



# Magnis Resources

L I M I T E D

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## CORPORATE UPDATE

- **Product agreement and financing discussions for the lithium-ion battery industry progressing well**
- **Offtake agreements with SINOMA and Sinosteel terminated by Magnis**
- **Land owner payments now over 95% complete**
- **Mtwara Port Agreement extended**

Magnis Resources Limited ("**Magnis**" or the "**Company**") (ASX:MNS) is pleased to provide a corporate update on recent developments relating to its Nachu Graphite Project.

### **Product Agreements Progressing with lithium-ion battery end-users**

Magnis continues to engage and collaborate with end-users in the lithium-ion battery industry to demonstrate the benefits of using its Nachu graphite in the anode material. Progress has accelerated in the last two months with discussions entering into final stages.

As well as today's announcement on the ROSATOM MoU, Magnis expects to report on other offtake agreements in the near term.

### **Termination of Sinosteel and SINOMA Offtake Agreements**

The Company has notified Sinosteel Liaoning and China National Materials Import and Export Corporation (SINOMA) that it has terminated both offtake agreements. The original agreements signed gave both parties the right to execute terminations if so desired.

### **Land compensation payments now 95% complete**

Following the announcement on 25 November 2016 on the completion of the land valuation process, Magnis is pleased to report that the second phase of the compensation process was completed on Saturday 21<sup>st</sup> January with 95% of the affected parties compensated.

Over 720 people have been compensated following the most recent payment process with 58 residents who are affected by the SML have been offered and accepted resettlement to the new village area.

The Ruangwa District Council is now in the process of issuing the documentation for surface rights to the Company. Extensive community involvement has been conducted throughout the process with community working group meetings beginning in late 2014. IFC principles and guidelines have been used throughout the whole process with affected residents being resettled into new accommodation to an equivalent or better standard. The new resettlement village proposed by the company will exceed these guidelines.

### **Port Agreement extension**

The Tanzanian Port Authority has notified the Company that progress is being made towards the execution of a lease for land adjacent to Mtwara Port. This is an important development for Magnis given the land is critical for future logistics once the Nachu mine is in production.

### **Management Commentary**

**Chairman Frank Poullas commented:** "2017 will no doubt be an exceptionally productive year for Magnis, commencing with today's announcement of the Agreement with ROSATOM.

"There's absolutely no doubt that the graphite from the Nachu Project is very unique, and this is translating into significant levels of enquiry from a number of large and recognised groups throughout the world. The purity levels of the Nachu graphite, and the performance that can be achieved without chemical purification in lithium-ion batteries, creates a clear distinction in the market for Magnis."

"I would like to thank the tireless efforts of our staff in the United States, Tanzania and Australia, and the continued support from our shareholders. 2017 is set to be a transformational year for Magnis."

### **For further information, please contact:**

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