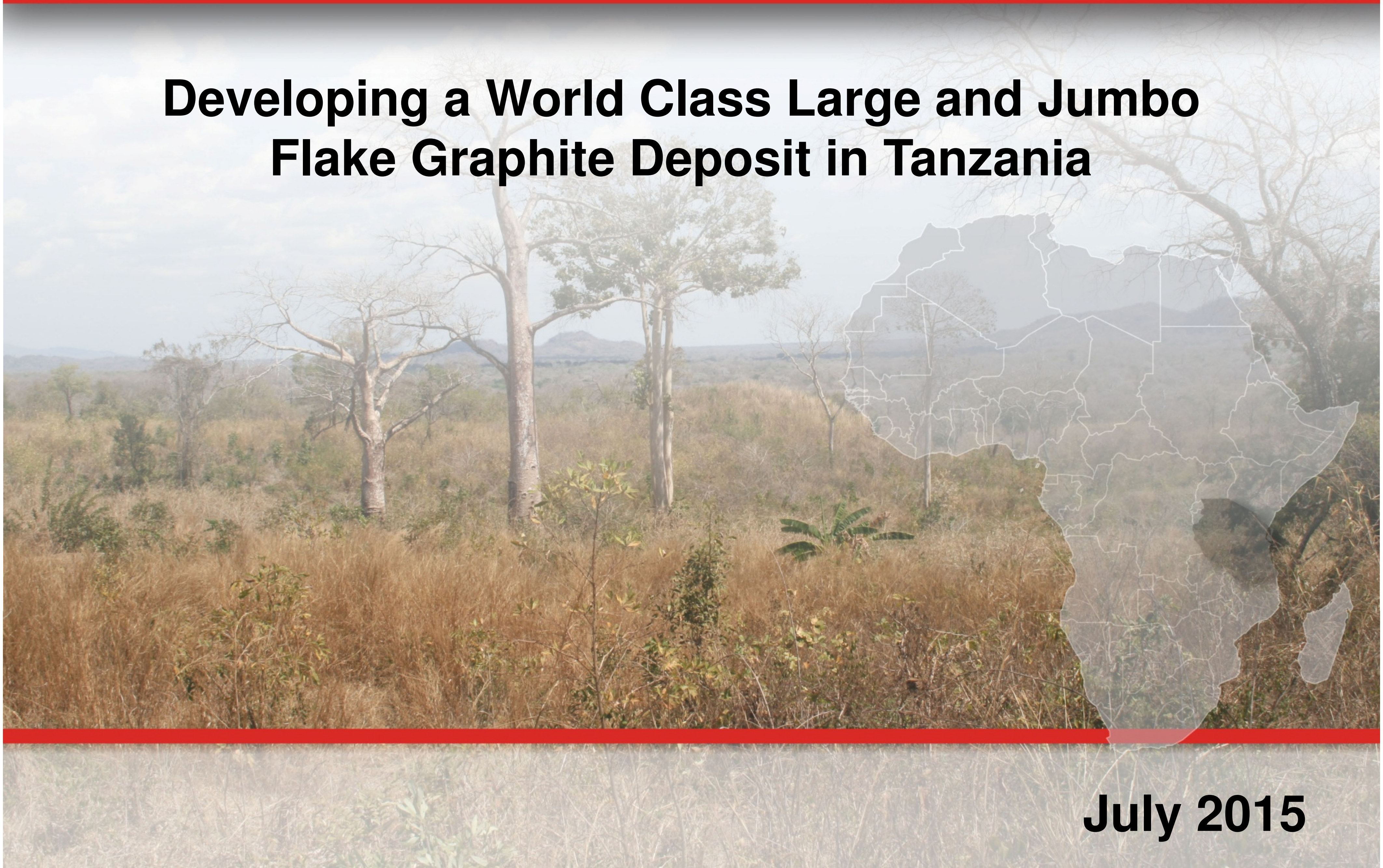
Magnis Resources LIMITED

Nachu Graphite Project

Developing a World Class Large and Jumbo Flake Graphite Deposit in Tanzania



July 2015

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Corporate Overview

- Exploration & development of Nachu Graphite Project in Tanzania.
  - Close to surface long mine life
  - 87% of product in Large and Jumbo and Super Jumbo Flake categories
  - Margins of over US$1,600t
  - Binding Offtakes for 180,000tpa with SINOMA and Sinosteel
  - US$150M debt finance binding term sheet signed with SINOMA
  - Committed to Best Practice Health, Safety, Environment & Community Relations policies & procedures

Share Price Performance

Capital Structure

Shares on Issue (MNS)	314,212,116
Options (MNSO)* (Majority @10c exercise)	209,329,289
Share Price (14 July 2015)	A$0.23
Market Capitalisation (Before Options)	A$72.7m
Cash *(31 May 2015)*	A$4.28m

**expiry 31 May 2017*

Major Shareholders

Shareholder	Shares (m)	Ownership
Mazzdel Pty Ltd	24.8	7.9%
Directors	15.3	4.9%
LogiMan Pty (Ltd)	13.2	4.2%

Analyst Coverage

Brandon Hill (UK)	Peter Rose
Bell Potter	Stuart Howe

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Criteria for Success

EXPERIENCED TEAM	Experienced & dedicated management team with a proven track record of bringing projects into production
WORLD CLASS PROJECT	Binding Offtakes for 180,000tpa with SINOMA and Sinosteel US$150M debt finance binding term sheet signed with SINOMA 30+ year mine life @ 250,000tpa 68% Jumbo(+300 microns) or Super Jumbo(+500 microns) flake size 87% Large(+180 microns), Jumbo(+300 microns) or Super Jumbo(+500 microns) PFS delivers strong economics No deleterious material Located in the politically stable democratic country of Tanzania
RESOURCE OF THE FUTURE	Graphite fast becoming resource of the future with demand & consumption increasing across various industries & technologies Although China is largest producer of graphite, supply problems in large & jumbo flake have created a new dynamic in the future supply/demand equation of graphite

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Board & Management

Deep technical expertise & corporate experience

Dr Frank Houllis CEO BSc (USyd BEng) (Chem 1st Class, USyd), PhD (USyd)	• **20 years practical experience in development & engineering of metallurgical process** • Focused on processes for wide range of commodities. Has led process development teams at ANSTO (process manager, 2008-), BHP Billiton (principal engineer, 2005-2008) & Intec Ltd (1995-2005)
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 Aust, 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
Stephen Hunt **Non-Executive Director** *BBus (Marketing)*	• **25+ years experience in worldwide marketing of steel & mineral products** • 15 years at BHP Billiton inc 5 years in London marketing minerals to European & 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*	• **30+ years experience in resources sector** • Managed established companies & acquisitions, expansions or start-up mining operations in Aust, 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.

Nachu Graphite Project Location

The Nachu tenement is west of the coastal city of Lindi & ~200km by road from port city of Mtwara in SE Tanzania

Closer to ports means lower logistics costs…

US$150M Financing with SINOMA

- Binding US$150M debt finance term sheet signed with SINOMA to develop the Nachu Graphite Project
- Agreement covers the engineering, procurement, construction and financing (EPC+F) of a 200,000tpa plant
- Debt to equity ratio of 90:10 and financing at commercially competitive rates.
- SINOMA is a China based vertically integrated graphite conglomerate with experience spanning five decades

SINOMA Binding Offtake

- Binding Offtakes signed for 80,000 tpa of high quality flake graphite with major SOE, China National Materials Industry Import and Export Corp
- 5 year agreement with an option to extend
- Graphite to be used in production of high tech materials in China and Japan markets
- Market price to be paid

Sinosteel Binding Offtake

- Binding Offtake signed for 100,000tpa to supply Sinosteel Liaoning Co Ltd with high quality flake graphite
- 10 year agreement with option to extend for 5 years
- Graphite to be used mainly in the Electric Vehicle battery sector
- Market prices to be paid

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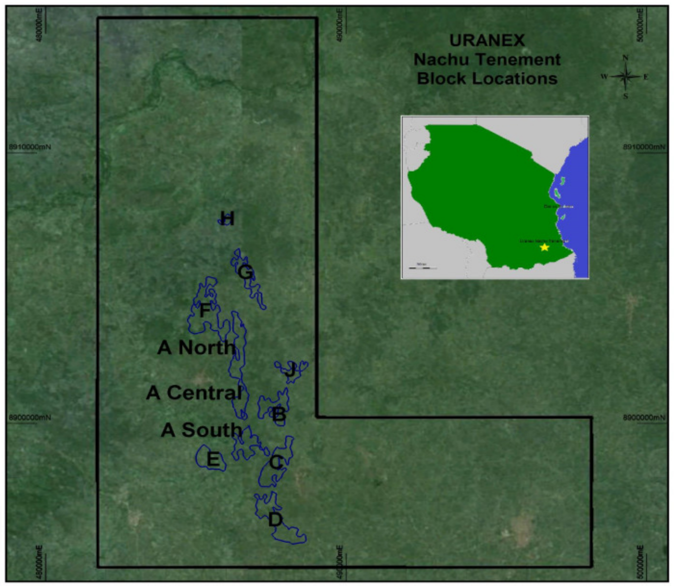
Nachu Graphite Project

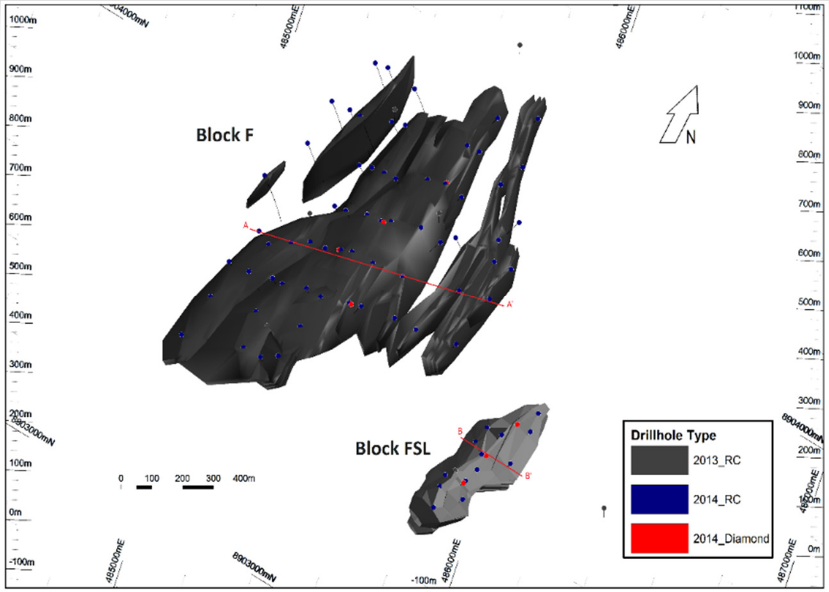
- MNS holds 100% interest in Nachu Graphite project in Tanzania
- Maiden JORC Resource – 156Mt @ 5.2% TGC
- Over 8Mt of contained graphite
- 30+ year mine life at 250,000tpa
- 66% of resource in measured and indicated categories
- Maiden JORC resource defined from only 2% of the Nachu tenement

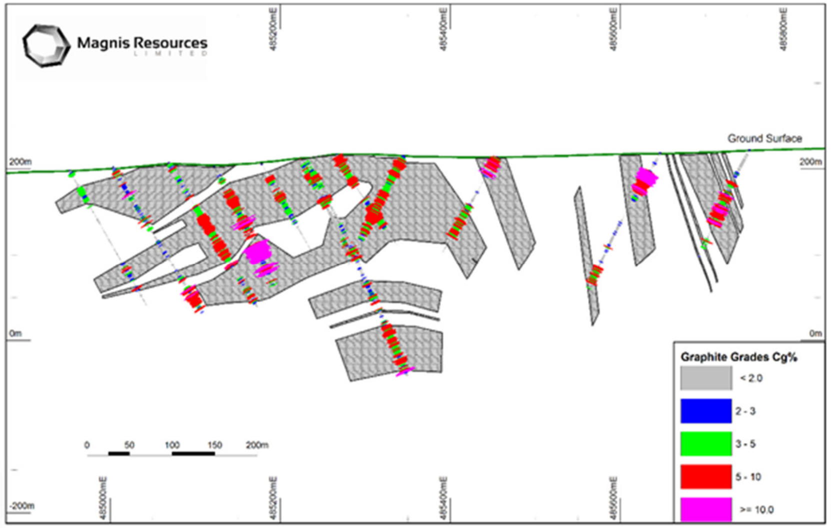


A World Class Project…

Pre-Feasibility Study

- NPV of US$1.04B with 84% IRR
- Capital cost estimate of US$171.4 million
- 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 costs
- Major cost improvement opportunities





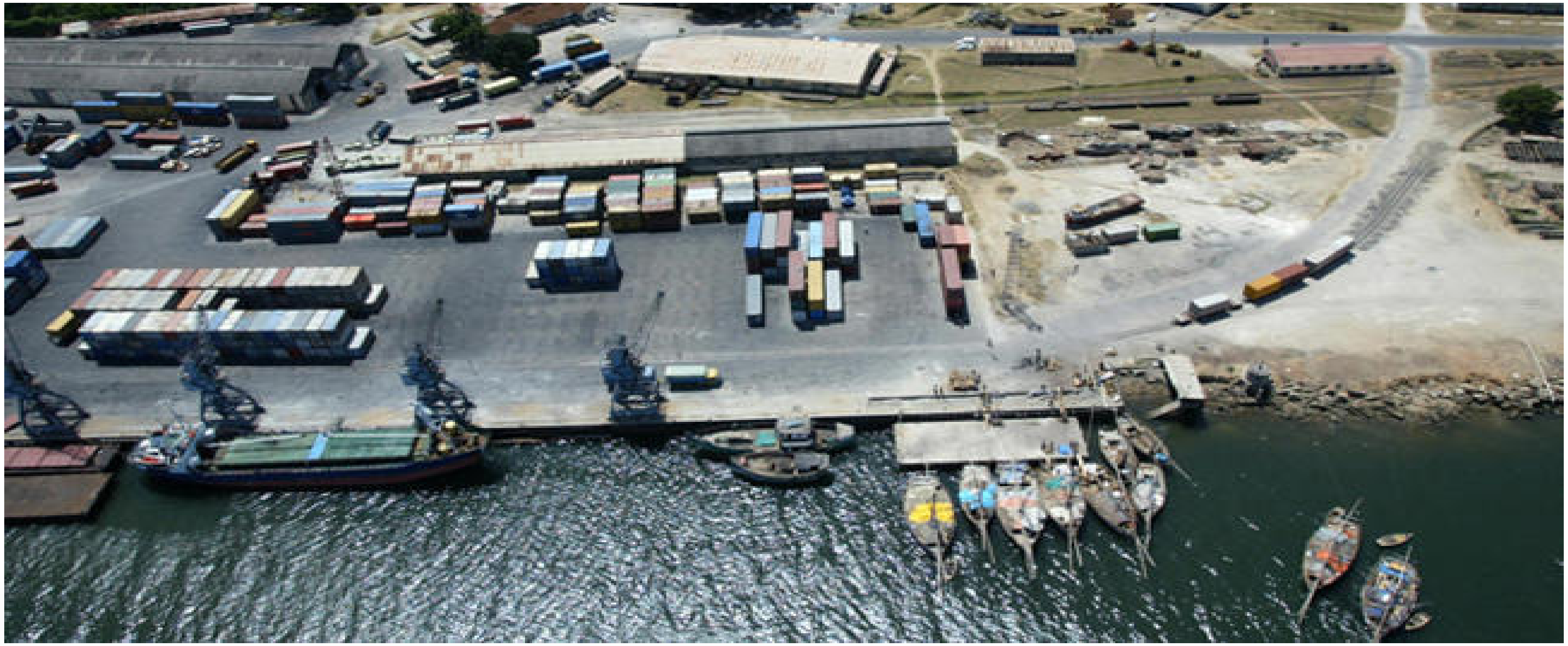
Nachu Graphite Project Metallurgical Results

Excellent metallurgical results

- 95.2% TGC (Total Graphitic Carbon) from basic floatation
- 97% TGC (Total Graphitic Carbon) from basic flotation for Super Jumbo (+500 microns) and Jumbo flake product (+300microns)
- 97% recoveries
- 68% Jumbo and Super Jumbo flake
- 87% of flake graphite in Large, Jumbo and Super Jumbo flake categories
- Results repeated throughout Block F from many core drills
- No deleterious materials

Nachu Graphite Project Infrastructure

- Road: 200km to port, 140km sealed & 60km hard dirt road that goes through the project site
- Port: 400ktpa capacity (136ktpa utilised on average)
- Water: water available at the project site
- Power: onsite generation, low power consumption
- Offshore gas development a boom for the area



Tanzania Mining Industry

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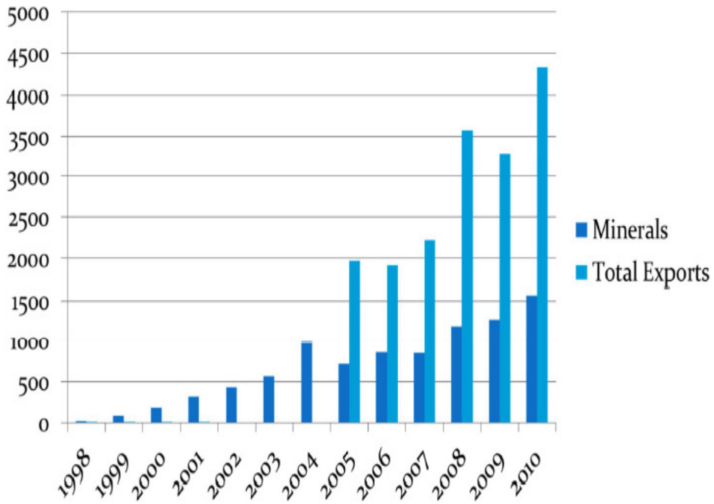
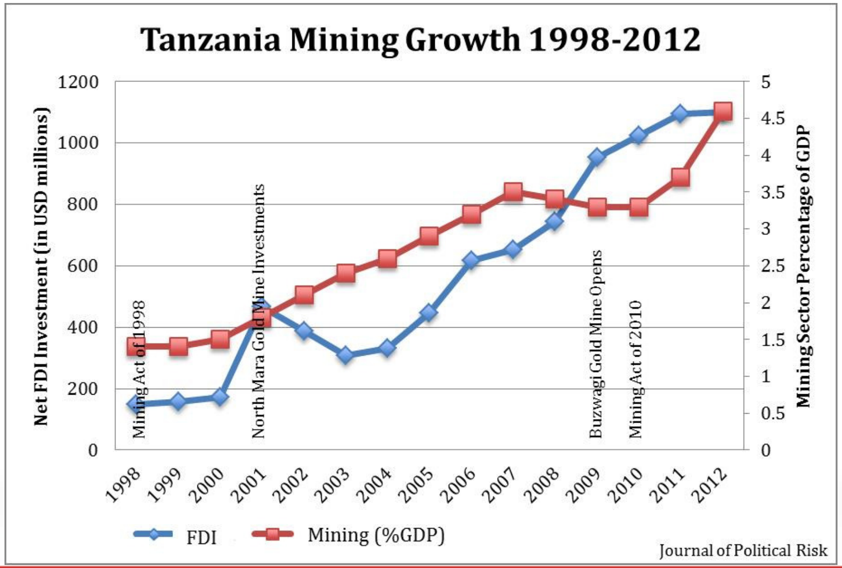
- Tanzania GDP growth ~7% in 2013 & 2014, forecast at same rate in 2015 & 2016
- Mining contributes 3.3% to GDP
- Political stability following independence in 1961
- Reform of mining policy to attract investment since 1998
- Agriculture remains dominate industry
- Tanzania is 4th largest gold producer in Africa

Supportive government focused on mining sector growth…





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Graphite Company Analysis

Flake size peer comparison											
Flake size	**Sieve size (microns)**	**MNS**	**SVM**	**SYR**	**TLG**	**Sieve size (microns)**	**TON**	**Sieve size (microns)**	**LMB**	**Sieve size (microns)**	**KNL**
Jumbo	>300	**65.6**	34	8.5		>400	7.3	>320	3.2	>300	22
Large	180-300	**22.1**	29	12		212-400	16	160-320	3.9	180-300	29
Medium	150-180	4.2		12		106-212	36	80-160	17	106-180	24
Fine	75-150	8.1	19	23		75-106	17			75-106	10
Amorphous	<75		18	46	100	<75	24	<80	76	<75	16

Source: ASX Announcements.

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

Size does matter...

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Nachu Project - Timeline

	2014			2015				2016			
	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Drilling	✓	✓	✓								
Resource Estimate	✓	✓	✓								
MOU's for Offtake		✓									
Sinosteel & Dalian MOU (100k tpa)		✓									
Metallurgical testwork	✓	✓	✓	✓							
Maiden JORC Resource			✓								
Pre-feasibility Study		✓	✓								
Binding off-take Agreements			✓	✓							
Environmental Impact Study		✓	✓	✓	✓						
Detailed Design				✓	✓	■					
Project Finance				✓	✓	■					
Mining Approval					✓	■					
Engineering & Plant construction						■	■	■	■	■	
Production											■

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

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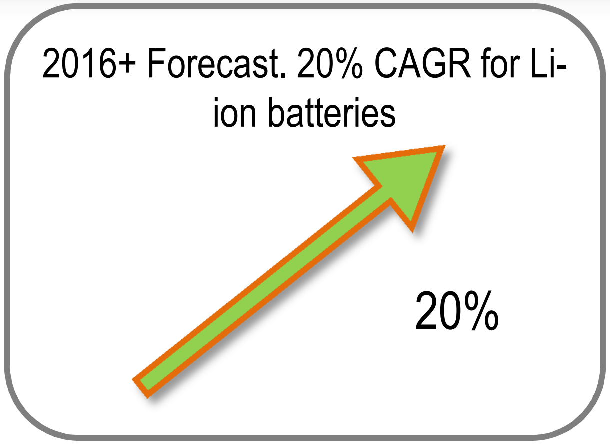
Graphite Sector Overview

Graphite Uses Growing

- Li-on batteries(growing electric car market)
- Fuel cells
- Pebble bed reactors
- Lubricants
- Refractories
- Replacement of petroleum coke in steel industry
- Graphene a strong, conductive & flexible super material

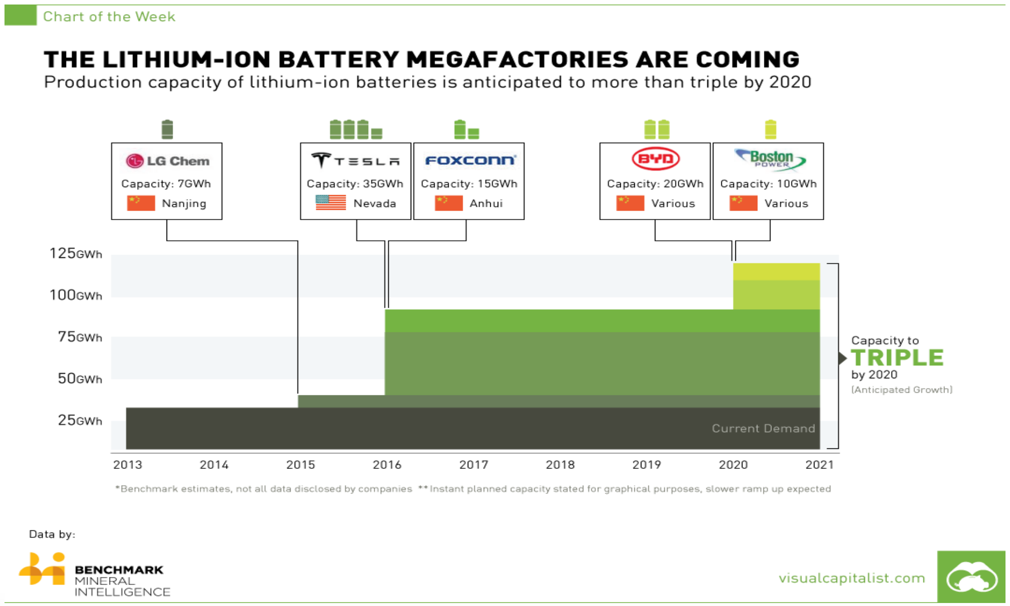


Tesla's $5b battery gigafactory due to be operational in 2016

By 2016 30% of Chinese govt car fleet will be made up of electric cars

Current Consumption

- Current world consumption c. 1.5 – 2Mtpa
  - 45% flake
  - 54% amorphous
  - 1% lump
- China produces 70-80% world graphite
- China was net importer of flake graphite in 2013



Beyond the pencil....

Summary

- ✓ World class long mine life near surface resource
- ✓ 87% of flake graphite in Jumbo and Large categories which demands a premium price
- ✓ Binding Offtakes for 180,000 tpa with 2 leaders in the graphite industry
- ✓ Binding US$150M debt finance term sheet signed with SINOMA
- ✓ High grade product produced with no deleterious elements
- ✓ Large margins of over US$1,600 per tonne
- ✓ Great location of project with supportive government
- ✓ Industry demand from strength to strength

Every box ticked…

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