



Magnis Resources

L I M I T E D

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NACHU GRAPHITE PROJECT FINANCING AND DEVELOPMENT MOU WITH OFFTAKE PARTNER SINOMA

- **Subsequent to 80,000 tpa binding offtake agreement in December 2014**
- **Agreement covers project financing, process engineering and construction by SINOMA**
- **SINOMA is China-based graphite industry specialist with experience over three decades**

Magnis Resources Limited (ASX:MNS) is delighted to announce it has signed a Memorandum of Understanding (MOU) with SINOMA as the first step in proceeding to a formal binding agreement covering financing, process engineering and construction of the Nachu Graphite Project in Tanzania. This follows the recent 80,000 tonnes per annum (tpa) binding agreement with China-based SINOMA for graphite offtake. .

Chairman Frank Poullas commented: "A leading role by SINOMA in financing, design and construction will substantially de-risk the Nachu project."

"Today is another historic day for Magnis Resources. This MOU further strengthens the ties between Magnis and SINOMA, one of the largest and most recognised integrated graphite companies in the world. SINOMA has institutes with world leading expertise in graphite process engineering and plant design. With the financial and technical muscle of SINOMA along with our management team with its proven track record of bringing projects into production, the future looks very promising."

"The Board of Magnis Resources thanks SINOMA on this important agreement and we look forward to building this strong relationship."

Finance and technical discussions on the Nachu project have commenced.

SINOMA is a vertically integrated SOE specialising in industrial minerals, which includes graphite. SINOMA Group consists of 59 companies, 13 research/design institutes and more than 200 affiliates with branches in America, Japan, Africa, Hong Kong and other districts. These affiliates deliver services spanning from process development and design through to equipment manufacturing and project construction for the non-metallic mineral industry.

SINOMA Group has assets amounting to over US\$18 billion and is the world's largest integrated supplier of engineering services to the cement industry. The company has recently completed or is constructing overseas cement plants in Spain, Italy, Russia, France, Albania, Saudi Arabia, Egypt, United Arab Emirates, India, Zambia, Morocco, Tanzania, Dominican Republic and Ecuador.

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The list of graphite projects in China that SINOMA has provided services includes:

- 50000 tpa graphite mine in Nanshu, Shandong province
- 20000 tpa graphite mine in liumao, Jixi, Heilongjiang province
- 10000 tpa graphite mine in Xinghe, Neimenggu province
- 10000 tpa graphite mine of Qingdao Mingxing graphite product Co.,Ltd
- 10000 tpa graphite mine of Jixi non-metallic industrial company
- 10000 tpa graphite mine of Neimenggu Linhao graphite product company
- 20000 tpa graphite mine in Zhongba, Panzhihua, Sichuan province
- 10000 tpa expanded graphite plant of Shanxi Tianzhen graphite mine
- 6000 tpa high-purity spherical graphite of Panxi graphite Corp., Ltd



Figure 1: Recent meeting with representatives from Magnis Resources and SINOMA

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