

# Nachu Graphite Project

Developing a world class flake  
graphite deposit in Tanzania



ANNUAL GENERAL MEETING - 12 SEPTEMBER 2014

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# Corporate Overview



## About Uranex Limited (ASX: UNX)

- Focused on the exploration and development of the Nachu Graphite Project in Tanzania.
  - High grade drilling results
  - Excellent metallurgical results
  - MOU for 100,000tpa with SINOMA
  - MOU for 100,000tpa with Sinosteel and Dalian InterContinental
- Uranex is committed to Best Practice Health, Safety, Environment and Community Relations policies and procedures in Tanzania

## Capital Structure

Shares on Issue (UNX)	263,560,986
Options (UNXO)*	209,928,125
Share Price (9 September 14)	A\$0.21
Market Capitalisation	A\$58m
Cash (9 <sup>th</sup> Of September)	A\$3.2m

\*expiry 31 May 2017

## Analyst Coverage

PAC Partners	Andrew Shearer
Canaccord	Luke Smith

## Share Price Performance



## Major Shareholders

Shareholder	Shares (m)	Ownership
Mazzdel Pty Ltd	20.9m	8.01%
M & A Group	6.25m	2.38%
4F Investments	5.67m	2.16%
HSBC Custody Nominees	5.46m	2.09%

## Experienced Team



Experienced and dedicated management team with a proven track record of bringing projects into production.

## World Class Project



MOU for 100,000tpa with SINOMA

MOU for 100,000tpa with Sinosteel and Dalian

Low cost mining operation

JORC expected Q4, 2014

Flake size Large to Jumbo

No deleterious material

Located in the strong democratic country of Tanzania.

## Resource of the Future



Graphite is fast becoming the resource of the future with demand and consumption increasing across various industries and technologies.

Although China is the largest producer of graphite in the world, supply problems have created a new dynamic in the future supply/demand equation of graphite.



# Board and Management



## Deep technical expertise and extensive corporate experience

**Dr Frank Houllis**  
**Chief Executive Officer**  
BSc (USyd BEng) (Chem. 1<sup>st</sup> Class, USyd), PhD (USyd)

### 20 years of practical experience in the development and engineering of metallurgical process.

- Focused on processes for a wide range of commodities. Has led process development teams at ANSTO (process manager, 2008 - present), BHP Billiton (principal engineer, 2005 - 2008) and Intec Ltd (1995-2005).

**Rod Chittenden**  
**Head of Operations**

### 30 years experience in the resources sector, encompassing a range of companies and commodities

- A technical background in metallurgy and a strong track record in project development and has worked in Australia, Europe, South America and Africa.
- Involved in the metallurgical testing, feasibility studies, process design and commissioning for projects with Newcrest and Barrick Gold. Since 2006 Rod has been involved in projects with Paladin Energy and Mantra Resources.

**Frank Poullas**  
**Non-Executive Chairman**  
*MAICD*

### 15 years working in the investment banking and engineering sectors.

- Private investor specialising in the resources sector involved in various ventures increasing shareholder value.
- Partner in successful IT firm.

**Stephen Hunt**  
**Non-Executive Director**  
*B.Bus (Marketing)*

### More than 25 years experience in the marketing of steel and mineral products worldwide.

- 15 years at BHP Billiton Ltd. where he spent 5 years in the London office marketing minerals to European and Middle Eastern customers.
- Extensive network and developed his own minerals trading company, Standout Enterprises Ltd, which has a strong Chinese focus.

**Johann Jacobs**  
**Non-Executive Director**  
*B.Acc, MBL, FCA, FAICD*

### More than 30 years experience in the resource sector

- Managed established companies and acquisitions, expansions or start-up mining operations in Australia, South Africa and Indonesia.
- Currently Chairman of King Island Scheelite, Non-Executive Director of Australian Zircon NL and TWH Limited.

**Chris Lioutas**  
**Company Secretary and Legal Counsel**  
*LL.B (hons), B.Com*

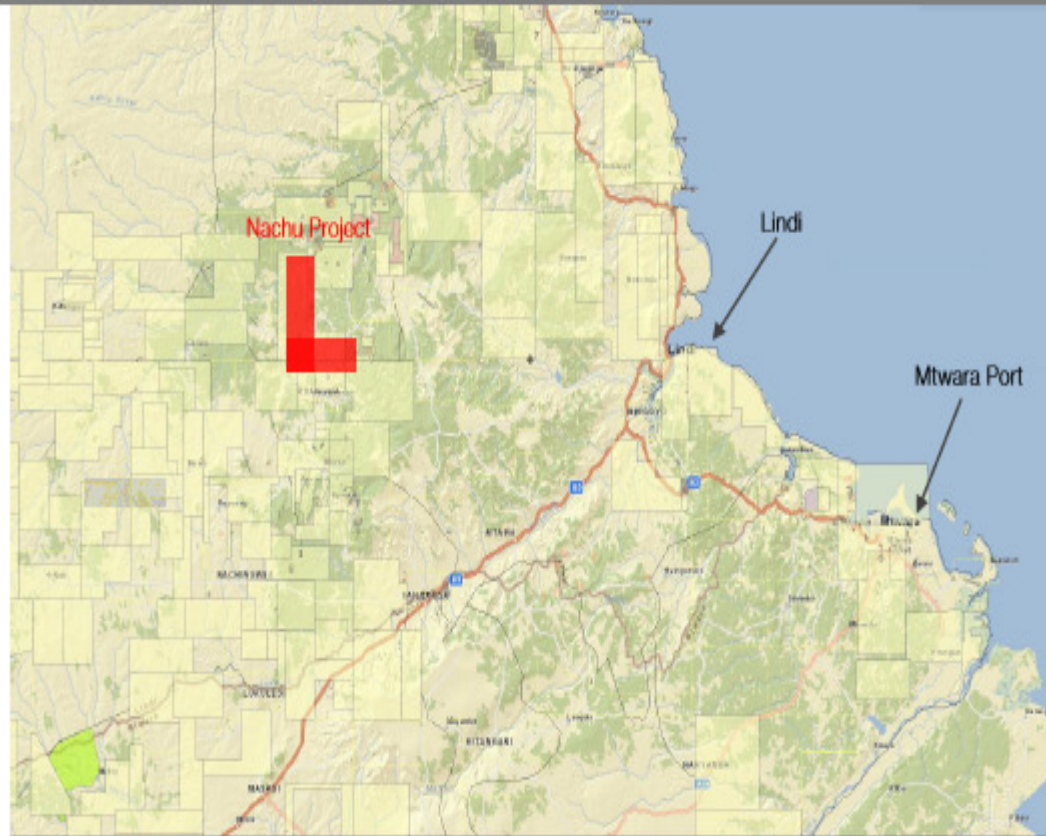
### An experienced corporate and commercial lawyer

- Working in the corporate advisory groups of national law firms including Clayton Utz, specialising in the energy and resource sector. Chris assisted in the provision of legal services to a variety of large corporates and undertook legal counsel secondments to ASX 100 and Fortune 100 companies.

# Nachu Graphite Project - Location



Location of the Nachu Graphite Project and local infrastructure



Source: [www.flexicadastre.com/tanzania/](http://www.flexicadastre.com/tanzania/)

- The Nachu tenement is west of the coastal city of Lindi and approx 200km by road from the port city of Mtwara in SE Tanzania.

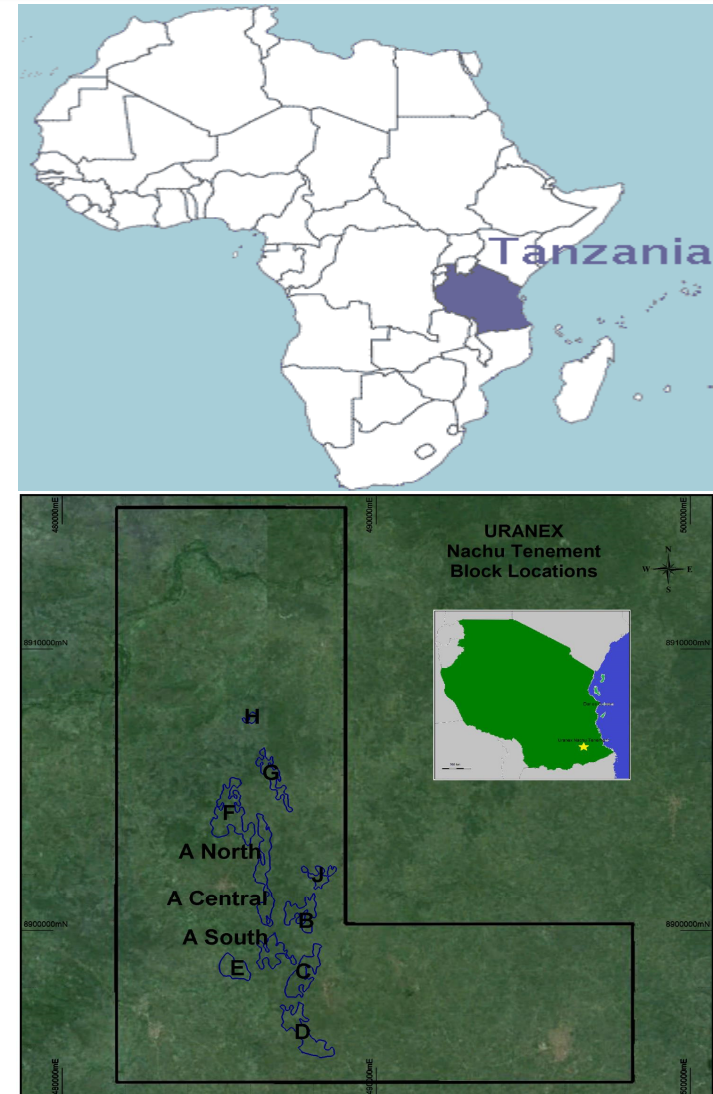
***Closer to ports means lower production costs...***

# Nachu Graphite Project



- UNX holds a 100% interest in the Nachu Graphite project in Tanzania.
- Exploration target defined at 325-490Mt @ 4-9% Total Graphitic Carbon (TGC) (using a 2% cut off grade). At the higher cut off grade of 5% the exploration target is 55-115Mt @ 6-12% TGC.
- The target is based only on shallow mineralisation (<65m), with the base of modelling only taken down to 40m to 64m across the blocks.
- 2014 Drilling program uncovers mineralization at depth beyond 200m. Longest continuous graphite intercept of 125m.
- Some of the highlights from the 2014 drilling program have included:
  - 30m at 9.7%TGC from 38m, including 9m at 15.9%TGC
  - 21m at 9.5%TGC from 137m, including 8m at 11.3%TGC
  - 27m at 8.7%Cg from 9m including 6m at 18.3%Cg

***A World Class Project...***



- **MOU for Off-take signed for 100,000 tones per annum of high quality flake graphite with major SOE, China National Materials Industry Import and Export Corporation**
- **Agreement is for a 5 year period with an additional 5 year option**
- **Graphite will be used for the production of high technology materials**
- **The grading of the product is intended to be in the range of 90% to 95%TGC**





# MOU - For Off-Take Signed – Sinosteel & Dalian



- MOU for Off-take signed for 100,000 tonnes per annum to supply Sinosteel Liaoning Co Ltd and Dalian Intercontinental New Materials Corp with high quality flake graphite.
- Agreement is for an initial 10 years with an option to extend
- Graphite will be used mainly in the battery, refractory and high technology industries
- The grading of the product is intended to be in the range of 92% to 95%TGC (Total Graphitic Carbon)



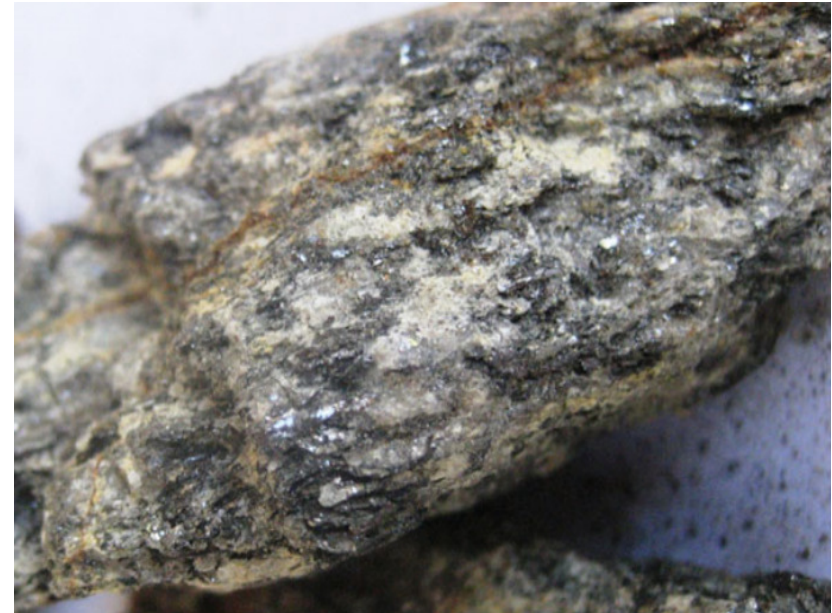
Sinosteel Research Centre



Official signing ceremony

## Excellent initial metallurgical results

- 94.4%TGC (Total Graphitic Carbon) from basic floatation
- 99.4%TGC (Total Graphitic Carbon) using caustic leach
- Over 60% of flake graphite between Medium to Jumbo flake
- No deleterious elements

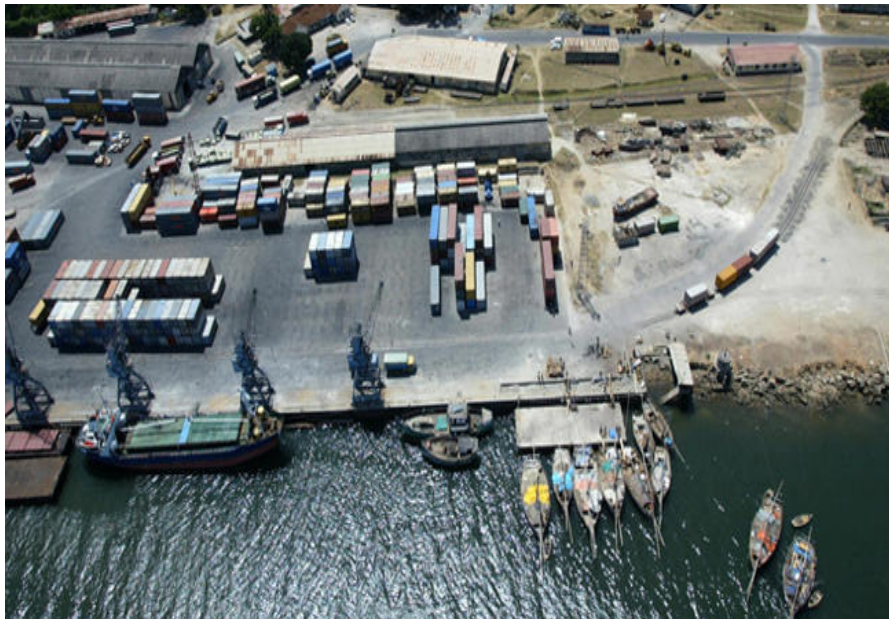




# Nachu Graphite Project - Infrastructure



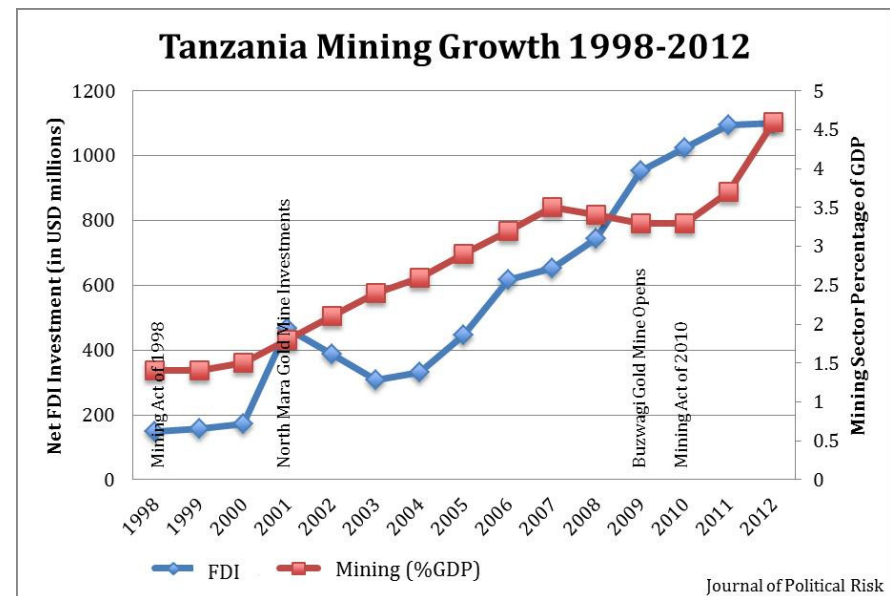
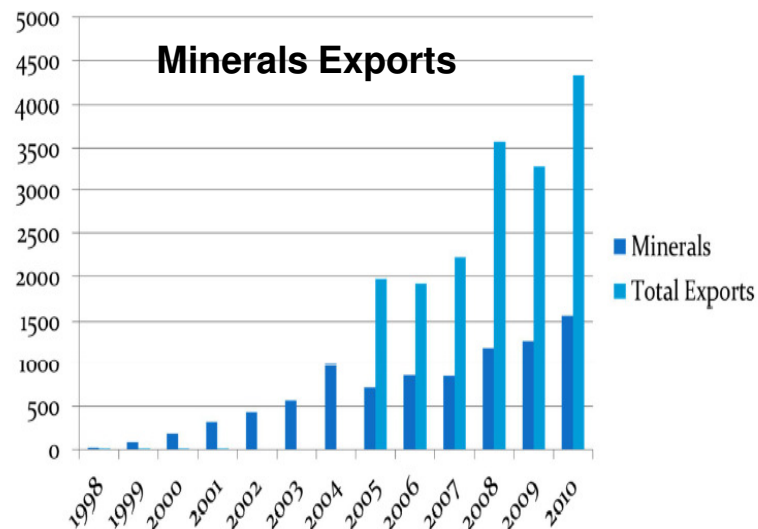
- Road: 200km to port, 140km sealed and 60 hard dirt road which goes through the project.
- Port: 400ktpa capacity (136ktpa utilised on average) ,
- Water : Water on the project
- Power: Onsite generation, low power consumption
- Offshore gas development a boom for the area.



# Tanzania Mining Industry



- Tanzania GDP growth ~7% in 2012 and 2013, forecast to continue at same rate in 2014 and 2015
- Mining contributes ~4.5% to GDP
- Political stability following independence in 1961
- Significant reform of mining policy to attract investment undertaken in 1998
- Agriculture remains the dominate industry
- Tanzania is 4th largest gold producer in Africa



**Supportive government focused on mining sector growth...**



# Graphite Company Analysis



## Peer Comparisons

Code	Mkt Cap	Inferred Resource(s)	Contained Graphite (Mt)	Flake Size Medium to Jumbo (+150 microns)
UNX	\$54m	JORC Resource in Nov2014		60%
SYR	\$820m	1.17Bt @ 10.2%	119.3	41.2%
TON	\$140m	103Mt @ 5.5%	5.7	0%
TLG	\$55m	7.6Mt @ 24.4%	1.9	Unspecified (mainly amorphous)
LMB	\$98m	5.5Mt @ 5.4%	0.34	27.65%
VXL	\$145m	6.47Mt @ 7.1%	0.46	0%

## Concentrate Flake Size Analysis

Micron Size	D Block		C Block	
	300	500	300	500
	% Distribution		% Distribution	
+300	8.0	13.1	8.6	13.1
-300+180	30.0	32.3	28.3	30.0
-180+106	27.0	25.3	25.3	23.0
-106+45	24.0	22.2	24.7	22.5
-45	11.0	7.1	13.1	11.3
<b>Total</b>	<b>100.0</b>	<b>100</b>	<b>100</b>	<b>100</b>

- High percentage of flake graphite product in the medium to jumbo size categories.
- Close to surface deposit with low operating costs expected.
- Exploration Target points to large world class deposit with Maiden JORC Resource expected in November 2014.
- The Board and Management's focus is initially on a 15+ year mine life in its initial resource and fast tracking production to 2016.

***Nachu continues to impress with significant resource...***

# Nachu Project Timeline



	2014				2015				2016		
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3
Drilling	✓	✓	✓								
Resource Estimate	✓	✓	✓								
Sinoma MOU (100k tpa)			✓								
Sinosteel & Dalian MOU (100k tpa)			✓								
Metallurgical testwork		✓	✓								
Maiden JORC Resource											
Pre-feasibility Study											
Binding off-take Agreements											
Environmental Impact Study											
Bankable Feasibility Study											
Mining Approval											
Plant construction											
Production											

***Nachu programme on schedule to deliver a world class graphite deposit...***

# Graphite Sector Overview



## Graphite Uses Growing

- Li-ion Batteries
- Fuel Cells
- Pebble Bed Reactors
- Lubricants
- Refractories
- Replacement of Petroleum coke in steel industry
- Graphene a strong, conductive and flexible super material.

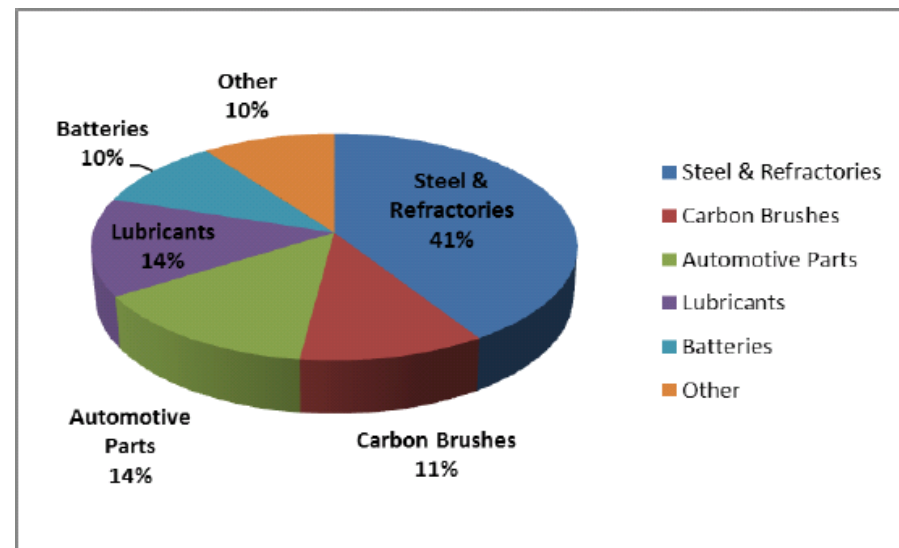
2016+ Forecast. 20% CAGR  
for Li-ion batteries



Tesla's \$5b  
battery  
gigafactory is due  
to be operational  
by 2020

## Current Consumption

- Current World Consumption is c. 1.5Mtpa
  - 45% of this is Flake
  - 54% of this is Amorphous
  - 1% of this is Lump
- China produces 70% - 80% of world graphite
- China was a Net importer of Flake graphite in 2013



Source: Mackie Research Capital 2011

***Beyond the pencil....***

- ✓ World Class near surface Resource in the making
- ✓ Target to be a low cost mining operation
- ✓ MOU for Off-takes signed for 200,000 tpa with 3 partners
- ✓ Excellent Metallurgy
- ✓ High grade Product produced with no deleterious elements
- ✓ Large portion of the flake graphite in large to jumbo category
- ✓ Great location of the project with supportive government
- ✓ Industry demand going from strength to strength
- ✓ Huge potential in Graphene

***Every box ticked.....***



# Contact Details



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