term, our focus remains on developing our advanced anode materials production capability through the PUREgraphite joint venture. We are currently on track to be able to scale up to a capacity of 1,000 tonnes per annum during 2019.

In relation to our graphite mining project in Cloncurry, we have advanced the approvals process for the mining operation and we are close to completing all regulatory requirements in order for a mining licence to be issued. However, as I stated earlier, our focus right now is on developing our downstream processing and value added capability, and continue to place lower priority on bringing our Mt Dromedary graphite mine into production.



Our strategic priority right now is to develop the most advanced, highest performing and lowest cost anode materials available in the market.

Every day, there are news items regarding growth potential for electric vehicles (EVs) and for energy storage for households and electricity grids. China, Japan, Korea and Taiwan as well as the US and now the Europeans are all in a race to dominate the lithium ion battery market.

They are taking big bets on the disruptive potential of EVs in the motor vehicle market and in the stationary energy sector.

Our aim is to become an alternative source of supply to the traditional sources and a supplier of choice of advanced anode materials and other battery chemistries for this exponentially growing industry.

We believe Novonix remains well placed to take advantage of the enormous opportunities this presents and to create value for our shareholders while delivering outstanding sustainable energy storage solutions for the planet.

I now hand over to Philip St Baker, the Managing Director, to provide you with more detail about our operations over the past year and about our future initiatives.

A handwritten signature in black ink, appearing to read "Tony Bellas". The signature is fluid and cursive.

Tony Bellas
Chairman