



Magnis Resources

L I M I T E D

FOR RELEASE
17 December 2014

BINDING OFFTAKE AGREEMENT WITH CHINA NATIONAL MATERIALS INDUSTRY IMPORT AND EXPORT CORPORATION (SINOMA)

- **80,000 tonnes per annum binding Offtake Agreement signed with SINOMA. Biggest binding graphite offtake agreement in recent history**
- **Term is for 5 years with option to extend**
- **SINOMA is a major supplier of graphite to the Japan battery market as well as the burgeoning China battery market**
- **Graphite purchase price linked to market prices**
- **Current basket price over US\$2,000 per tonne due to majority of Magnis product in Super Jumbo (+500 microns), Jumbo (+300 microns) and Large (+180 microns) categories**
- **At current market price yearly revenues equate to over US\$160m or over US\$800m over 5 years**
- **Discussions continue with other groups for offtake and financing**

Magnis Resources Limited (ASX:MNS) is delighted to announce it has signed a binding Offtake Agreement with China National Materials Import and Export Corporation (SINOMA). SINOMA is a subsidiary of major state owned enterprise China National Materials Group Corporation, which is responsible for the research, development, construction, production and marketing of non-metallic products in China.

Under the Offtake Agreement, SINOMA has agreed to purchase 80,000 tonnes of graphite per annum across all size ranges for a period of 5 years with an option to extend. This agreement follows SINOMA's evaluation of graphite samples from Magnis's Nachu project.

SINOMA is a leading graphite industry participant worldwide and has been involved in the graphite industry for over three decades. One hundred percent (100%) of the graphite SINOMA processes feeds into the growing Chinese and Japanese markets.

As a precursor to this announcement, on 11 July an MOU for offtake was signed with SINOMA. In the past few months samples were sent to SINOMA to be tested at its Graphite Processing Plant. These samples were derived from large scale metallurgical test work that resulted in an average grade over 95%, with the majority of the product in Super Jumbo, Jumbo and Large categories.

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Chairman Mr Frank Poullas commented: "Today's announcement is historic for both Magnis Resources and for the graphite industry. The signing of a binding Offtake Agreement and the recently announced JORC Resource, with majority as measured and indicated, are pivotal elements in Magnis Resources' strategy to fast track the Nachu Graphite Project to production. Working with a company of SINOMA's high status in the industry and to supply our quality product to the fast growing Chinese and Japanese markets is a big commercial milestone."

"The board of Magnis Resources thanks SINOMA on this historic deal and we look forward to a long and productive working relationship."

Vice President Mr Dong Yuan stated "SINOMA is delighted to enter into the Offtake Agreement with Magnis Resources as it is very important for SINOMA to secure long term supply of high quality Super Jumbo, Jumbo and Large Flake graphite. It will be used by our customers particularly in the high growth battery applications in Japan, Korea and the China domestic market."

Discussions with other partners

Magnis is currently conducting discussions with other entities for project financing and off-take agreements. Today's announcement will be favourable for the company with progressing these discussions.



Figure 1 - From left to right Mr Cao Zhihong (VP of China National Materials Industry Import and Export Corp), Mr Dong Yuan (Vice President of SINOMA), Mr Frank Poullas (Chairman of Magnis Resources), Mr Stephen Hunt (Non-Executive Director of Magnis Resources) and Dr Frank Houllis (CEO of Magnis Resources)

ABOUT CHINA NATIONAL MATERIALS GROUP CORPORATION (SINOMA Group)

Established in 1983, China National Materials Group Corporation Ltd (SINOMA Group) is a central government-administered enterprise directly under the administration of State-owned Assets Supervision and Administration Commission of the Council (SASAC).

It holds interests in 69 enterprises including 1 H-share and 5 A-share listed companies and 13 national research and design institutes. Branches are located across China, and also in the United States, Europe, Japan, Middle-east and Africa. It has five national engineering research centres, five national quality supervision and test centres, eight national measurement certification testing units and nine national technical standardisation committees and standard technological focal points.

SINOMA Group has assets of over US\$20 billion and annual revenues over US\$18 billion.

China National Materials Industry Import & Export Corporation (SINOMA) is a wholly-owned subsidiary of China National Materials Group Corporation (SINOMA Group). Through steady development and systemic transformation over the past 20 years, SINOMA has succeeded in initially building itself into a comprehensive trade platform for SINOMA Group, integrating the businesses of import-export, domestic trade and international trade. The main businesses include the supply of non-metallic minerals and products, metallic minerals and products, energy, chemical products, food and other agriculture products, building materials and products of new material, and others, in a wide range of fields. It has established trade links with clients in nearly 100 countries and regions around the world.

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