



Magnis Resources

L I M I T E D

FOR RELEASE
7 January 2015

MOU FOR DEVELOPMENT OF NACHU GRAPHITE PROJECT WITH CHINA RAILWAY 24TH BUREAU GROUP

- **MOU is the first stage for entering a contract for engineering, procurement, construction and future contract mining**
- **China Railway 24th Bureau Group is a wholly owned subsidiary of CRCC**
- **Proposed value of contract US\$150 million**
- **Targeting project development commencement in 2015**

Magnis Resources Limited (ASX:MNS) is delighted to announce it has signed a Memorandum of Understanding (MOU) with China Railway 24th Bureau Group Co., Ltd. Under the MOU, Magnis and China Railway 24th Bureau Group will enter into formal negotiations to secure a contract for engineering, procurement, construction and contract mining for the Nachu Graphite Plant.

The proposed value of the contract is US\$150 million. Next steps are a site visit and negotiations for the signing of contracts. All parties are aiming for project development commencement in 2015.

China Railway 24th Bureau Group Co., Ltd is the key member and a subsidiary wholly-owned by publicly listed China Railway Construction Corporation Limited (CRCC), which is one of the largest integrated construction groups, ranked 80th among the Fortune Global 500 Enterprises in 2014 and 1st among the ENR Top 250 Global Contractors in 2013.

CRCC and its subsidiaries including China Railway 24th Bureau Group Co., Ltd have a long history of working throughout Africa and, in particular Tanzania, including the iconic Tanzania to Zambia rail link. Currently, they are working on a number of major infrastructure projects in Tanzania with over 1,000 employees in Tanzania. CRCC has been involved in the construction of a number of mining plants in Africa.

Chairman Frank Poullas commented: "Having a partner, China Railway 24th Bureau Group Co., Ltd., a key member of CRCC which is one of the largest and most recognised engineering and construction companies in the world with over 200,000 employees is further testament of the quality of our Nachu Graphite Project. With binding offtakes totalling 180,000tpa with Sinosteel and SINOMA and now with the MOU signed with China Railway 24th Bureau Group Co., Ltd., the Nachu project is going from strength to strength."

"Our experienced management team along with our partners have delivered multiple mining projects in Africa including Tanzania. We are assembling the best possible partners ensuring we have deep experience working with us. All this is reducing risk in the world class Nachu Graphite Project."

“The Board of Magnis Resources thanks China Railway 24th Bureau Group Co., Ltd. on this important understanding and we look forward to a mutual longstanding and fruitful relationship.”

General Manager of the Overseas Business Department of China Railway 24th Bureau Group Co., Ltd., Mr Wei Wang commented: “We view the graphite that Nachu can produce as the best in the world. With our vast experience in Tanzania and other Africa area, we look forward to working with Magnis Resources to construct the world’s most significant and profitable graphite mining operation.”

For more information on China Rail Construction Corporation please visit <http://english.crcc.cn/>



Figure 1: Location of the Nachu Graphite Project

Dr Frank Houllis
 Chief Executive Officer
Magnis Resources Limited
 +61 (0)2 8068 6428

For personal use only