



Magnis Resources
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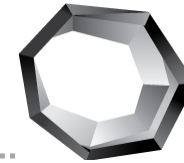
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AGM November 2015

Nachu Graphite Project: Developing a world class natural flake graphite deposit in Tanzania

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Corporate Overview



Magnis Resources

Capital Structure

Shares on Issue (MNS)	329,916,140
Options (MNSO*, majority at 10c exercise)	200,027,765
Share Price (4 November 2015)	A\$0.37
Market Capitalisation (undiluted)	A\$122M
Cash (30 September 2015)	A\$1.45M

*expiry 31 May 2017



Average Daily Volume (past 100 trading days) : 1,572,728

Major Shareholders

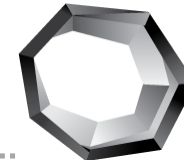
<u>Shareholder</u>	<u>Shares (M)</u>	<u>Ownership</u>
Mazzdel Pty Ltd	25.8	7.8%
Directors	16.2	4.9%

Analyst Coverage

Brandon Hill (UK)	Peter Rose
Bell Potter	David Coates

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Criteria for Success



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EXPERIENCED TEAM

Experienced & dedicated management team with a proven track record of bringing projects into production

Committed to Best Practice Health, Safety, Environment & Community Relations policies & procedures

WORLD CLASS PROJECT

- Special Mining License and Environmental Certificate granted and MDA Finalised
- Binding Offtakes for 180,000 tpa with SINOMA and Sinosteel
- MOU signed for Project Finance with POSCO E&C in addition to a US\$150M debt finance term sheet signed with SINOMA
- 30+ year mine life at 250,000 tpa
- 68% of product Jumbo (+300 microns) or Super Jumbo (+500 microns) flake size
- 87% of product Large (+180 microns), Jumbo(+300 microns) or Super Jumbo (+500 microns)
- PFS delivers strong economics, margins of over US\$1,600t
- No deleterious elements
- Located in the politically stable democratic country of Tanzania

RESOURCE OF THE FUTURE

Graphite fast becoming resource of the future with demand and consumption increasing across various industries and technologies

Although China is largest producer of graphite, supply problems in Large & Jumbo flake have created a new dynamic in the future supply/demand equation of graphite

Board and Management



Magnis Resources

Dr Frank Houllis

CEO

BSc (USyd BEng) (Chem 1st Class, USyd), PhD (USyd)

- **20 years practical experience in development & engineering of metallurgical process**
- Focused on processes for wide range of commodities. Has led process development teams at ANSTO (process manager, 2008-2014), BHP Billiton (principal engineer, 2005-2008) & Intec Ltd (1995-2005)

Rod Chittenden

Head of Operations

- **30 years experience in resources encompassing range of companies & commodities**
- Technical background in metallurgy & strong track record in project development. Has worked in Australia, Europe, South America & Africa
- Involved in metallurgical testing, feasibility studies, process design & commissioning for projects with Newcrest & Barrick Gold. Since 2006, involved in projects with Paladin Energy & Mantra Resources

Frank Poullas

Non-Executive Chairman

MAICD

- **15 years in investment banking & engineering sectors**
- Private investor specialising in resources & involved in various ventures increasing shareholder value
- Partner in successful IT firm

Stephen Hunt

Non-Executive Director

BBus (Marketing)

- **25+ years experience in worldwide marketing of steel & mineral products**
- 15 years at BHP Billiton including 5 years in London marketing minerals to European & Middle Eastern customers
- Extensive network and developed his own minerals trading company, Standout Enterprises Ltd, which has a strong Chinese focus

Johann Jacobs

Non-Executive Director

B.Acc, MBL, FCA, FAICD

- **30+ years experience in resources sector**
- Managed established companies & acquisitions, expansions or start-up mining operations in Australia, South Africa & Indonesia
- Currently Chairman of King Island Scheelite, Non-Exec Director of Australian Zircon NL

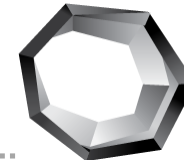
Peter Tsegas

Non-Executive Director

- **15+ years experience in Tanzania with residency for the past 10 years engaging both private & public sectors on projects**
- Founder, shareholder and MD of Tancoal Energy Ltd that grew from an exploration company through to JV with the Tanzanian government and then into production
- Previous consulting roles to the Tanzanian government and also to a number of mining companies including Rio Tinto

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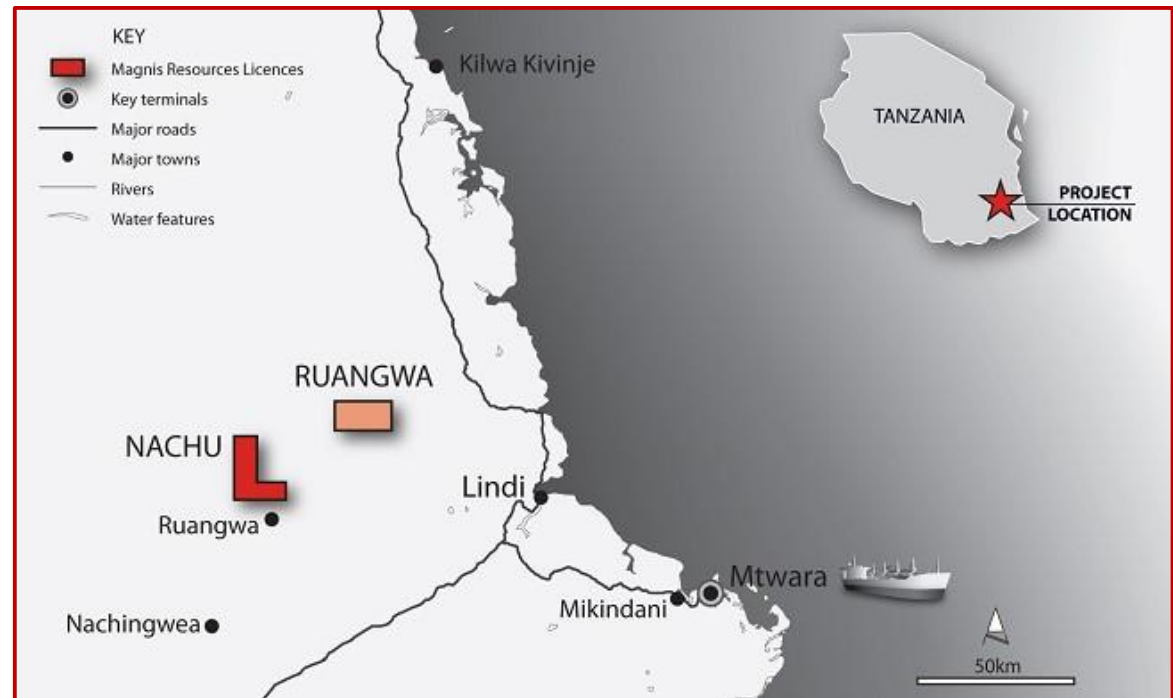
Nachu Project Location



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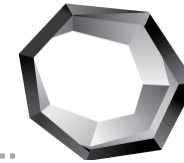
- The Nachu project licence is west of the coastal city of Lindi and 200km by road from port city of Mtwara in South East Tanzania

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Proximity to ports means lower logistics costs

Nachu SML & MDA



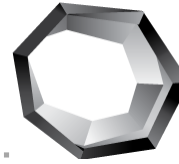
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- Special Mining Licence (SML) granted by the Ministry of Energy and Minerals of Tanzania
- SML has since been supplemented with a finalised Mineral Development Agreement (MDA) which covers fiscal stability, dispute resolution mechanisms, environmental conditions etc
- 5% free carried shareholding in the Project for the Government of Tanzania
- A tax rate of 30% and a 3% production royalty
- Provisions that prevent any form of nationalisation of the Project



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Binding Offtake Agreements



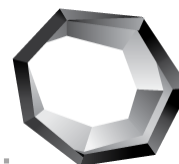
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- Binding offtake signed for 80,000 tpa of high quality flake graphite with **SINOMA**;
 - 5 year agreement with an option to extend
 - Graphite to be used in production of high tech materials in China and Japan markets
 - Market price to be paid
- Binding Offtake signed for 100,000 tpa to supply **Sinosteel Liaoning Co Ltd** with high quality flake graphite;
 - 10 year agreement with option to extend for 5 years
 - Graphite to be used mainly in the electric vehicle battery sector
 - Market prices to be paid



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EPC & Project Funding



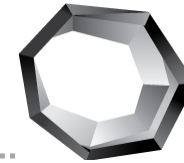
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- MOU signed with POSCO E&C and mandated to procure senior debt and deliver a fixed lump sum for project construction
- Magnis to update resource/reserve definition and a feasibility study to the satisfaction of lenders
- Discussions continuing on US\$150M debt finance term sheet signed with major SOE, China National Materials Industry Import and Export Corp (SINOMA) to develop the Nachu Graphite Project.



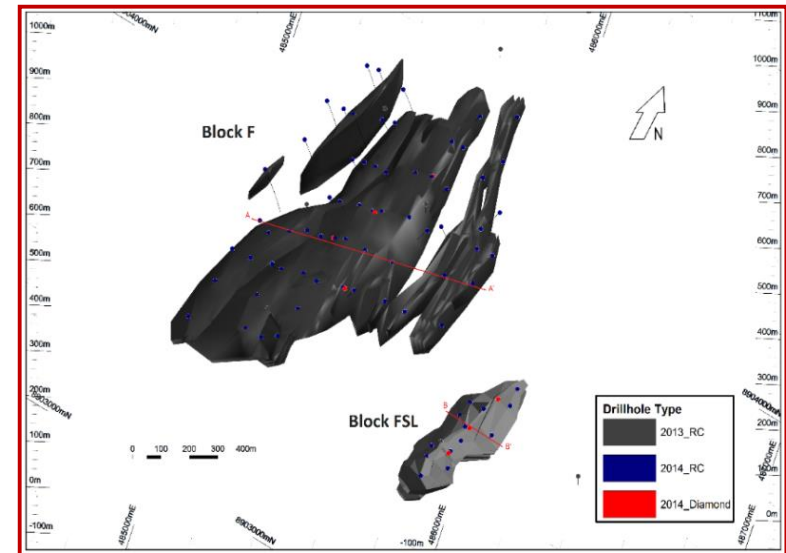
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Nachu Graphite Project



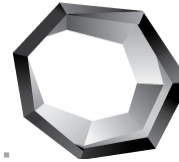
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- MNS holds 100% interest in Nachu Graphite Project in Tanzania
- Maiden JORC Resource – 156Mt at 5.2% Total Graphitic Carbon (TGC)
- Over 8Mt of contained graphite
- 30+ year mine life at 250,000 tpa
- 66% of resource in Measured and Indicated categories
- Resource covers only 2% of project licence
- Updating resource and reserve definition and a feasibility study to the satisfaction of lenders.



Refer to ASX release dated 26 November 2014

Nachu Pre-Feasibility Study



Magnis Resources

- **NPV of US\$1.04B** with **84% IRR**
- Capital cost estimate of **US\$171.4M**
- Operating cost estimate of **US\$448 per tonne**
- Basket price **US\$2,110 per tonne**
- Cash margin of over **US\$1,600 per tonne**
- **Capital payback of 1.4 years** with low sensitivity to capital cost
- **Major cost improvement opportunities**



A world class project

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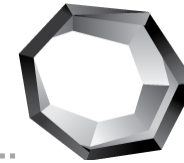
Nachu Metallurgical Results Magnis Resources

- 98.1% TGC from basic flotation
- 99.2% TGC from basic flotation for -300 micron concentrate
- 97% TGC from basic flotation for Super Jumbo (+500 microns) and Jumbo flake product (+300microns)
- 97% recoveries
- 87% of flake graphite in Large, Jumbo and Super Jumbo categories
- Results repeated throughout Block F from many drill core samples
- No deleterious elements



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Nachu Infrastructure



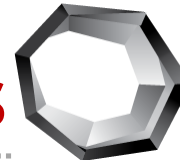
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- Road: 200km to port - 140km sealed & 60km hard dirt to project site
- Port: 400,000 tpa capacity (136,000 tpa utilised on average)
- Water: available at the project site
- Power: on-site generation, low power consumption



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Graphite Company Analysis



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Flake size peer comparison											
Flake size	Sieve size (microns)	MNS	SVM	SYR	TLG	Sieve size (microns)	TON	Sieve size (microns)	LMB	Sieve size (microns)	KNL
Jumbo	>300	65.6	33.5	8.5		>400	7.3	>320	3.2	>300	21.6
Large	180-300	22.1	29.3	12		212-400	15.9	160-320	3.9	180-300	28.6
Medium	150-180	4.2		11.5		106-212	36	80-160	16.9	106-180	23.6
Fine	75-150	8.1	19.1	22.5		75-106	17.1			75-106	10.4
Amorphous	<75		18	45.5	100	<75	23.7	<80	76	<75	15.8

Source: ASX announcements

Product	Sieve Size		Price (\$US/tonne)	Tonnes	Revenue US\$
	(microns)	Mesh			
Super Jumbo (97-99% TGC)	> 500	35	6,000	16,200	97,200,000
Jumbo (96-98% TGC)	> 300	50	3,000	57,600	172,800,000
Large (94-97% TGC)	180 - 300	-50, +80	1,400	57,600	80,640,000
Medium (92-96% TGC)	150 - 180	-80, +100	900	16,200	14,580,000
Fine (90-94% TGC)	< 150	-100	500	32,400	16,200,000
TOTAL				180,000	381,420,000
Weighted Average Price			2,119		

Nachu Development Timeline

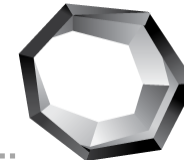


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	2014		2015				2016				2017	
	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2
Drilling	✓	✓										
Resource Estimate	✓	✓										
MOU's for Offtake	✓											
Sinosteel & Dalian MOU (100k tpa)	✓											
Metallurgical testwork	✓	✓	✓									
Maiden JORC Resource		✓										
Pre-feasibility Study	✓	✓										
Binding off-take Agreements		✓	✓									
Environmental Impact Study	✓	✓	✓	✓	✓							
Mining Approval & MDA					✓	✓						
Detailed Design			✓	✓	✓							
Bankable Feasibility Study												
Funding Finalised												
Engineering & Plant construction												
Production												

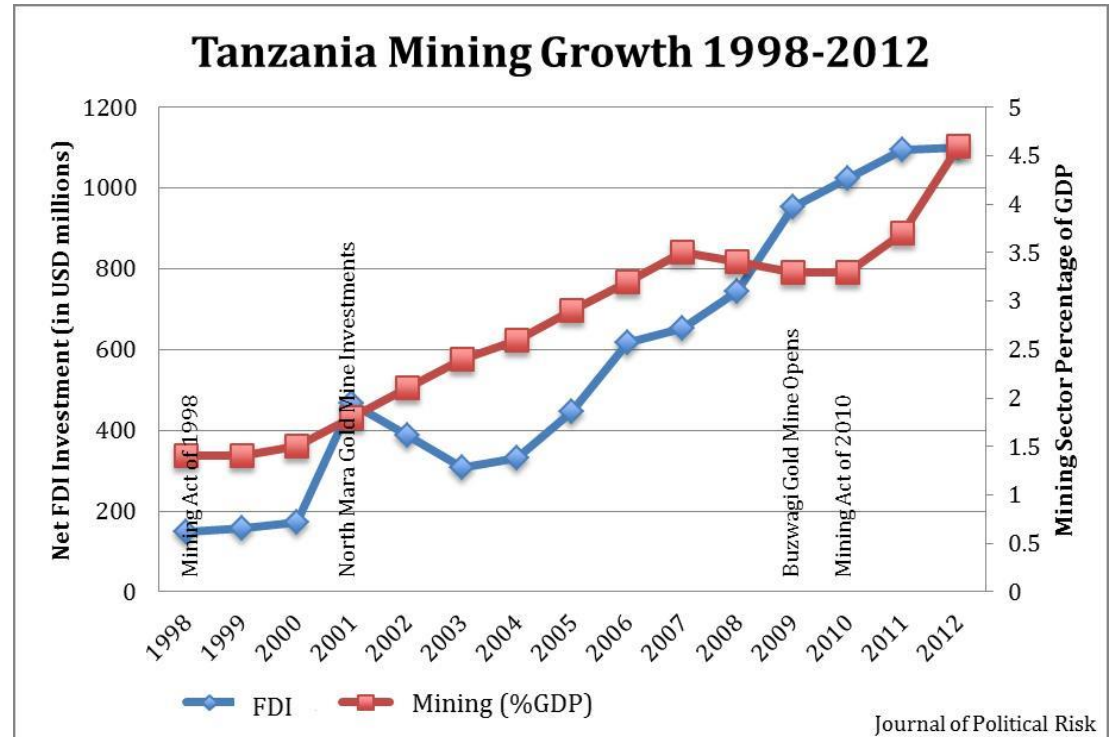
On schedule to deliver a world class graphite mine

Tanzania Mining Industry



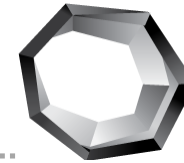
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- Tanzania GDP growth ~7% in 2013 & 2014, forecast at same rate in 2015 & 2016
- Mining contributes 3.3% to GDP
- Political stability following independence in 1961
- Reform of mining policy to attract investment since 1998
- Agriculture remains dominate industry
- Tanzania is 4th largest gold producer in Africa



A supportive government focused on mining sector growth

Graphite Sector Overview



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Graphite market growing:

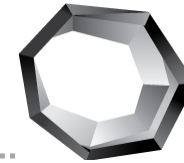
- Lithium-ion batteries (eg. electric car market)
- Fuel cells
- Pebble bed reactors
- Lubricants
- Refractories
- Replacement of petroleum coke in steel industry
- Graphene - a strong, conductive & flexible super material
- Current world consumption c. 1.5 – 2Mtpa
 - 45% flake
 - 54% amorphous
 - 1% lump
- China produces 70-80% of world graphite



Did you know?

- Tesla's \$5b battery gigafactory due to be operational in 2016
- By 2016 30% of Chinese Government car fleet will be made up of electric cars
- 2016+ forecast: 20% Compound Annual Growth Rate for Li-ion batteries

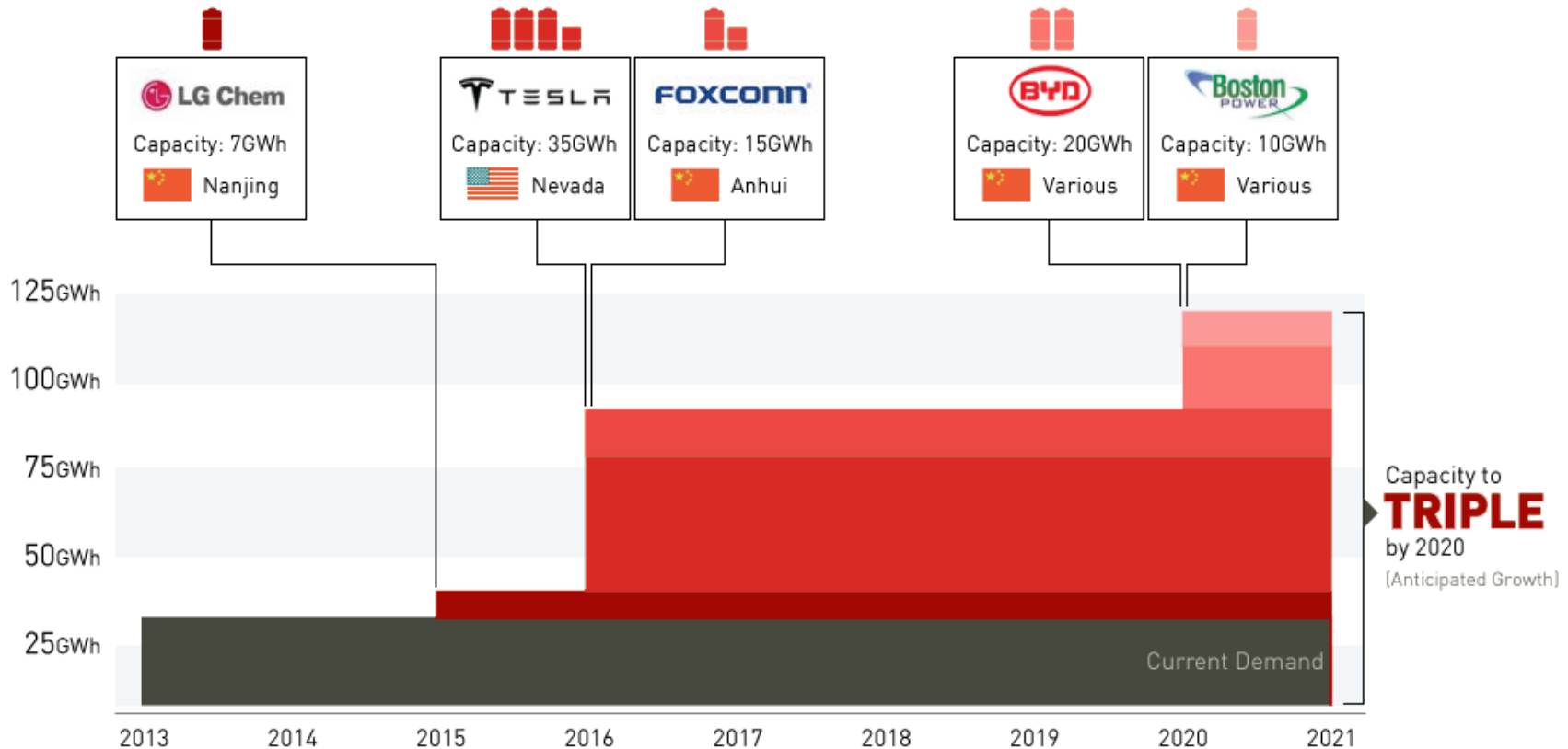
Graphite Sector Overview



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The Lithium-Ion battery megafactories are coming...

Production of Lithium-Ion batteries is expected to **more than triple by 2020**

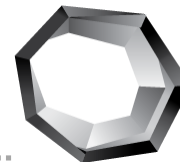


*Benchmark estimates, not all data disclosed by companies **Instant planned capacity stated for graphical purposes, slower ramp up expected

Source: Benchmark Mineral Intelligence, 2015

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Summary



Magnis Resources

- World class, near surface resource supporting long mine life
- All environmental and mining permits granted
- MDA provides sovereign fiscal stability for Nachu Graphite Project
- 87% of flake graphite in Jumbo and Large categories which demands a premium price
- Binding Offtakes for 180,000 tpa with two leaders in the graphite industry
- MOU Project Finance with POSCO E&C and a US\$150M debt finance term sheet signed with SINOMA
- High grade product produced with no deleterious elements
- Large margins of over US\$1,600 per tonne
- Favourable location with supportive government
- Industry demand going from strength to strength



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