

Magnis Resources

L I M I T E D

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TANZANIAN PORT AUTHORITY AGREEMENT

- **Prime location for Nachu graphite storage at the deep-water port of Mtwara**
- **Nachu project momentum continues to build with all regulatory permits in place, power supply agreement and now a clear export route to market**
- **Nachu is well positioned to be a lower cost and cleaner supplier of spherical graphite to lithium-ion battery markets**

Magnis Resources Limited ("the Company") is pleased to announce that it has received a Letter Of Intent from the Tanzania Port Authority (TPA) allowing the Company to progress to the next phase of acquiring a long term lease at the export port of Mtwara.

The Letter of Intent envisages the allocation of 25,000 square metres of land in a prime location adjacent to the main wharf and berth of Mtwara Port (see Figure 2). The proposed lease area is the Company's preferred location for concentrate storage facilities.

Under the terms of the Letter of Intent, the Company has been granted a six month period to finalise its application and execute a long term lease agreement with the TPA.

The port of Mtwara is located ~200km by road from the Nachu project. The port of Mtwara has an existing export capacity of 400,000 metric tonnes and currently less than half of this capacity is being utilised.

Having access to a high quality port facility is expected to deliver significant cost and operational benefits to the Nachu project. The port provides a readily defined and accessible export route to market and also the ability to create an efficient consumables and equipment supply chain, both through the construction and operating phase.

The Company has made significant progress at Nachu in the past six months. The Nachu project is now fully permitted, has a completed Bankable Feasibility Study, a power supply agreement and now a clearly defined concentrate export route. As one of the world's most advanced and shovel-ready graphite projects globally, the Nachu project remains on target to meet the forecast increase in graphite demand for lithium-ion battery uses as numerous "giga-factories" are commissioned from 2018 onwards.

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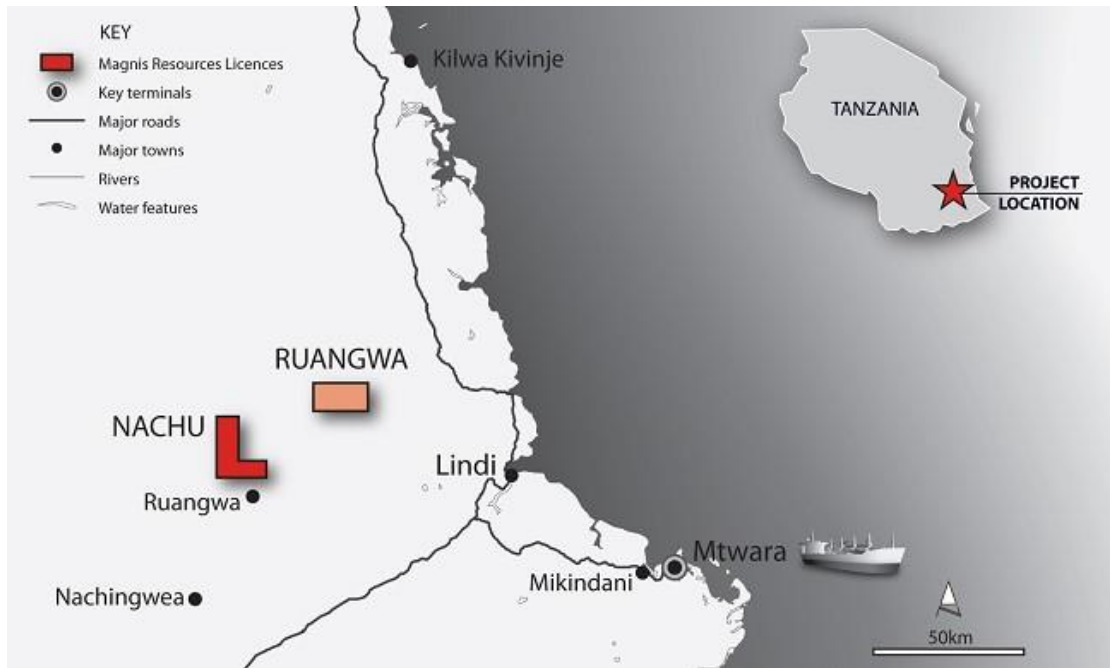


Figure 1: Location of the Nachu Graphite Project depicting proximity to the port of Mtwara



Figure 2: Location of the full area intended for encompassing the proposed Nachu Graphite Storage Facility Area adjacent to the port of Mtwara facilities

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