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Magnis Resources

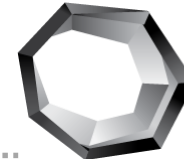
L I M I T E D

Investor Update

Exceptionally high purity natural flake graphite

July 2016

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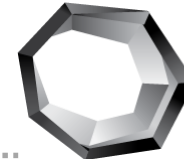
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Magnis and the Nachu Project



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- A significant industry leading asset poised for development
- Superior flake size and purity of Nachu graphite deposit drives our competitive advantage
 - Thickness and ordered crystal structure of Nachu natural graphite flake supports production of spherical graphite through sustainable processing and flexibility to meet customer specifications
- Clean, sustainable and simple flowsheet
 - Low carbon and chemical footprint
- A shovel ready project
 - BFS completed in March 2016 confirmed the high returning potential of the Nachu project
 - Clear strategy and process route to produce a high quality spherical graphite product
 - All requisite regulatory and environmental permits finalised
- Project timeline for first production in 2018 coincides with the beginning of battery “mega-factory” ramp ups
- Board and management team with a proven track record and range of skill sets to realise value in a dynamic and rapidly evolving industry

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Corporate Overview



Magnis Resources

Capital structure

ASX ticker	MNS
ASX share price (15 July 2016)	A\$0.97
12 month share price range	A\$0.22 – 1.12
Pro forma shares on issue	430.5 million
Pro forma market capitalisation	A\$418M
Options (\$0.095ps strike)	116 million
Options (various strike)	16.6 million
Average daily volume (3 months)	2.49 million
Cash	A\$7.0M
Debt	A\$0.0M

Major Shareholders

Shareholder	Shares (M)	Ownership
Mazzdel Pty Ltd	48.5	11.3%
Pershing Aust. Noms	21.2	4.9%
Citicorp Noms	21.1	4.9%

Analyst Coverage



Board and Management

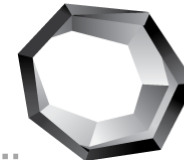


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Frank Poullas Non-Executive Chairman <i>MAICD</i>	<ul style="list-style-type: none">15 years in investment markets and engineering sectorsPartner in a successful IT firm
Cobb Johnstone Non-Executive Director <i>B.Eng</i>	<ul style="list-style-type: none">Mining engineer with +30 years experience. Previous roles include Chief Operating Officer positions of Equinox Minerals and Sino Gold, served as General Manager of Kalgoorlie Super Pit, Olympic Dam and NorthparkesLead Non-Executive Director of Evolution Mining
Len Eldridge Executive Director <i>B.Econ</i>	<ul style="list-style-type: none">14 year background in mining finance and commercial roles including senior positions with Equinox Minerals, JCP Investment Partners and Macquarie GroupFounding principal of Fivemark Partners, a specialist mining advisory group
Johann Jacobs Non-Executive Director <i>B.Acc, MBL, FCA, FAICD</i>	<ul style="list-style-type: none">30+ years experience in the resources sectorManaged established companies and acquisitions, including project expansions and start-up mining operations in Australia, South Africa and Indonesia
Peter Tsegas Non-Executive Director	<ul style="list-style-type: none">15+ years experience in Tanzania engaging both private and public sectors on projects; Tanzanian residentPrevious consulting roles to the Tanzanian government and to a number of mining companies including Rio Tinto
Dr Frank Houllis Chief Executive Officer <i>B.Sc (USyd BEng) (Chem 1st Class, USyd), PhD (USyd)</i>	<ul style="list-style-type: none">20 years practical experience in development and engineering of metallurgical processDeep process experience across a wide range of commodities; led process development teams at ANSTO (process manager, 2008-2014), BHP Billiton (principal engineer, 2005-2008) and Intec Ltd (1995-2005)
Rod Chittenden Head of Operations	<ul style="list-style-type: none">30 years experience, metallurgist with a strong track record in project development; has worked in Australia, Europe, AfricaDetailed involvement in metallurgical testing, feasibility studies, process design and commissioning for projects with Newcrest Mining, Barrick Gold, Paladin Energy and Mantra Resources
Shailesh Upreti Lead battery consultant <i>PhD (IIT Delhi)</i> <i>Post Doc (Prof Stan Whittingham, SUNY New York)</i>	<ul style="list-style-type: none">16+ years experience in lithium-ion battery technologiesStrong track record in product development and commercialisation5 year PostDoc completed under the supervision of Professor Stan Whittingham, one of the leading pioneers in development of Lithium-ion batteries with over 40 years experience in the field
Brent Laws Exploration Manager <i>B.Sc Geology (Honours)</i>	<ul style="list-style-type: none">Geologist with a broad and diverse 12+ years of experience including exploration, resource development and mining management roles in emerging markets projects. Previous roles at Newmont and Oz Minerals7+ years of African based project development experience

Deep technical expertise and relevant experience to advance Nachu and generate shareholder returns

A differentiated strategy



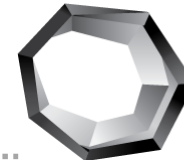
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- Not all graphite is created equal and the market for graphite is not homogenous
- Concentrate purity and a “sustainable” flowsheet to produce coated spherical graphite are key value drivers in the growing lithium-ion battery market
- Capitalise on the significant divergence in graphite end markets by focusing solely on growing and high value product markets
 - Avoid exposure to traditional graphite markets with clear future oversupply risk in fine grain, lower purity products
 - Produce a high quality spherical graphite product for use in lithium-ion battery anodes
- BFS work driven by a team with significant process engineering experience and a focus on product development
- Progress discussions with potential off-takers in a manner that will allow full value capture for the high purity Nachu ore body



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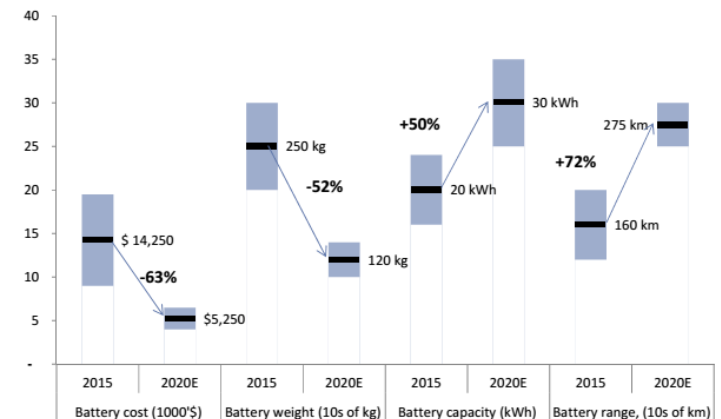
Nachu quality and our markets



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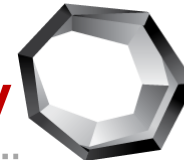
- Nachu graphite will not be competing with new production currently under construction in traditional graphite markets
 - Capture market share in the growing lithium-ion battery market
 - Provide a cost effective, sustainable and higher performance alternative to synthetic graphite
- Higher proportion of very coarse flake and purity of Nachu graphite provides a higher level of product flexibility
 - Starting with higher flake size and simple flotation flowsheet Magnis can adjust production to meet the market
 - Can move down the size spectrum; others can not start with smaller flake and move up the size spectrum
- Nachu flake size and thickness drives spherical graphite yield of 75%
 - Use of +150 micron feedstock drivers higher spherical yields
 - Commentary suggesting <150micron material “required” for spherical production is incorrect and is based on current Chinese supply chain which yields 30-40% spherical graphite from natural flake

High performance materials will play an important role in efficiencies and battery performance evolution



Source: Goldman Sachs, November 2015

Rapid evolution of a global industry

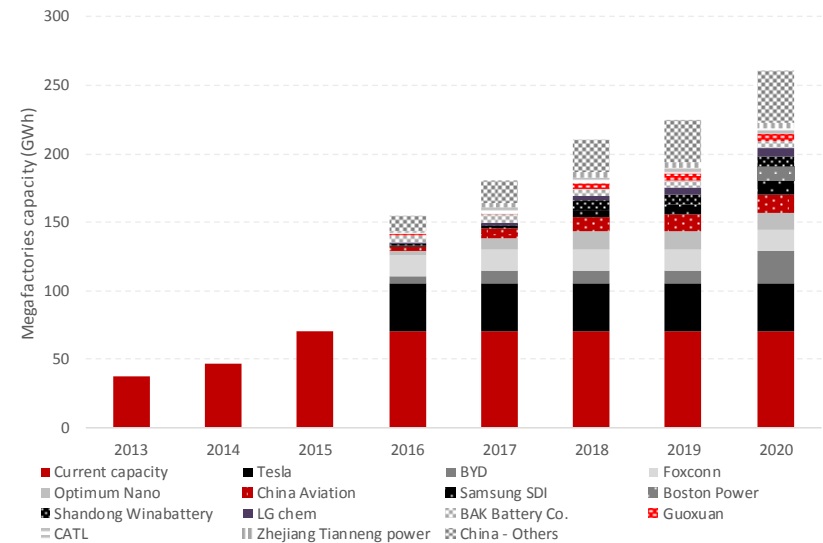


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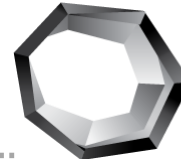
- A global movement towards the adoption of clean energy technology
 - Transportation
 - Energy storage
- Strong Western world and Chinese investment in battery mega-factories will increase competition for raw materials
- Mega-factories capacity forecasts are largely representative of current EV visibility; this is just the beginning
- Value of sustainable footprint across the supply chain is becoming a focus

Significant investment underway in the battery supply chain



Source: Deutsche Bank, May 2016

“Megatrends” and “hyper-adoption”



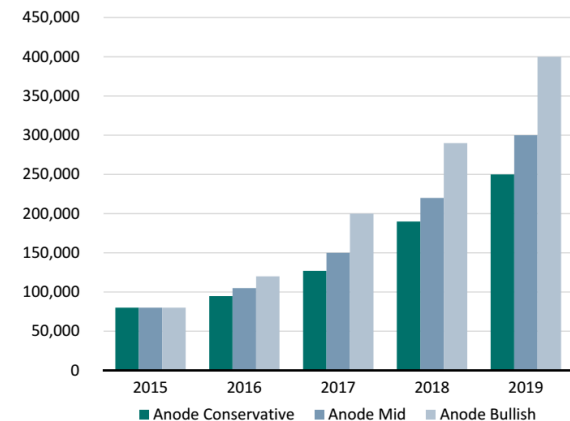
- Volkswagen strategy highlights the structural shift towards electric vehicles
- Target of 20-25% of group sales in 2025, implies annual sales of 2-3m “e-cars” v 2015 Volkswagen global total sales of 9.93m
 - Compares to broker/industry forecasts of EV sales representing ~2.5% of new cars sales by 2020
- To support strategy Volkswagen anticipates fleet requirement of ~150Gwh by 2025
 - Equates to ~165ktpa anode material or ~165ktpa spherical graphite
 - At current Chinese flake yields into spherical graphite estimated at 30-40%, equates to ~470ktpa of natural graphite
 - Nachu graphite test work has indicated spherical graphite yields of ~75%
- EV are no longer the domain of Silicon Valley companies
 - EVs represent “product innovation” of a staple of civilisation not revolution which drive the potential for “hyper adoption” scenarios that significantly exceed market forecasts



Source: Volkswagen, June 2016

Battery Anode Forecast (all input material types)

(tonnes/year)

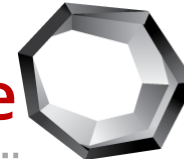


Source: Benchmark Mineral Intelligence as at April 2016.

Note: 1 tonne of battery anode produced from natural graphite requires approximately 1 tonne of spherical graphite material

Source: Syrah Resources, June 2016

Shovel ready project of significance



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- Located west of the coastal city of Lindi and ~200km by road from port city of Mtwara in south east Tanzania
- One of the most advanced graphite projects of scale globally
- BFS completed
- ESIA completed in accordance with Equator Principles guidelines
- Power solution
- Port access
- All requisite environmental and mining permits secured
 - Special Mining Licence (SML) granted to Nachu by the Ministry of Energy and Minerals of Tanzania
- Mineral Development Agreement (MDA) finalised for Nachu
 - 30% corporate tax rate
 - 3% production royalty
 - 5% free carried interest in project for Tanzanian Government
 - Environmental conditions, dispute resolution mechanisms



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Compelling BFS Results



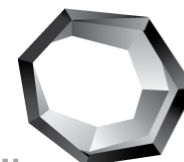
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- BFS confirms Nachu as a robust, high returning graphite project with premium product quality
- Average 220ktpa graphite concentrate produced over an initial reserve-backed 15 year mine life
 - 240ktpa over first 12 years
- Strong further high grade resource conversion potential
- Post-tax NPV_{10%} of US\$1.69b and project IRR of 98%
- 12.5x mine life to payback ratio
- Outstanding forecast operating margin of US\$1,791/t
- Projected basket price of US\$2,350/t reflects high value products – exceptional purity and flake size
- Increased pre-production capex relative to PFS driven by larger plant capacity (3.6mtpa PFS)

Key project parameters	BFS (March 2016) ¹
Resources	174mt at 5.4% TGC
Reserves	76mt at 4.8% TGC
Initial life of mine (years)	15.2
Total mined ore (mt)	76.3
Strip ratio (LOM avg)	1.5
Plant throughput (mtpa)	5.0
Feed grade (% TGC, LOM avg)	4.8%
Recovery (LOM avg)	92%
Graphite concentrate production (ktpa, LOM avg)	220
Average concentrate purity (% TGC)	98%
Cash cost (US\$/t conc FOB Mtwara, LOM avg)*	559
Pre-production capital (US\$m)	269
Sustaining capital (US\$m)	71
Weighted average basket price (US\$/t conc FOB)	2,350
Free cash flow (US\$m pa, LOM avg)	255
NPV _{10%} (US\$m, post-tax)	1,686
Project IRR (post-tax)	98%
Payback period (years)	1.2

* Excludes production royalty (3%)

Product Streams and Pricing



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240ktpa Flake Graphite Concentrate (average 98.3% TGC)*

22ktpa Super Jumbo Flake

Size: +500 microns, +35 mesh

Purity: 97.5% TGC

Key markets: Aerospace, composites and niche markets

Current pricing: US\$4,000-6,000/t CFR**

77ktpa Jumbo Flake

Size: 300-500 microns, +50/-35 mesh

Purity: 97.0% TGC

Key markets: Expandable graphite, composites and electronics

Current pricing: US\$2,500-3,000/t CFR**

141ktpa Battery Feedstock

Size: Sub 300 microns, -50 mesh

Purity: 99.1% TGC

Key markets: Spherical graphite for use in Li-ion battery anodes

Value-in-use pricing: +US\$2,100/t FOB**

- Premium pricing due to purity, absence of halides and terminal product performance
 - Spherical graphite produced from Nachu Battery Feedstock delivers superior performance to leading synthetic graphite
- Downstream margin capture
 - Toll processing (spheronising and coating) to produce spherical graphite
- Strong market outlook for all Nachu product streams
 - In contrast, clear future oversupply risk in fine grain, lower purity products
 - Large flake sizes provide significant marketing flexibility

* Concentrate production rate over first 12 years of initial mine plan

** Current pricing based on industry sources and end user discussions

Capital and Operating Costs



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- Pre-production capital estimate of US\$269m (includes 11% or US\$28m contingency provision)
 - Increase from PFS estimate predominantly driven by bigger plant size (5mtpa)
 - Sustaining capital of approximately US\$4.7m pa
- Cash operating cost LOM estimate of US\$559/t concentrate FOB Mtwara
 - US\$502/t average across the first five years (240ktpa production rate)
 - Contract mining and product transport
- BFS cost estimates to an accuracy of -10%/+10%

Nachu pre-production capital cost estimate

Capital activity	Capex (US\$m)
Process plant	117
Infrastructure	60
Pre-mining and site preparation	25
Owner's costs	20
EPCM	20
Contingency and escalation	28
Total pre-production capital cost	269

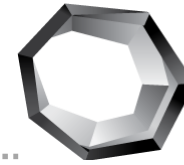
Nachu cash operating cost LOM estimate

Production activity	Opex (US\$/t conc FOB)
Mining	217
Processing	51
Power	66
Diesel	48
Product logistics	81
Maintenance, G&A and other	96
Total cash operating cost (FOB Mtwara)*	559

* Excludes production royalty (3%)

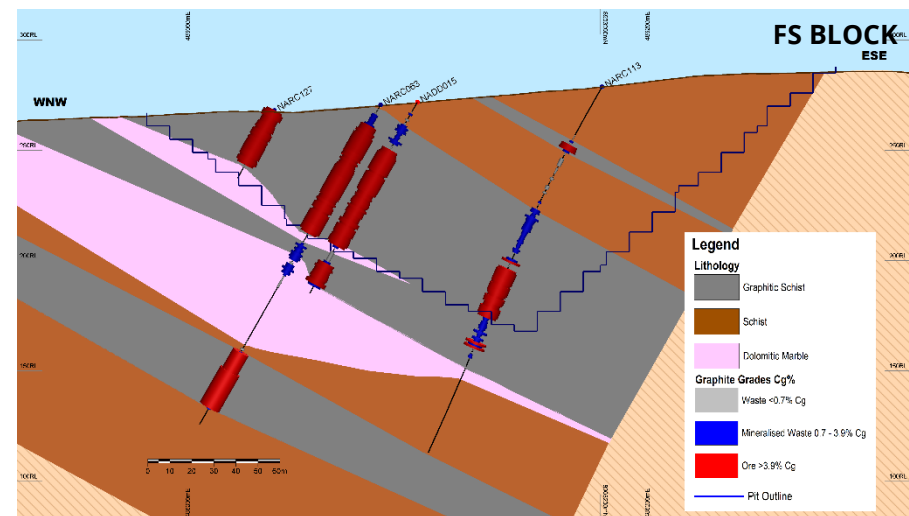
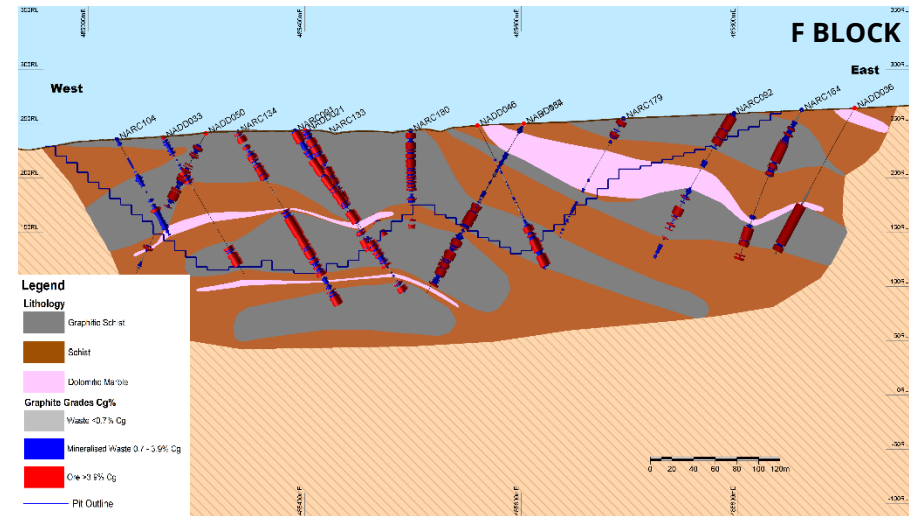
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Simple Geology

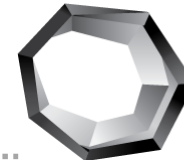


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- Graphitic schist with later stage dolomite intrusives resulting in high purity and ordered crystal structure
- Impurities on the surface not within the crystalline structure
- Outcropping and near surface
- Open folded anticlines with an average dip of less than 20 degrees
- Excellent continuity
- Major deposit is F Block
 - Strike length over 1.4km
 - Defined width over 900m
 - Major horizons are 30-70m thick
 - Open in all directions



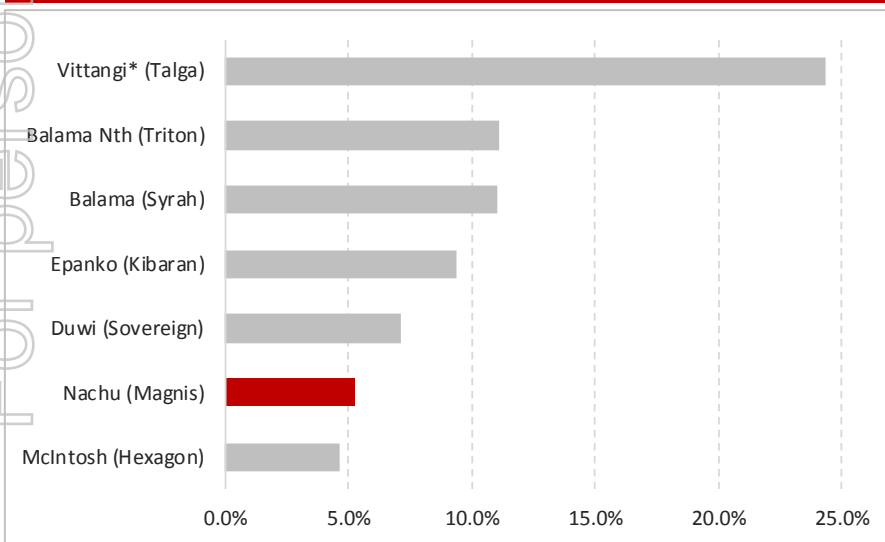
High Quality, High Value Deposit



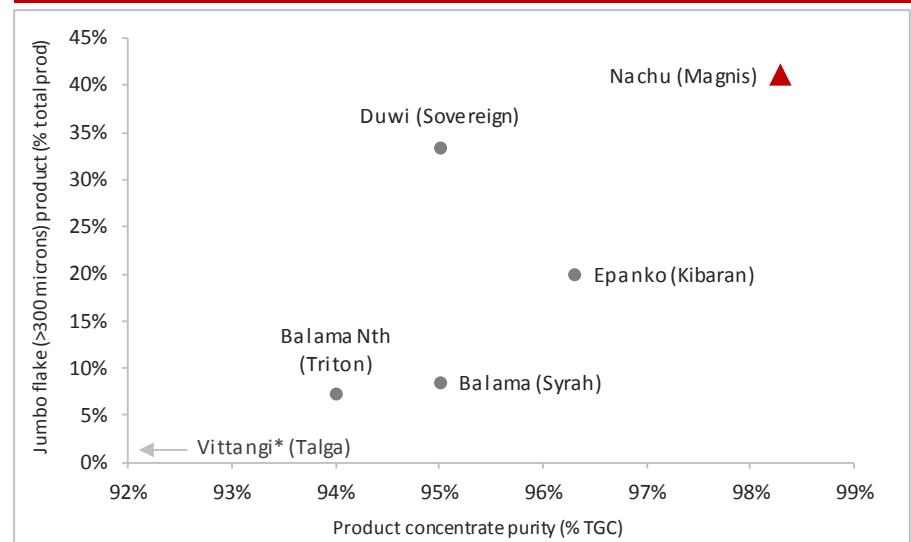
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- In-situ grade is just one of the relevant factors in graphite project analysis
- Graphite project economics predominantly driven by realised basket price
 - Final concentrate purity and flake size distribution are therefore critical and need close evaluation
- Huge price differentials (and forecast to grow) between high and low value product concentrates
 - 98-99% purity / +150 micron product versus 94-97% purity / sub-150 micron concentrate

In-situ resource grade (% TGC)



Average product concentrate purity and Jumbo-plus flake

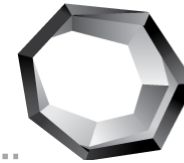


Source: Various company ASX releases on Resource estimates and Scoping Study/PFS/DFS outcomes

* Vittangi development case involves new direct processing technology and includes an assumed ~1kt super high-value graphene production

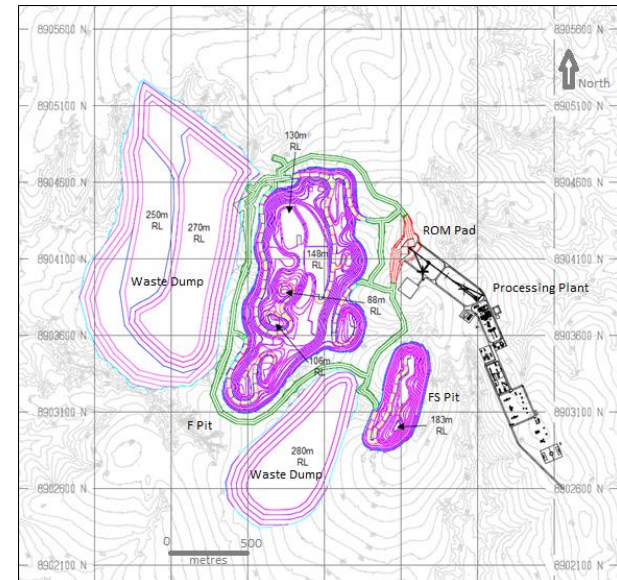
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Conventional Mining



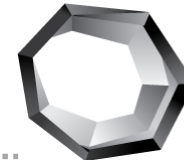
- Nachu reserve = 76mt at 4.8% TGC for 3.7mt contained graphite
 - Two open pits – F and FS
- Broader resource = 174mt at 5.4% TGC for 9.3mt contained graphite
 - Represents only 2% of project licence area
- Conventional drill and blast, truck and shovel open pit mining techniques
- A number of independent mining cost estimates received and reviewed from contractors as part of BFS
 - Assumed \$3.95/t material moved in BFS
- 90t excavators (Cat 390) and 40t articulated trucks (Cat 475)
 - Ramp design allows up to 90t Cat 777 trucks
- Average strip ratio of 1.5:1 LOM
 - 1.4:1 over the first 5 years
- Lower grade ore (3.5% TGC) stockpiled for treatment in latter years of initial mine life

Nachu ore reserve estimate ¹			
Classification	Tonnes (mt)	Grade (% TGC)	Graphite (mt)
Proved	50.5	4.6	2.3
Probable	25.7	5.1	1.3
Total ore reserves	76.3	4.8	3.7



1. Refer Magnis ASX releases on 1 February 2016 (Mineral resource estimate) and 31 March 2016 (Ore reserve estimate).

Process and Metallurgical Rigour



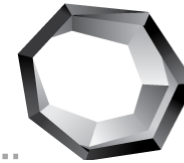
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- Simple and proven process flowsheet – crushing and screening, grinding, flotation, filtration, drying
- Key processing parameters
 - Front end throughput of 5mtpa ore
 - Feed grade: avg 5.2% TGC first 12 years and avg 3.9% TGC next 3 years (LG stockpiles)
 - Processing recovery of 92%
 - Final average concentrate purity of 98.3%
- High volume and broad nature of Nachu testwork delivers robust process and product parameters
 - > 99% TGC and up to 99.6% TGC from basic flotation for sub-300 microns concentrate
 - Results repeated throughout Blocks F and FS
 - Core sample tests from every diamond hole



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Exceptional Purity and Flake Size



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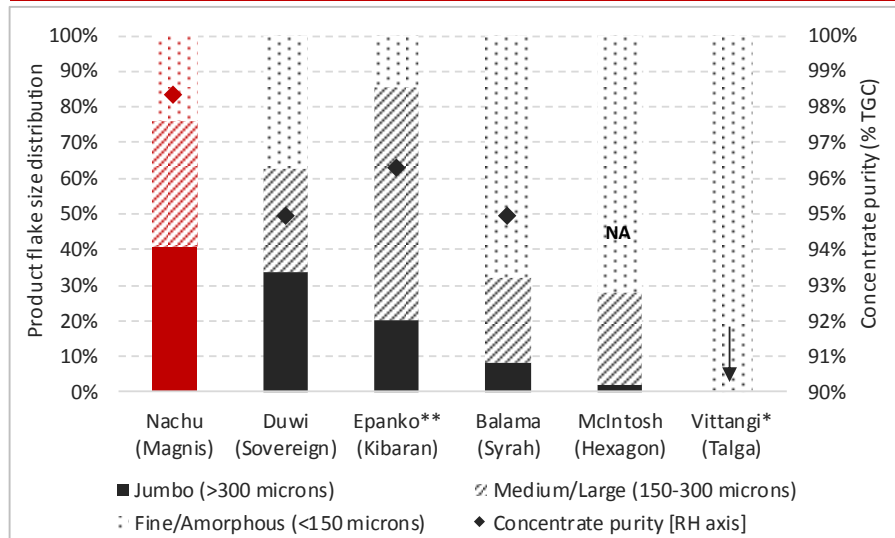
- Exceptional final concentrate grade of +99% TGC for sub-300 micron product from solely flotation = very rare at 92% process recovery
 - Driven by Nachu being coarse flake with impurities on the surface not within the crystalline structure
 - High value, high appeal as removes/minimises need for expensive downstream chemical purification (HF/HCl treatment) for use in Li-ion battery anodes and expanded graphite material
- Over 40% of Nachu product in high value Super Jumbo (+500 microns) and Jumbo (+300 microns) flake sizes

Graphite flake size and concentrate grades

Classification	Concentrate grade (% TGC)	Sieve size (microns)	Sieve size (mesh)	Weight distribution
Super Jumbo	97.5%	> 500	+35	9%
Jumbo	97.0%	300 - 500	+50/-35	32%
Large	99.2%	180 - 300	+80/-50	25%
Medium	99.1%	150 - 180	+100/-80	10%
Fine	99.0%	75 - 150	+200/-100	18%
Amorphous	98.9%	< 75	-200	6%

Battery Feedstock

Product flake size distribution and average concentrate purity

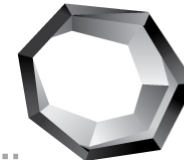


Source: Various company ASX releases on Resource estimates and Scoping Study/PFS/DFS outcomes

* Vittangi development case involves new direct processing technology and includes ~1kt graphene

** Medium/Large size fraction for Epanko is 106-300 microns (ie includes significant Fine product)

Infrastructure and Logistics

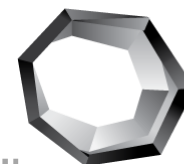


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- In-country transport
 - Bagged concentrate loaded in containers and trucked to port
 - 200km by road; 140km sealed and 60km hard dirt to site
- Port access
 - Mtwara facility has 400ktpa capacity; 130-140ktpa current utilisation; required Nachu usage approximately 240ktpa
 - Efficient consumables supply chain and product export route
- Water availability
 - Borehole field on-site; water recovery and re-use
- Power
 - Grid power agreement signed with Symbion Power
 - Symbion to construct a dedicated 30MW power station, associated substations and 132KV transmission line to Nachu
 - Grid power pricing of US\$0.08-0.10/kWh represents significant cost saving over diesel or HFO



Basket Price and Sensitivity



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BFS basket price construction

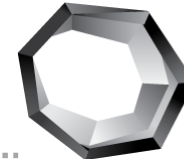
Classification	Concentrate grade (% TGC)	Sieve size (microns)	Sieve size (mesh)	Price (US\$/t FOB)	Weight distribution
Super Jumbo	97.5%	> 500	+35	4,000	9%
Jumbo	97.0%	300 - 500	+50/-35	2,500	32%
Battery Feedstock	99.1%	< 300	-50	2,125	59%
Gross basket price				2,413	100%
Discounted net basket price				2,350	

Sensitivity of BFS outcomes to basket price assumption

Price scenario	Low (-35%)	BFS base	High (+35%)
Weighted average basket price (US\$/t conc FOB)	1,528	2,350	3,173
Free cash flow (US\$m pa, LOM avg)	125	255	383
NPV _{10%} (US\$m, post-tax)	779	1,686	2,592
Project IRR (post-tax)	54%	98%	139%
Payback period (years)	2.0	1.2	0.6

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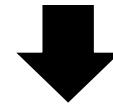
Supply Chain Strategy & IP



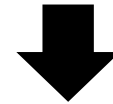
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- Magnis Resources' supply chain has significant flexibility to meet customers indicated specifications
 - This starts and finishes with the quality of the in-situ graphite at Nachu
- Co-location potential of downstream facilities for efficiency, reduced cost and rapid scale up potential to meet end user demand
 - Establishment of a higher quality and consistent non Chinese supply source
- Magnis may supply both coated and uncoated spherical graphite subject to customer requirements
 - Coated Spherical Graphite @ >99.95% C
 - Uncoated Spherical Graphite @ 99.90% C
- Industry leading infrastructure and IP
 - Team with cumulative 50+ years of Li-ion industry experience
 - Access to IP to continue product evolution

Magnis Flakes From Mine
~ 180 Micron (d50)
(Purity 99.2%)



Spheroidisation
~75 % Yield
(Purity 99.9%)



Coating/ Ultra Specification
(Purity 99.95+%)

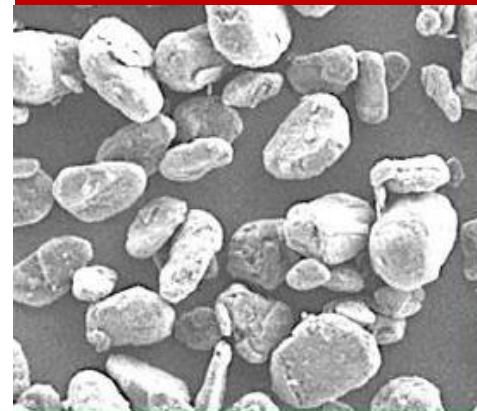
Outstanding battery anode results



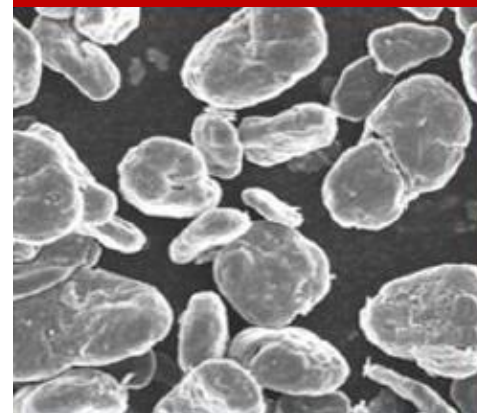
Magnis Resources

- >99.95% purity coated spherical graphite produced from Nahcu graphite
 - Utilising existing commercial scale technology and facilities in North America
 - Approximate 75% yield from spheronising versus typical 30-40% for current Chinese product
 - No chemical purification treatment applied in the process
 - Competitive advantage over incumbent Chinese fines product and prospective new entrants
- Nahcu graphite battery anode performance tests delivered the following outstanding results
 - Tap Density: 1.21 g/cc
 - BET: 1.908m²/g
 - First cycle efficiency: 95%
 - First charge capacity: 354mAh/g
- Clear potential to displace existing sources in high growth battery markets providing a greener, more cost effective supply chain for sustainable industry end users

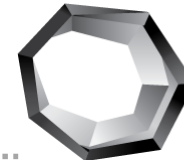
Nachu spherical graphite



Nachu coated spherical graphite



Graphite/Silicon blend results highlight our R&D commitment

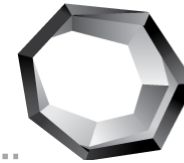


Magnis Resources

- Graphite and silicon anode blend is an area receiving significant attention from battery makers and car manufacturers for the next generation of high performance anode material
 - Experience of the Magnis team allows for parallel development of the silicon blend with delivery of coated spherical graphite material from the Nachu project
- Testwork conducted for a 10% silicon additive blended with Nachu coated spherical graphite
- Initial results from coin cell testing include
 - First charge capacity capacity of 587+ mAh/g, a 65% improvement over the energy density of ~355mAh/g for current industry standard graphite anode
 - First cycle efficiency >86%
 - More than 98% capacity retention after 38 cycles
- Potential to deliver significant increase in mileage and power
 - The 65% increase in anode capacity translates to 20-30% increase in mileage for current battery pack sizes

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Target Development Timeline



Magnis Resources

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	2014		2015				2016				2017				2018	
	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2
Drilling and resource modelling	✓	✓														
Metallurgical testwork	✓	✓	✓	✓	✓	✓										
Pre-feasibility study	✓	✓														
Cornerstone offtake agreements		✓	✓													
Environmental impact study	✓	✓	✓	✓	✓											
Mining approval and MDA					✓	✓										
Detailed design			✓	✓	✓	✓	✓									
Bankable Feasibility Study						✓	✓									
Detailed engineering							✓	✓								
Offtake agreements																
Project financing																
Construction																
Commissioning and production																

Summary

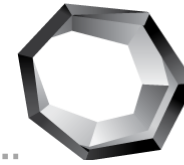


Magnis Resources

- Nachu is a high quality, long life graphite resource
- Located in Tanzania, a well established mining jurisdiction
- Development ready – all environmental and mining permits secured, fiscal stability with signed MDA
- Nachu BFS delivers outstanding forecast returns – 98% post-tax IRR, US\$1.69b post-tax NPV_{10%}
- Key advantages relative to graphite development peers
 - High appeal, high value product given exceptional concentrate purity and coarse flake size
 - High volume and broad nature of met testing delivers robust processing and product parameters
 - Outstanding realised price and operating margin position expected given premium product composition
 - No downstream chemical purification requirement for Nachu concentrate = strong 'green credentials'
- Project financing progressing in parallel with advanced North American, European and Asian buyer offtake discussions

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Appendix A: Tanzanian Operating Environment

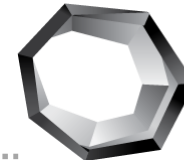


Magnis Resources

- Tanzania overview
 - Broad stability following independence in 1961
 - Presidential constitutional republic with democratic multi-party elections since 1995; most recent October 2015
 - Reform of mining policy in 1998 has attracted significant capital investment
 - 4th largest gold producing country in Africa
- All requisite environmental and mining permits secured
 - Special Mining Licence (SML) granted to Nachu by the Ministry of Energy and Minerals of Tanzania
- Mineral Development Agreement (MDA) executed for Nachu
 - 30% corporate tax rate
 - 3% production royalty
 - 5% free carried interest in project for Tanzanian Government
 - Environmental conditions, dispute resolution mechanisms

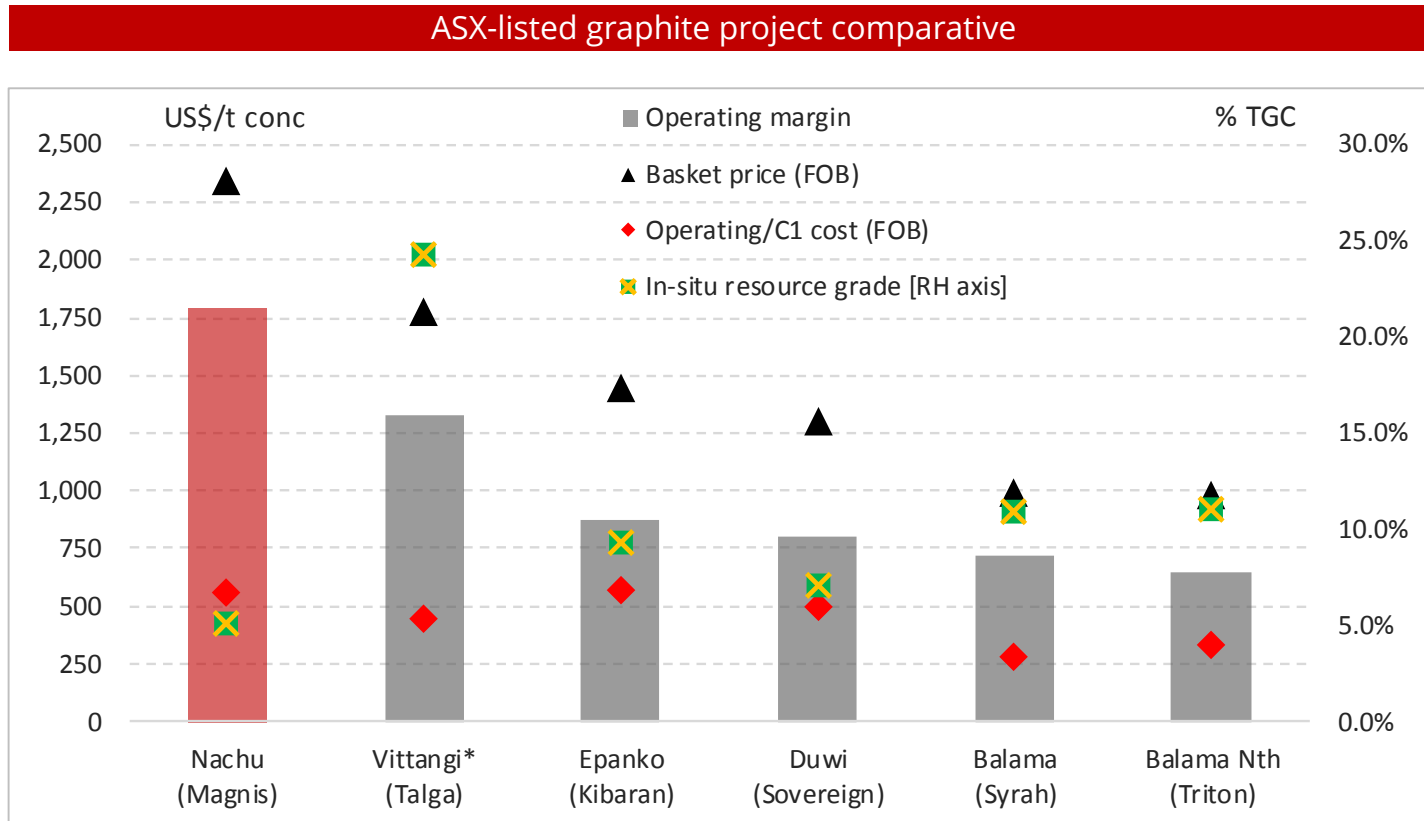
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Appendix B: Outstanding Margin Dynamics



Magnis Resources

- Nachu concentrate product purity and coarse flake distribution drive outstanding projected margins

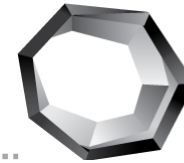


Source: Various company ASX releases on Scoping Study, PFS and DFS outcomes

* Vittangi development case involves new direct processing technology and its basket price includes an assumed ~1kt super high-value graphene production

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Appendix C: Graphite Markets



Magnis Resources

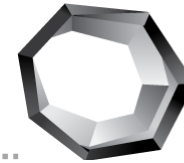
- Global graphite market = 2.2mtpa
 - **Natural** (1.1mtpa); flake and amorphous sources; key producers China, India, Brazil
 - **Synthetic** (1.1mtpa); high purity but energy intensive and expensive
 - Natural-for-synthetic displacement potential
- China currently ~70% of total natural supply
 - Consistency and quality issues
 - Ore value declining and labour costs rising
 - Increased focus on environmental impacts
 - 20% export duty and 17% VAT levied on exports
 - Downstream spherical plants at ~50% capacity
 - End users seeking greater diversity of supply

Key graphite end uses

- Battery anodes (high growth)
- Expandable graphite (high growth)
- Composites
- Refractory and foundry
- Gaskets, seals, brake linings, lubricants



Appendix D: Graphite in Li-ion Batteries

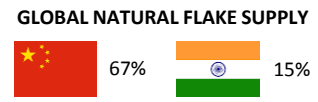


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Natural flake graphite concentrate

- **Typical pricing:** US\$750-1,000/t (94-95%, small to medium flake).
- Significant issues with quality and consistency of predominant Chinese supply.
- Pricing increases with purity and flake size (Nachu Battery Feedstock is +99% and large to medium flake).



Synthetic graphite feed sources

- Carbon material such as petroleum coke, coal tar pitch, etc.

SPHERONISATION AND PURIFICATION

- Natural flake placed in a circulating terminal that spins the graphite, forcing the flakes to collide and bend. As the flakes bend, they form small spheres with a sub 20 micron diameter (uncoated spherical graphite).
- **Typical yield from this spheronising process is 30-50% (ie 50-70% loss from concentrate); Nachu yield is ~75%.**
- Uncoated spherical graphite is then purified to 99.95% via acid baths (HCl/HF), cleansed and coated with a single layer of carbon (coated spherical graphite).
- **Purification cost ranges widely driven by the extent of chemical (and thermal) treatment processes required; Nachu Battery Feed is already +99% vs typical 94-95%.**
- Close to 100% of current uncoated spherical graphite production occurs in China. The coating process occurs mainly in China, Japan, Korea and Taiwan.

Spherical graphite

- **Typical pricing:** Coated US\$7,000-10,000/t and Uncoated US\$3,000-3,500/t.
- Chinese product typically inferior to synthetic graphite in battery anodes; Nachu product testing indicates superior to both.

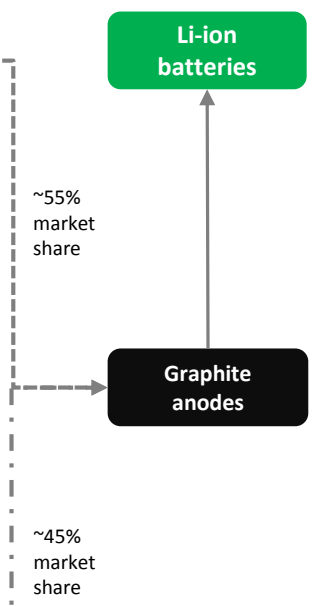
Technology improvements and the large cost differential have delivered significant opportunity for spherical graphite to displace synthetic graphite in future anode material demand growth.

Synthetic graphite

- **Typical pricing:** US\$12,000-20,000/t
- Historically high performance anode material but expensive.

HIGH TEMPERATURE TREATMENT

- Aggressive heat treatment (2,300-3,000°C) to recreate the pressure-temperature environment required to form natural graphite. **Highly energy intensive.**



**Magnis Resources Limited
Australia Head Office**

Suite 4.03, 1 Alfred Street
Sydney NSW 2000 Australia

E: info@magnis.com.au

T: +61 2 8397 9888

W: www.magnis.com.au

ASX: MNS