

Magnis Resources
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FOR RELEASE
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MINERAL DEVELOPMENT AGREEMENT FINALISED WITH TANZANIAN GOVERNMENT

- **Mineral Development Agreement provides sovereign fiscal stability for the Nachu Graphite Project**
- **Tanzanian Government to hold 5% free carry interest**
- **Tax, royalty and duty rates locked in**
- **Provisions in place to prevent any form of nationalisation of the project**

Magnis Resources Limited (ASX:MNS) is pleased to announce that the Company has reached agreement with the Tanzanian Government on the terms of the Mineral Development Agreement (MDA) for the Nachu Graphite Project in Tanzania (Project).

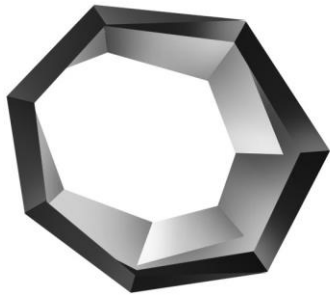
An MDA is a mechanism within the *Tanzania Mining Act (2010)* for the holders of a Special Mining Licence (SML) to ensure the rights of both parties are fully defined and protected. The term of the agreement is 10 years.

Whilst there are a number of commercial matters covered by the MDA, the key terms agreed are summarised as follows:

1. A 5% free carried shareholding in the Project for the Government of Tanzania.
2. An option for the Government to purchase an additional 10% of the Project at "fair market value" as determined by an internationally recognised valuer.
3. Fiscal stability which ensures all taxation, royalties and duties are fixed for the term of the MDA.
4. A tax rate of 30% and a 3% production royalty.
5. Provisions that prevent any form of nationalisation of the Project.

These terms are considered beneficial to the Company and will provide a great deal of certainty to those parties interested in financing the development of the Project. Furthermore, in relation to other jurisdictions, the terms are considered to be very competitive and it greatly assists the Project to be economically attractive to investors and all other stakeholders.

The MDA has been finalised following considerable discussions with the Government's Negotiating Team and approval from the Mining Advisory Board. The Ministry of Energy and Minerals has now issued a letter to the Company confirming the agreement.



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Chairman Frank Poullas commented: "The Company would like to thank the Government officials from all levels representing the many Ministries that have been involved in the process. We certainly welcome our partnership with the Government in the Project and we look forward to our end goal of bringing Nachu into production in a sustainable manner for the benefit of all stakeholders, especially the local community. The Nachu Project has the potential to be of similar economic significance to Tanzania as the gold industry, which has also benefited from the political stability and degree of comfort from previous MDA agreements."

"I would also like to thank our team in Tanzania who have proven time and again that they can deliver major milestones in a very tight time frame."



Figure 1 – Magnis Resources representatives and members of the Tanzanian Government Negotiation Team

Frank Poullas
Chairman
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