Nachu Graphite Project: Industry disrupting high purity natural flake graphite deposit
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Corporate Overview

Capital Structure (pre A$3m raising)

<table>
<thead>
<tr>
<th>Shares on Issue (MNS)</th>
<th>337,525,307</th>
</tr>
</thead>
<tbody>
<tr>
<td>Options (MNSO*, majority at 10c exercise)</td>
<td>197,516,098</td>
</tr>
<tr>
<td>Share Price (9 February 2016)</td>
<td>A$0.35</td>
</tr>
<tr>
<td>Market Capitalisation (undiluted)</td>
<td>A$118M</td>
</tr>
<tr>
<td>Cash (31 December 2015)</td>
<td>A$1.6M</td>
</tr>
</tbody>
</table>

*expiry 31 May 2017

Major Shareholders

<table>
<thead>
<tr>
<th>Shareholder</th>
<th>Shares (M)</th>
<th>Ownership</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mazzdel Pty Ltd</td>
<td>26.6</td>
<td>7.9%</td>
</tr>
<tr>
<td>Citicorp Noms</td>
<td>15.6</td>
<td>4.6%</td>
</tr>
<tr>
<td>Directors</td>
<td>12.1</td>
<td>3.6%</td>
</tr>
</tbody>
</table>

Analyst Coverage

Brandon Hill (UK)  
Peter Rose

Bell Potter  
David Coates

Average Daily Volume (past 100 trading days) : 865,498
### Board and Management

#### Dr Frank Houllis
**CEO**  
*BSc (USyd) BEng* (Chem 1st Class, USyd), *PhD (USyd)*  
- 20 years practical experience in development & engineering of metallurgical process  

#### 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

#### 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
Criteria for Success

**EXPERIENCED TEAM**

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

- Industry leading consultants with expertise in the lithium-ion battery production

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

**WORLD CLASS PROJECT**

- Outstanding results for lithium-ion battery usage

- Cost advantages significant with 99.8% TGC achieved without chemical or thermal purification.

- Special Mining License and Environmental Certificate granted and MDA Finalised

- Advanced discussions with Western world entities for further offtakes to compliment existing offtakes for 180,000 tpa with SINOMA and Sinosteel

- 35+ year mine life at 250,000 tpa

- PFS delivers strong economics, margins of over US$1,600t

- No deleterious elements

**STRATEGIC RESOURCE OF THE FUTURE**

- Graphite fast becoming a resource of the future with demand and consumption increasing across various industries, technologies and emerging markets (eg: lithium-ion battery requirements for electronic vehicles, domestic and commercial power storage facilities)

- Although China is the current largest producer of graphite, supply problems with natural, high purity flake graphite in Large & Jumbo flake sizes have created a new dynamic in the future supply/demand equation of graphite
The Nachu project licence is west of the coastal city of Lindi and 200km by road from the port city of Mtwara in South East Tanzania.

Proximity to ports means lower logistics costs.
Exceptional Battery Testing Results

- Micronised coated graphite purity upgraded to **99.8% TGC** without any chemical or thermal purification
- Superior performance to synthetic graphite and hence **substantial cost advantages and projected margins**
- 97.1% first cycle efficiency. The first charge capacity loss of 2.9% is a 42% improvement compared to synthetic graphite
- Surface Area (BET) of 4.09m$^2$/g with Tap Density at 0.87g/cc
- End user discussions are advanced in Nth America, Europe & Asia
- Position to meet demands of sustainable industries with minimal environmental impact
- Further improvements expected in test results
Nachu SML & MDA

- 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
Offtake Agreements

- Binding Offtake signed for 80,000 tpa of high quality flake graphite with SINOMA;
  - 5 year agreement with an option to extend
  - 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
  - Market prices to be paid
- Negotiations with technology and end battery users including electronic vehicle manufacturers for offtake continue
Project Funding & EPC

- Resource definition recently updated and feasibility study led by Sedgman is in progress to satisfy potential financiers.
- MOU signed with POSCO E&C for senior debt and deliver a fixed lump sum for project construction.
- Discussions continuing with other project funders and on the US$150M debt finance term sheet signed with major SOE, China National Materials Industry Import and Export Corp (SINOMA).
Nachu Graphite Project

- MNS holds 100% interest in Nachu Graphite Project in Tanzania
- JORC Resource is 174Mt at 5.4% Total Graphitic Carbon (TGC)
- Over 9.3Mt of contained graphite
- 35+ year mine life at 250,000 tpa
- 71% of resource in Measured and Indicated categories
- Resource covers only 2% of project licence
- Bankable Feasibility Study almost complete to assist with Project Finance.

Refer to ASX releases dated 26/11/14 (initial JORC) & 1/2/16 (Upgrade)
Nachu Pre-Feasibility Study

- 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
- BFS completion on track for current quarter

A world class project
Nachu Metallurgical Results

Mine product (flotation):

- >99% TGC and up to 99.6% TGC from basic flotation for -300 microns concentrate
- >97% TGC from basic flotation for Super Jumbo (+500 microns) and Jumbo flake product (+300 microns)
- High recovery to concentrate
- Results repeated throughout Block F from many drill core samples
- No deleterious elements
- Very high % of product above 150 microns size
Nachu Infrastructure

- 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
## Flake size peer comparison

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

Source: ASX announcements

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## Product revenue breakdown

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

<table>
<thead>
<tr>
<th>Activity</th>
<th>2014</th>
<th>2015</th>
<th>2016</th>
<th>2017</th>
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<tbody>
<tr>
<td>Drilling</td>
<td>✓</td>
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<tr>
<td>Resource Estimate</td>
<td>✓</td>
<td>✓</td>
<td></td>
<td></td>
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<tr>
<td>MOU's for Offtake</td>
<td>✓</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sinosteel &amp; Dalian MOU (100k tpa)</td>
<td>✓</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Metallurgical testwork</td>
<td>✓</td>
<td>✓</td>
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<tr>
<td>Maiden JORC Resource</td>
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<td>✓</td>
<td></td>
<td></td>
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<tr>
<td>Pre-feasibility Study</td>
<td>✓</td>
<td>✓</td>
<td></td>
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<tr>
<td>Binding off-take Agreements</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td></td>
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<tr>
<td>Environmental Impact Study</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
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<tr>
<td>Mining Approval &amp; MDA</td>
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<td></td>
<td>✓</td>
<td>✓</td>
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<tr>
<td>Detailed Design</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
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<tr>
<td>Bankable Feasibility Study</td>
<td></td>
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<td>✓</td>
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<tr>
<td>Funding Finalised</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Engineering &amp; Plant construction</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Production</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

*On schedule to deliver a world class graphite mine*
Tanzania Mining Industry

- 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

Graphite market growing:
- Lithium-ion batteries (eg. electric car market, power storage for home, industry and commercial use)
- Fuel cells
- Pebble bed reactors
- Lubricants
- 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 now in operation
- 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

The Lithium-Ion battery megafactories are coming...
Production of Lithium-Ion batteries is expected to **more than triple by 2020**

![Graph showing lithium-ion battery megafactories and their capacities](chart.png)

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

Source: Benchmark Mineral Intelligence, 2015
Summary

- Exceptional Results from Battery Testing to date
- World class, near surface resource supporting long mine life
- All environmental and mining permits granted
- MDA provides sovereign fiscal stability for Nachu Graphite Project
- Binding Offtakes for 180,000 tpa with two leaders in the graphite industry
- High purity product with cost advantages over synthetic graphite
- Demand growth for battery production
- Large margins of over US$1,600 per tonne
- Favourable location with supportive government