



Magnis Resources

L I M I T E D

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NACHU GRAPHITE PROJECT UPDATE

- **Environment and Social Impact Assessment (ESIA) on track for completion in June 2015**
- **Positive government and community involvement continues**
- **Bankable Feasibility Study (BFS) has begun**
- **Project financing and offtake talks continue**
- **Overseas roadshow continues**
- **China Non-Metallic Minerals Industry Association membership**

Magnis Resources Limited (ASX:MNS) is pleased to update the market on the progress of its Nachu Graphite Project in south east Tanzania.

Environment and Social Impact Assessment (ESIA) and Permitting

The Environment and Social Impact Assessment (ESIA) study is currently being prepared by local and international mining environmental experts MTL Consultants of Tanzania and Digby Wells Environmental of South Africa. The environment study commenced in October 2014 and is on track for completion in June 2015 after finalising wet season monitoring.

As part of the permitting process, a Resettlement Action Plan (RAP) is being developed. An asset survey of the project area was conducted in January and this identified all households and farms that will need resettlement. The survey identified that approximately 30 households need to be relocated. A Resettlement Working Group has been formed with representation from regional and district governments as well as representatives from all the stakeholder communities.

The ESIA and the RAP are being conducted to International Standards (IFC and Equator principles). Extensive discussions have been held with all domestic stakeholders on both the ESIA and RAP activities and programs. After the completion of both ESIA and RAP, a mining lease application will then be submitted.



Figure 1 – Recent district council meeting

Government and Community

Community engagement has been a priority for Magnis from the commencement of exploration at Nachu. Meetings have been held regularly with all stakeholders to explain the company's activities at each stage of the project.

Our Community Liaison Manager Leah Mwafenga has developed good lines of communication with all stakeholders and our transparency with the community has resulted in a mutually respectful relationship between company and community.

Several contributions have been made by Magnis to various local village projects including school and medical clinic improvements. A comprehensive Corporate Social Responsibility (CSR) program is being developed with the local stakeholders that will concentrate on long term sustainable benefits to the whole community such as water supplies, health and education.

Presentations have been held with the Commissioner for Minerals and other officials in the Tanzania Ministry. In discussions to date all levels of the government have been very supportive of getting Nachu into operation. A new Minister for Energy and Minerals was recently appointed and an initial presentation of the project and discussions on project advancement will be held with the new Minister in coming weeks.



Figure 2 – Recent local ward meeting

Bankable Feasibility Study (BFS)

Following the completion of a successful Pre-Feasibility Study (PFS), a Bankable Feasibility Study (BFS) has commenced and is led by LogiMan Pty Ltd of South Africa. The study is expected to be completed in August 2015.

Project Financing and Offtake

In the past months key agreements have been signed including:

- Binding Offtake for 80,000tpa with SINOMA
- Binding Offtake for 100,000tpa with Sinosteel Liaoning
- MOU for Project Financing and Development with SINOMA
- MOU for Project Development with China Railway 24

Site visits have occurred and are planned in coming weeks with parties including those listed above.

Discussions are progressing with other potential offtake and finance partners.

Overseas Roadshow

In mid-February, an overseas roadshow commenced in South Africa followed by meetings in London. In coming months senior management or board members will be visiting the Middle East, Africa, Asia and North America promoting the company.

China Non-Metallic Minerals Industry Association

During January 2015 Magnis Resources was granted membership of the China Non-Metallic Minerals Industry Association. The association is made up of 200 members involved in the graphite industry, with miners, end users, processors and research institutes. Magnis is the only member outside of China to be granted membership.

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