



ionic  
industries

Dear Ionic Shareholders and Friends,

We are pleased to present an update on our operations for May 2021.

## **NematiQ joint Venture and Sunrise Energy Metals**

We are pleased to announce that we have concluded an arrangement with Sunrise Energy Metals Ltd (ASX: SRL) (formerly CleanTeQ) for an asset swap for our stake in graphene water treatment company, NematiQ Pty Ltd. Details of the agreement were contained in the SRL announcement on 11 May 2021, (see link below) and provides that, should all approvals and resolutions be successful, Ionic will own 740,741 fully paid shares in SRL and 370,371 fully paid shares in Clean Teq Water Ltd.

Several further points provide further context for the transaction:

- After 30 September 2021 these shares will become tradeable, and your directors will seek professional advice to determine any selling or other action. In the meantime the balance sheet net equity has been improved by some \$2m.
- The transaction involves a swap of our shares in an unlisted entity for shares in a listed entity as well as relieving Ionic of any further cash commitment.

*Ionic's Chairman, Peter Armitage said "This is a very significant milestone for our Company as it is the culmination of 8 years collaboration with Monash University in the graphene/water space and validates our strategy for progress to commercialisation. Our investment will now be held through ASX listed shares which provide liquidity and potential growth with no demand on our current or future capital. We can now totally focus on our supercapacitor technology".*

Our work on EDLC supercapacitors continues with some important progress in recent months. We have progressed discussions with several key industry players in the supercapacitor market, working toward providing the validation of our technologies that represents the next step toward commercialisation. Importantly we have expanded our range of potential partners in this work beyond China to Australia, India and Europe as a means of reducing our exposure to geo-political risks. In particular, we have made significant progress in developing a commercialisation pathway in Australia which will ensure that we can progress well despite the exigencies of global commerce during a pandemic.

We are delighted to welcome Dr Phillip Aitchison to the Ionic team as a technical adviser. Phil's extraordinary experience in both the fields of supercapacitors and graphene materials means he is uniquely placed to deliver advice and guidance to our team on technology development, applications and markets.

Our work on scaling up the manufacturing of our materials continues as we look to produce inks and print electrode material on pilot scale equipment that replicates large scale commercial equipment that will be the backbone of our manufacturing capability in the future. In recent months we have successfully printed materials using techniques that increase our production capacity by at least 10 times.

We'll look forward to providing further updates in coming months as we approach a number of key milestones. As always, please feel free to contact us if you've any questions.

ASX:SRL Announcement: NematiQ Acquisition

All the best,

The Ionic Team