



# MAGPLANE TECHNOLOGY, INC.

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## **News & Press Release, July 12, 2018**

### **Portsmouth, NH: July 12, 2018 – Update on Magplane Technologies, Inc. Activity in China**

Recent announcements in the US and Chinese Business Press have highlighted an intended cooperation between JD Logistics (“JD”) and Magplane Technology, Inc. (“MTI”, the “Company”) in China toward exploration of applications of MTI’s magnetic drive technologies to logistics challenges of diverse types. This announcement has precipitated a recent sharp increase in the OTC stock price for Company shares that are publicly traded.

The JD-MTI strategic cooperation agreement initiates business and technology information exchanges and collaborative planning between the two companies, and in the long run is expected to benefit the Company. The Company cautions, however, that the cooperation agreement itself does not involve revenues to or investment in the Company, and that the Company must bear its own costs of the cooperation going forward. To date no specific prospective project has been identified. Any project identified in the initial-phase cooperation will be subject to negotiation of a separate cooperation agreement and commercial contracts, and feasibility studies, government approvals, and technology pilot and demonstration phases, likely over a period of months / years. Accordingly, the path to realization of the cooperative agreement’s prospective benefits is challenging, and ultimate beneficial results for MTI and its shareholders are not assured.

MTI’s technologies include applications of linear synchronous motors (LSM) and permanent magnets (PM) for goods transport and passenger transit systems based on magnetic propulsion and / or magnetic levitation.

As the Company reported previously, in 2015 MTI, in cooperation with China Coal Zhangjiakou Coal Mining Machinery Co., Ltd. (“ZMM”), demonstrated its Magtrack magnetic propulsion system for transport of coal and mined ores at a commercial-scale 1.2-km demonstration project in Zhiangjiakou, China. To date, no commercial Magtrack projects have been initiated, although over the subsequent three-year period, numerous discussions, preliminary agreements, and first-level feasibility studies have taken place related to potential projects in China, Indonesia, and Canada, among other places.

Importantly, while MTI remains confident of the promise and value of its technologies, all of the prospects discussed above, including the JD Project, are at pre-revenue stages for MTI, with uncertain forward schedules and innumerable contingencies, and require MTI to support its own participation activities, including engineering, travel, legal, and other costs. MTI will require additional funding and revenues to support its full participation in the various collaborations. Raise of such funds is complicated by the Company’s fully committed capital structure limiting availability of shares for new investment, by its significant debt, and, recently, by uncertainties in US-China business and trade relations.

MTI continues its efforts to obtain near-term investment to address the Company’s debt and restructure its capital basis, in order to attract the long-term investment required for

Company participation in the JD Logistics and other collaborations toward potential applications of its technologies that can create value for the Company and its shareholders.

#### **Magplane Technology, Inc.**

**Founded by a group of MIT engineers, Magplane Technology, Inc. (MTI) is the developer of a unique magnetic propulsion materials transport application (“Magtrack System”) employing integrated linear synchronous motor (LSM) and permanent magnet (PM) technologies that can reduce the cost, environmental impacts, and pollution from haul roads, diesel trucks, and conventional rail spur operations typically used in transporting material from mining operations to trunk rail heads and port terminals. Out of the Magtrack System have grown potential MTI LSM-PM solutions for port container transfer systems (“Magcontainer”) and for adhesion-free passenger and freight rail systems (“Magtrain”). MTI also is the developer of the Magplane Maglev system, an innovative magnetic levitation (maglev) transportation system that offers significant advancements over other high-speed trains, light-rail transit systems, and existing maglev systems, and has potential applications in Hyperloop systems. MTI offices are in Portsmouth, New Hampshire. For more information on the Company, visit <http://www.magplane.com> or contact: Dr. D. Bruce Montgomery, Chair, Magplane Technology, Inc., [dbmontgomery@magplane.com](mailto:dbmontgomery@magplane.com)**

#### ***Notice Regarding Forward-Looking Statements in this News Update***

*This news update may contain "forward-looking statements" as that term is defined in Section 27A of the United States Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934. Statements in this update that are not purely historical may be forward-looking statements and include any statements, direct or implied, regarding beliefs, plans, aspirations, expectations, or intentions regarding the future. Such forward-looking statements include, among other things, suggestions or projections of potential benefits to MTI that may result from the JD-MTI cooperation agreement, from any of the other named or described discussions, cooperations, or first-phase feasibility studies of any MTI technology applications, or from third party investment in, or licensing, marketing, fabrication, construction, installation, and operation of Magtrack, Magcontainer, Magtrain, or Magplane Maglev systems. Actual results could differ from any projected, suggested, or implied in any such forward-looking statements, due to numerous risk factors, including, among others, the inherent uncertainties associated with new technology development companies such as MTI. Such uncertainties include, without limitation, uncertainties related to technology performance, scalability, and cost-effectiveness, and multiple uncertainties that may challenge transnational strategic alliances, including, without limitation, economic, monetary, political, and regulatory uncertainties. Any such forward-looking statements in this news update are made as of the date of this news update to MTI shareholders and the general public, and the Company assumes no obligation subsequently to update the forward-looking statements, or to update the reasons as to why actual results could differ from those projected in the forward-looking statements.*