

Magnis Resources
L I M I T E D

Investor Update

Exceptionally high purity natural flake graphite

ANNUAL GENERAL MEETING, 21 October 2016

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Magnis Resources

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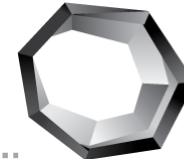
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Magnis and the Nachu Project



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- Nachu is a significant industry leading asset poised for development
 - Annual production of ~240kt graphite concentrate for an initial 15 year LOM
- Superior flake size and purity of Nachu graphite deposit drives our competitive advantage
 - Thickness and ordered crystal structure of Nachu natural graphite flake supports production of spherical graphite through sustainable processing and flexibility to meet customer specifications
- Clean, sustainable and simple flowsheet
 - Low carbon and chemical footprint
- A shovel ready project
 - BFS completed in March 2016 confirmed the high returning potential of the Nachu project
 - Clear strategy and process route to produce a high quality spherical graphite product
 - All requisite regulatory and environmental permits finalised
- Project timeline for first production in 2018 coincides with the beginning of battery “mega-factory” ramp ups
- Board and management team with a proven track record and range of skill sets to realise value in a dynamic and rapidly evolving industry

Corporate Overview



Magnis Resources

Capital structure

ASX ticker	MNS
ASX share price (20 Oct 2016)	A\$0.82
12 month share price range	A\$0.28 – 1.12
Shares on issue	444.1 million
Market capitalisation	A\$364 million
Options (\$0.09533 strike, May 2017 expiry)	104 million
Options (various strike)	17.1 million
Average daily volume (3 months)	1.96 million
Cash	A\$5.4M
Debt	A\$0.0M

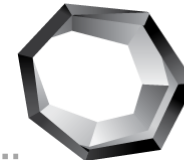
Major Shareholders

Shareholder	Shares (M)	Ownership
Mazzdel Pty Ltd	48.6	10.9%
Pershing Aust. Noms	21.1	4.8%
Citicorp Noms	16.4	3.7%

Analyst Coverage



Board and Management

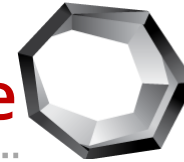


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Frank Poullas Non-Executive Chairman <i>MAICD</i>	<ul style="list-style-type: none">▪ 15 years in investment markets and engineering sectors▪ Partner in a successful IT firm
Cobb Johnstone Non-Executive Director <i>B.Eng</i>	<ul style="list-style-type: none">▪ Mining engineer with +30 years experience. Previous roles include Chief Operating Officer positions of Equinox Minerals and Sino Gold, served as General Manager of Kalgoorlie Super Pit, Olympic Dam and Northparkes▪ Lead Non-Executive Director of Evolution Mining
Len Eldridge Executive Director <i>B.Econ</i>	<ul style="list-style-type: none">▪ 14 year background in mining finance and commercial roles including senior positions with Equinox Minerals, JCP Investment Partners and Macquarie Group▪ Founding principal of Fivemark Partners, a specialist mining advisory group
Johann Jacobs Non-Executive Director <i>B.Acc, MBL, FCA, FAICD</i>	<ul style="list-style-type: none">▪ 30+ years experience in the resources sector▪ Managed established companies and acquisitions, including project expansions and start-up mining operations in Australia, South Africa and Indonesia
Peter Tsegas Non-Executive Director	<ul style="list-style-type: none">▪ 15+ years experience in Tanzania engaging both private and public sectors on projects; Tanzanian resident▪ Previous consulting roles to the Tanzanian government and to a number of mining companies including Rio Tinto
Dr Frank Houllis Chief Executive Officer <i>B.Sc (USyd BEng) (Chem 1st Class, USyd), PhD (USyd)</i>	<ul style="list-style-type: none">▪ 20 years practical experience in development and engineering of metallurgical process▪ Deep process experience across a wide range of commodities; led process development teams at ANSTO (process manager, 2008-2014), BHP Billiton (principal engineer, 2005-2008) and Intec Ltd (1995-2005)
Rod Chittenden Head of Operations	<ul style="list-style-type: none">▪ 30 years experience, metallurgist with a strong track record in project development; has worked in Australia, Europe, Africa▪ Detailed involvement in metallurgical testing, feasibility studies, process design and commissioning for projects with Newcrest Mining, Barrick Gold, Paladin Energy and Mantra Resources
Shailesh Upreti Lead battery consultant <i>PhD (IIT Delhi)</i> <i>Post Doc (Prof Stan Whittingham, SUNY New York)</i>	<ul style="list-style-type: none">▪ 16+ years experience in lithium-ion battery technologies▪ Strong track record in product development and commercialisation▪ 5 year PostDoc completed under the supervision of Professor Stan Whittingham, one of the leading pioneers in development of Lithium-ion batteries with over 40 years experience in the field
Brent Laws Exploration Manager <i>B.Sc Geology (Honours)</i>	<ul style="list-style-type: none">▪ Geologist with a broad and diverse 12+ years of experience including exploration, resource development and mining management roles in emerging markets projects. Previous roles at Newmont and Oz Minerals▪ 7+ years of African based project development experience

Deep technical expertise & relevant experience to advance Nachu and generate shareholder returns

Shovel ready project of significance

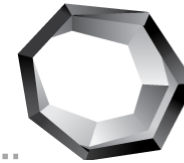


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- Located west of the coastal city of Lindi and ~220km by road from port city of Mtwara in south east Tanzania
- One of the most advanced graphite projects of scale globally
- BFS completed
- ESIA completed in accordance with Equator Principles guidelines
- Power solution
- Port access
- All requisite environmental and mining permits secured
 - Special Mining Licence (SML) granted to Nachu by the Ministry of Energy and Minerals of Tanzania
- Mineral Development Agreement (MDA) finalised for Nachu



A differentiated strategy

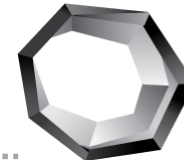


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- Not all graphite is created equal and the market for graphite is not homogenous
- Concentrate purity and a “sustainable” flowsheet to produce coated spherical graphite are key value drivers in the growing lithium-ion battery market
- Capitalise on the significant divergence in graphite end markets by focusing solely on growing and high value product markets
 - Avoid exposure to traditional graphite markets with clear future oversupply risk in fine grain, lower purity products
 - Produce a high quality spherical graphite product for use in lithium-ion battery anodes
- BFS work driven by a team with significant process engineering experience and a focus on product development
- Progress discussions with potential off-takers in a manner that will allow full value capture for the high purity Nachu ore body



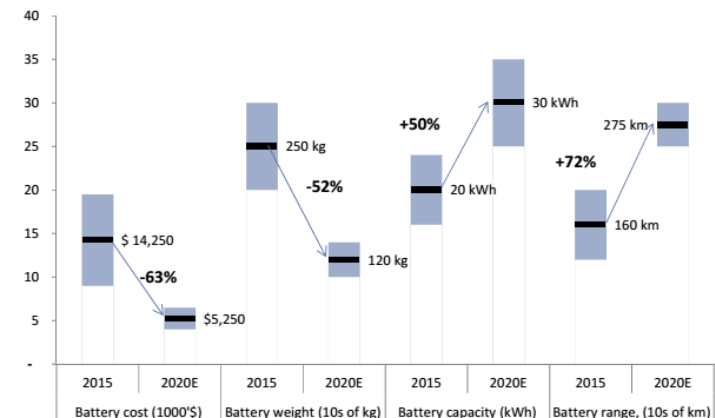
Nachu quality and our markets



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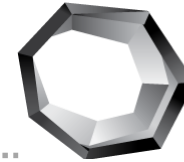
- Nachu graphite will not be competing with new production currently under construction in traditional graphite markets
 - Capture market share in the growing lithium-ion battery market
 - Provide a cost effective, sustainable and higher performance alternative to synthetic graphite
- Higher proportion of very coarse flake and purity of Nachu graphite provides a higher level of product flexibility
 - Starting with higher flake size and simple flotation flowsheet Magnis can adjust production to meet the market
 - Can move down the size spectrum; others can not start with smaller flake and move up the size spectrum
- Nachu flake size and thickness drives spherical graphite yield of 75%
 - Use of +150 micron feedstock drivers higher spherical yields
 - Commentary suggesting <150micron material “required” for spherical production is incorrect and is based on current Chinese supply chain which yields 30-40% spherical graphite from natural flake

High performance materials will play an important role in efficiencies and battery performance evolution



Source: Goldman Sachs, November 2015

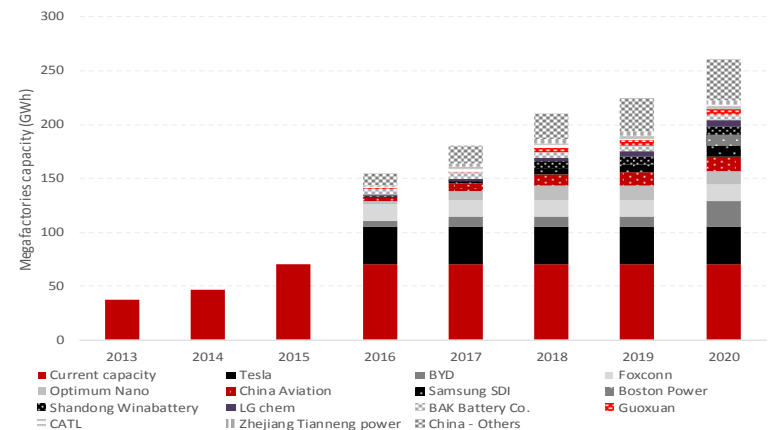
Rapid evolution of a global industry



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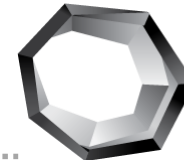
- A global movement towards the adoption of clean energy technology
 - Transportation
 - Energy storage
- Strong Western world and Chinese investment in battery mega-factories will increase competition for raw materials
- Mega-factories capacity forecasts are largely representative of current EV visibility; this is just the beginning
- Value of sustainable footprint across the supply chain is becoming a focus

Significant investment underway in the battery supply chain



Source: Deutsche Bank, May 2016

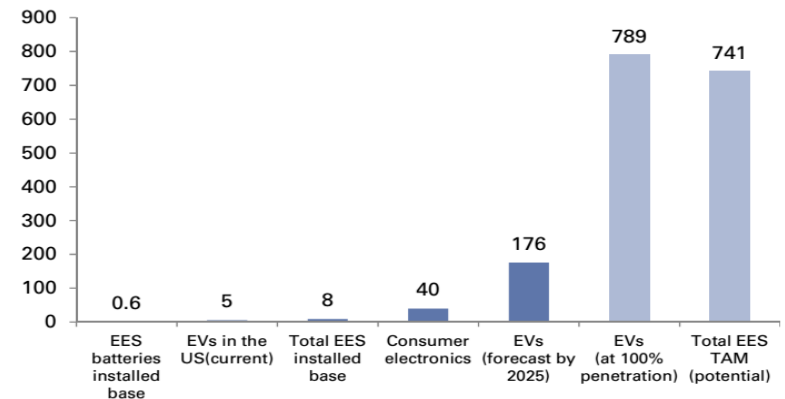
A structural change to anode demand looming



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- Current graphite anode demand dominated by consumer electronics
- Demand growth to be driven by larger scale batteries
 - Automotive demand a looming step change with significant investment underway
 - Energy storage demand evolving
 - Step change in quantum, performance and quality requirements
- Nature of demand growth presents significant challenges for current anode supply chains
- Magnis' strategy is focused on providing an alternative to the current spherical graphite supply chain through a greener, more cost effective and secure route to market

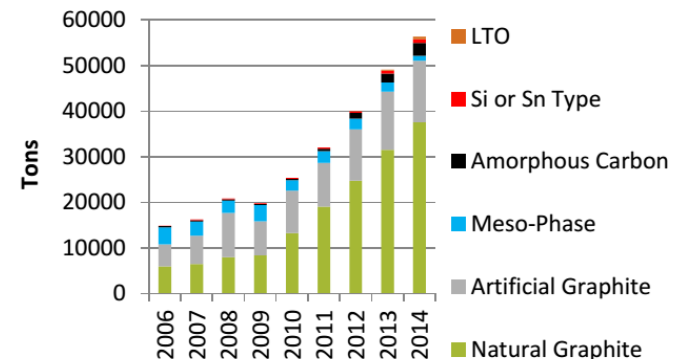
Structural change looming in Lithium-ion demand (GWs)



Source: DOE, EPRI, Avicenne, Goldman Sachs Global Investment Research.

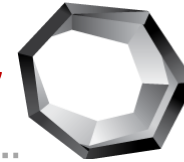
Increasing market share for natural graphite

LIB Anode market, (Tons)



Source: Avicenne Energy, May 2015

“Megatrends” and “hyper-adoption”



- Volkswagen strategy highlights the structural shift towards electric vehicles
- Target of 20-25% of group sales in 2025, implies annual sales of 2-3m “e-cars” v 2015 Volkswagen global total sales of 9.93m
 - Compares to broker/industry forecasts of EV sales representing ~2.5% of new cars sales by 2020
- To support strategy Volkswagen anticipates fleet requirement of ~150Gwh by 2025
 - Equates to ~165ktpa anode material or ~165ktpa spherical graphite
 - At current Chinese flake yields into spherical graphite estimated at 30-40%, equates to ~470ktpa of natural graphite
 - Nachu graphite test work has indicated spherical graphite yields of ~75%
- EV are no longer the domain of Silicon Valley companies
 - EVs represent “product innovation” of a staple of civilisation not revolution which drive the potential for “hyper adoption” scenarios that significantly exceed market forecasts

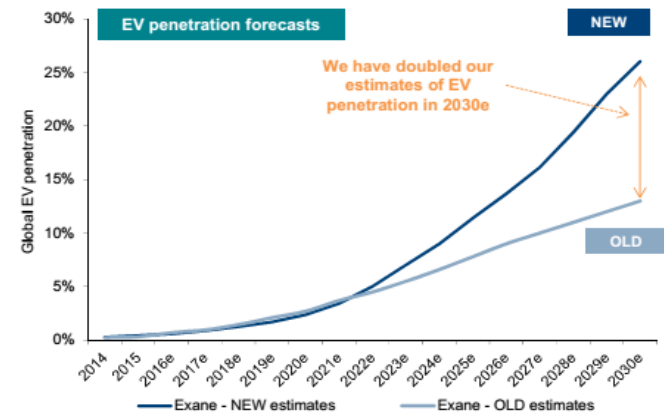
VOLKSWAGEN
AG | VAG | VOLKSWAGEN GROUP

THE ELECTRIFICATION INITIATIVE OF THE VOLKSWAGEN GROUP

- Goal: to position Volkswagen as a driving force behind the expansion of electro-mobility; e-car to become a new hallmark of the Group
- >30 new pure-electric vehicles by 2025
- Annual unit sales of 2 to 3 million e-cars by 2025, equivalent to 20–25 percent of total sales

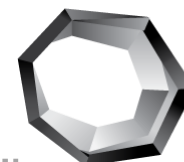
Source: Volkswagen, June 2016

A dynamic and potentially rapidly growing market



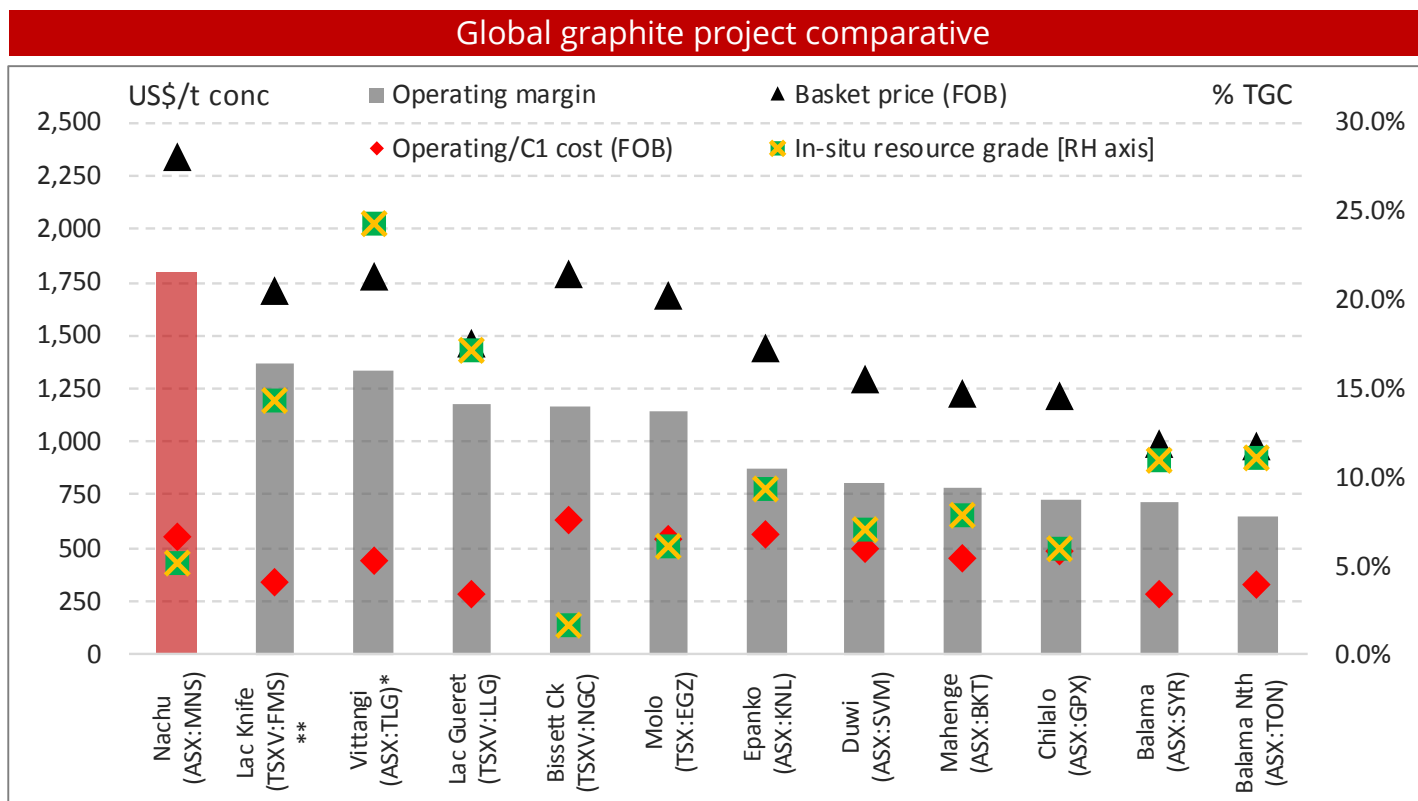
Source: ExaneBNPP, September 2016

Outstanding Margin Dynamics



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- Nachu concentrate product purity and coarse flake distribution drive outstanding projected margins
- Pricing outcomes reflect Magnis' potential access to higher value end markets across entire reserve base and product suite versus competing projects

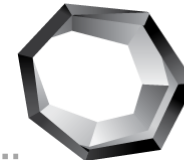


Source: Various company exchange releases on Scoping Study, PFS and DFS outcomes

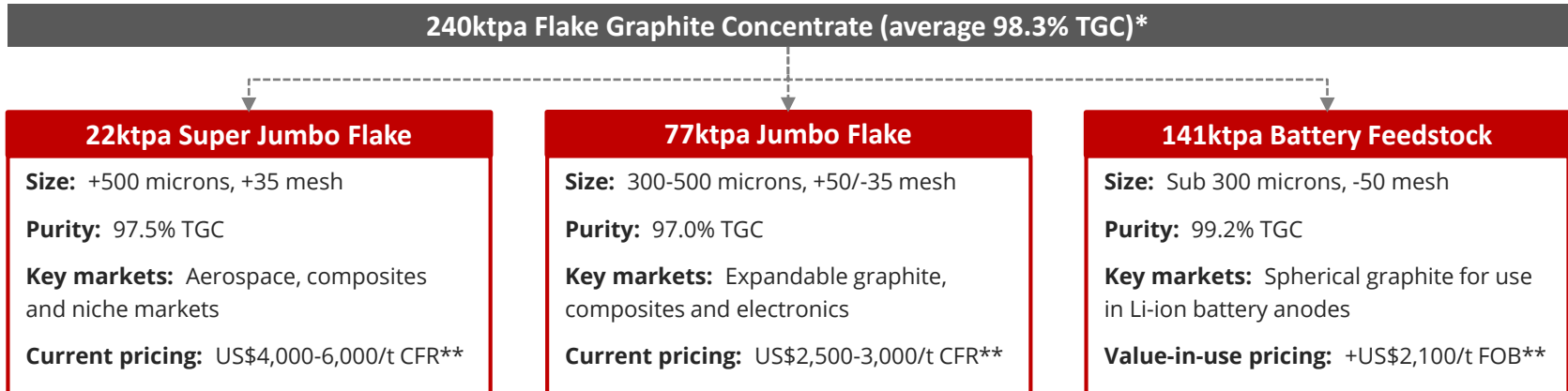
* Vittangi development case involves new direct processing technology and its basket price includes an assumed ~1kt super high-value graphene production

** Lac Knife (Focus) operating cost estimate does not include transport and product logistics

Product Streams and Pricing



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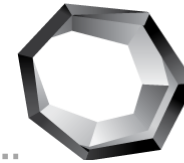


- Premium pricing due to purity, absence of halides and terminal product performance
 - Spherical graphite produced from Nachu Battery Feedstock delivers superior performance to leading synthetic graphite
- Downstream margin capture
 - Toll processing (spheronising and coating) to produce spherical graphite
- Strong market outlook for all Nachu product streams
 - In contrast, clear future oversupply risk in fine grain, lower purity products
 - Large flake sizes provide significant marketing flexibility

* Concentrate production rate over first 12 years of initial mine plan

** Current pricing based on industry sources and end user discussions

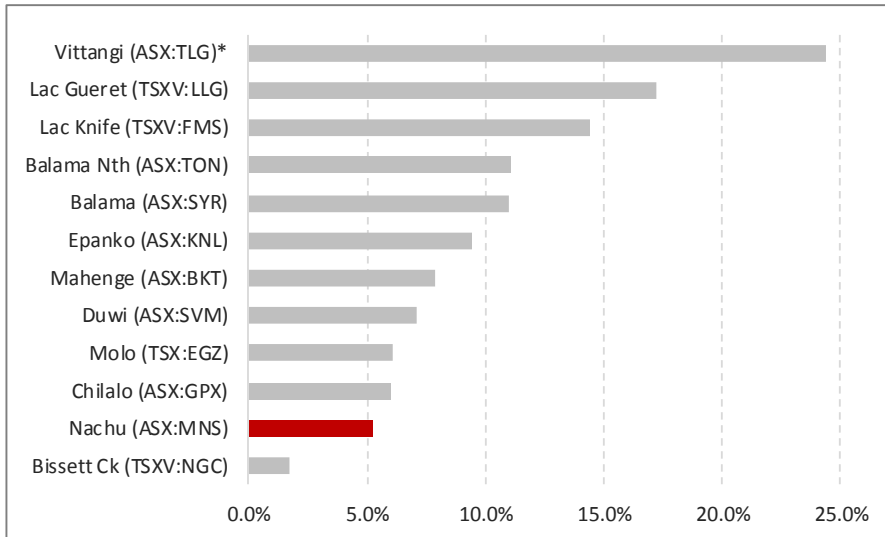
High Quality, High Value Deposit



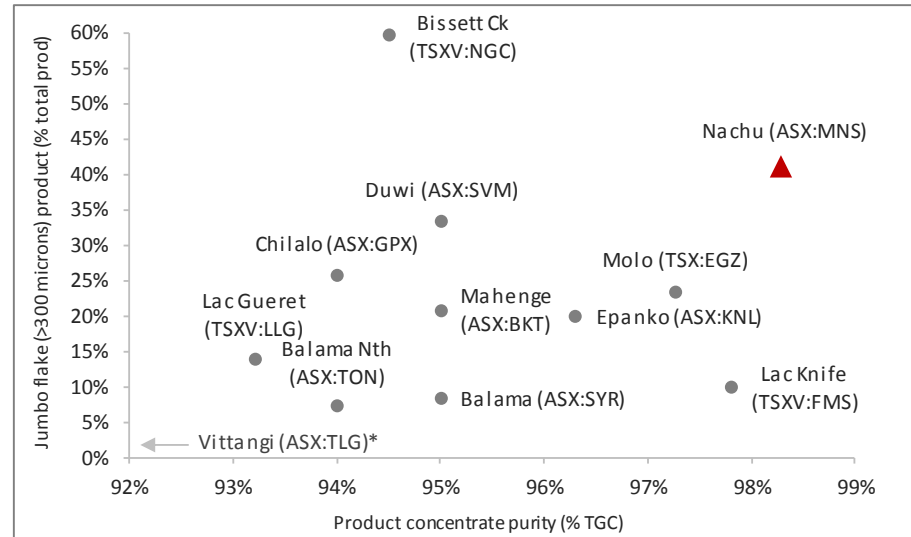
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- In-situ grade is just one of the relevant factors in graphite project analysis
- Graphite project economics predominantly driven by realised basket price
 - Final concentrate purity and flake size distribution are therefore critical and need close evaluation
- Huge price differentials (and forecast to grow) between high and low value product concentrates
 - 98-99% purity / +150 micron product versus 94-97% purity / sub-150 micron concentrate

In-situ resource grade (% TGC)



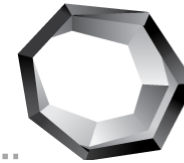
Average product concentrate purity and Jumbo-plus flake



Source: Various company ASX releases on Resource estimates and Scoping Study/PFS/DFS outcomes

* Vittangi development case involves new direct processing technology and includes an assumed ~1kt super high-value graphene production

Exceptional Purity and Flake Size



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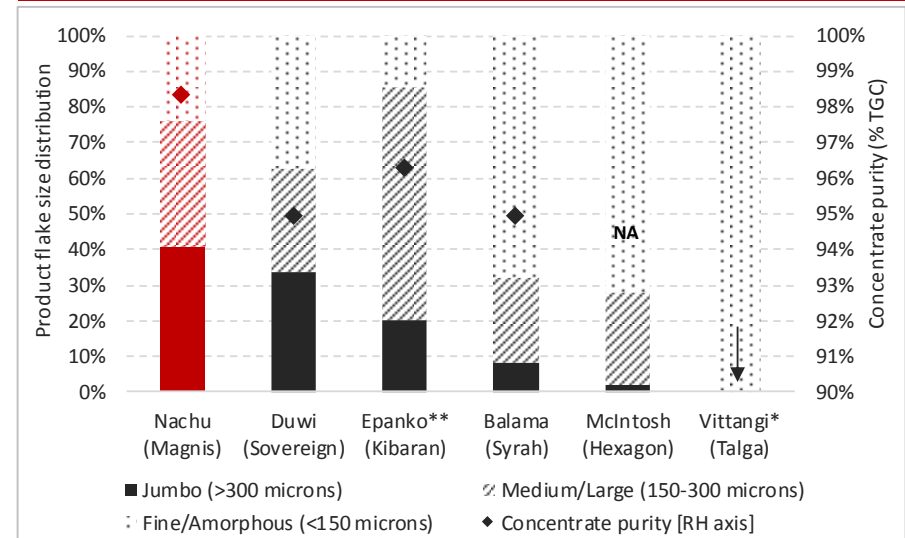
- Exceptional final concentrate grade of +99% TGC for sub-300 micron product from solely flotation = very rare at 92% process recovery
 - Driven by Nachu being coarse flake with impurities on the surface not within the crystalline structure
 - High value, high appeal as removes/minimises need for expensive downstream chemical purification (HF/HCl treatment) for use in Li-ion battery anodes and expanded graphite material
- Over 40% of Nachu product in high value Super Jumbo (+500 microns) and Jumbo (+300 microns) flake sizes

Graphite flake size and concentrate grades

Classification	Concentrate grade (% TGC)	Sieve size (microns)	Sieve size (mesh)	Weight distribution
Super Jumbo	97.5%	> 500	+35	9%
Jumbo	97.0%	300 - 500	+50/-35	32%
Large	99.2%	180 - 300	+80/-50	25%
Medium	99.1%	150 - 180	+100/-80	10%
Fine	99.0%	75 - 150	+200/-100	18%
Amorphous	98.9%	< 75	-200	6%

Battery Feedstock

Product flake size distribution and average concentrate purity

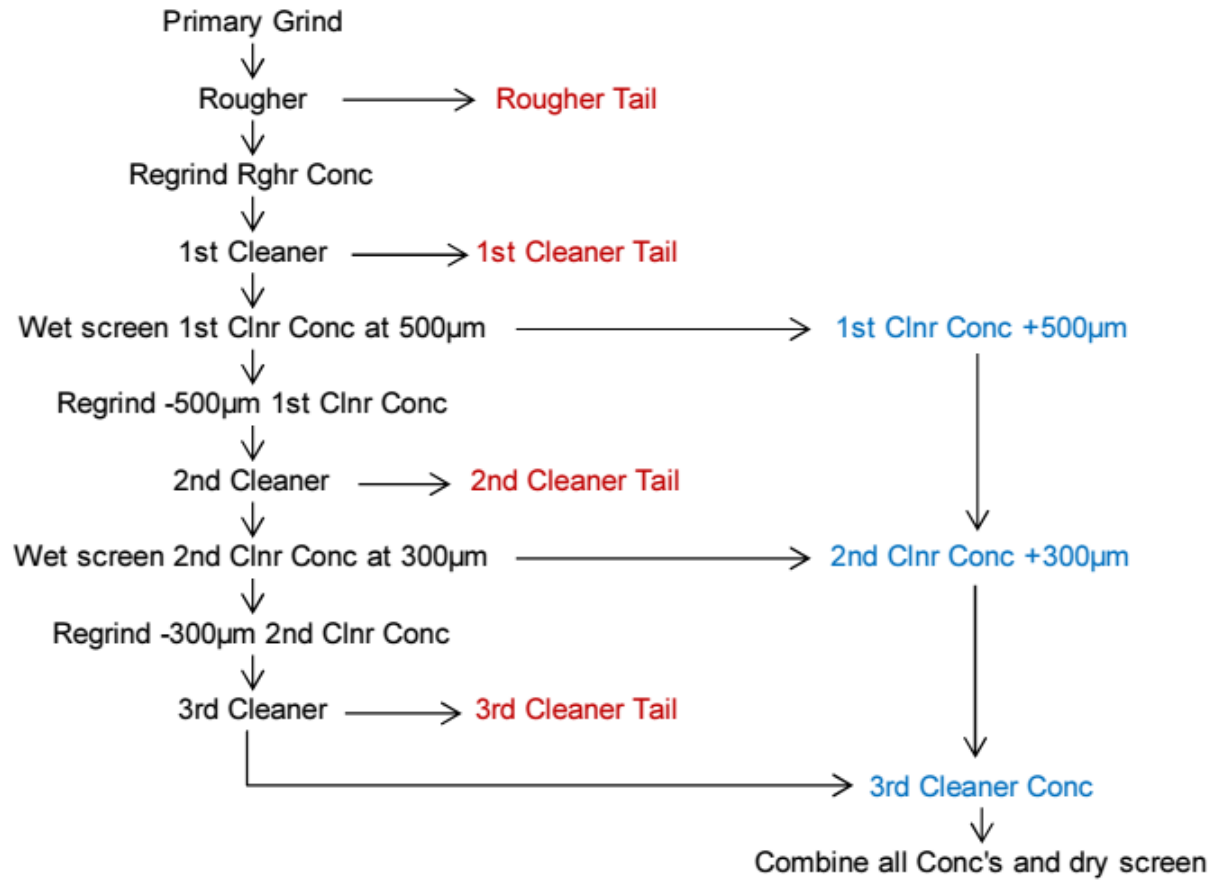
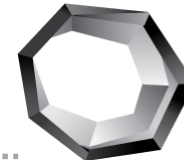


Source: Various company ASX releases on Resource estimates and Scoping Study/PFS/DFS outcomes

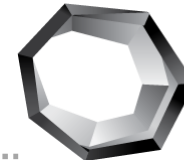
* Vittangi development case involves new direct processing technology and includes ~1kt graphene

** Medium/Large size fraction for Epanko is 106-300 microns (ie includes significant Fine product)

Concentrate flowsheet

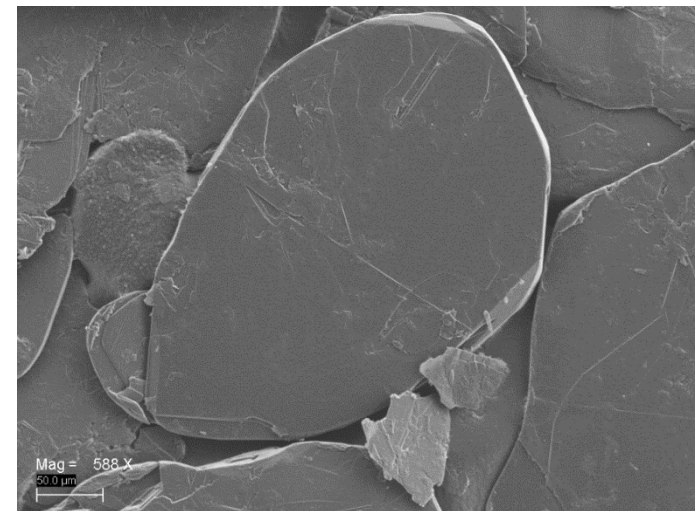
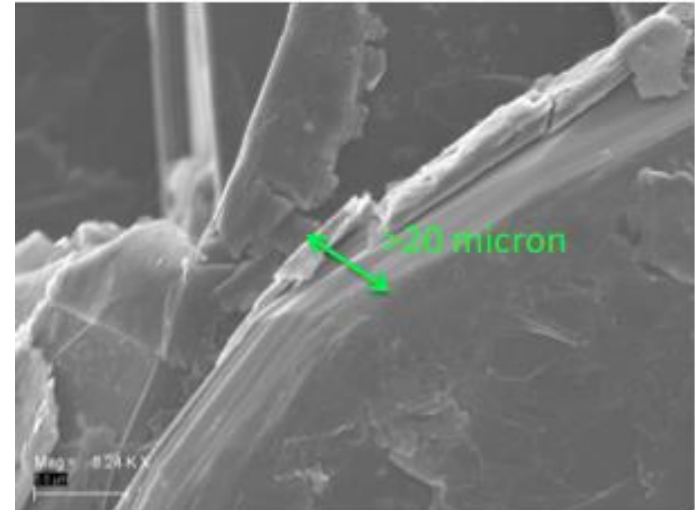


Excellent crystal structure

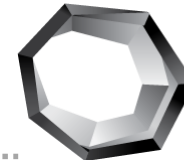


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- Excellent crystal structure with minimum disorder (voids)
 - Higher levels of control over particle engineering and consistency
- XRD Rietveld Analysis of Nachu Graphite Flakes
 - $a = 2.46000(5) \text{ \AA}$
 - $c = 6.70723(5) \text{ \AA}$
 - Cell volume = $35.1517(1) \text{ \AA}^3$
 - $R(\text{Bragg}) = 0.964$

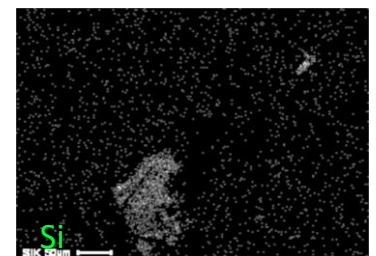
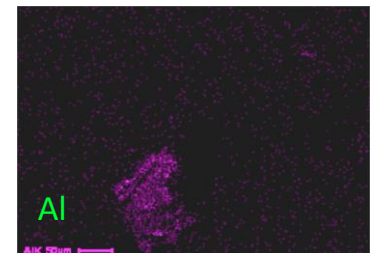
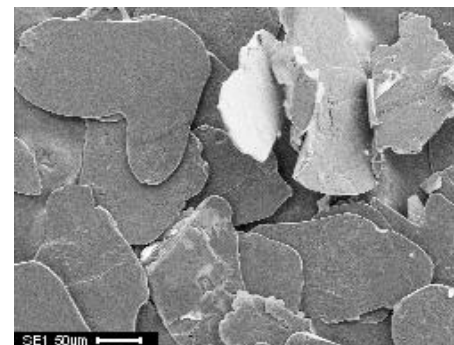
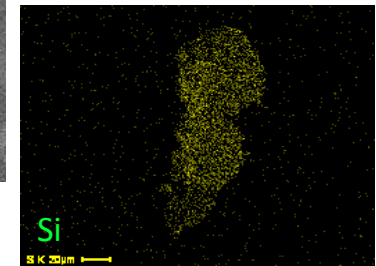
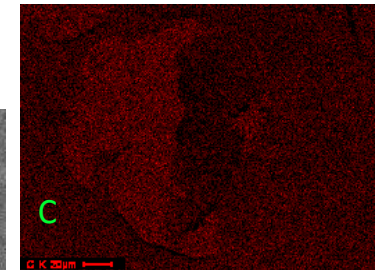
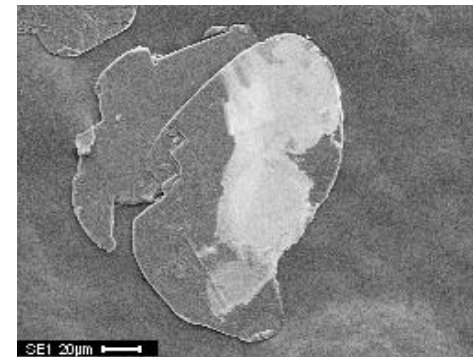


Extremely low impurity levels

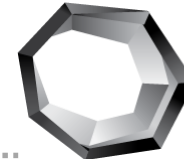


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- Majority of flakes are clean and do not exhibit any meaningful impurities
 - Energy dispersive X ray analysis for impurity mapping
- Flakes with impurities show impurity phases predominately on the crystal surface
- Level and nature of impurities results in ability to produce a battery specification graphite with physical separation methods
 - Avoids chemical and high temperature thermal purification
 - Opportunity to reduce the reliance on Chinese dominated spherical graphite supply chain
- Impurities in Nachu battery feedstock are benign to battery cell performance
 - No meaningful presence in Nachu ore body of impurities which exhibit multiple oxidation states and complicate the purification process

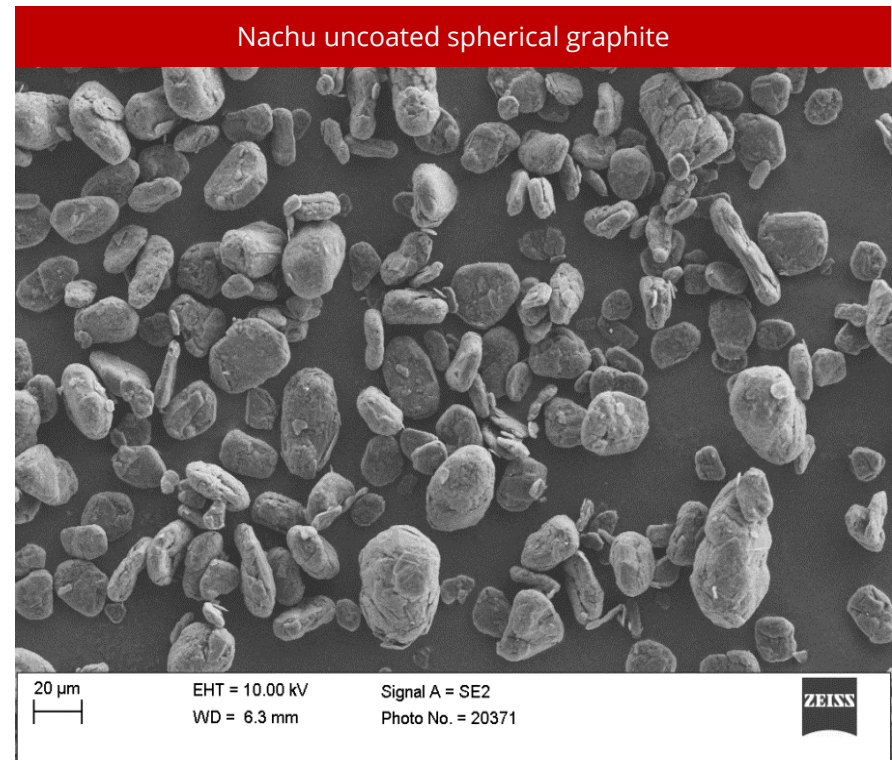


Nachu spherical graphite

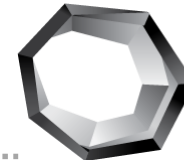


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- >99.8% purity uncoated spherical graphite produced from Nachu concentrate
 - No hydrofluoric acid or other corrosive acids used in the process
 - Utilising commercialised milling technology outside of China
- >70% yield from flake to spheroids
- Flakes engineered to spheroids to maximise packing density
- Key performance parameters
 - Tap Density: 100 taps = 0.92 g/cc, 1000 taps = 1.08 g/cc
 - BET: 5.7m²/g
 - First cycle efficiency 91.2%
 - Discharge capacity (3rd cycle) 359mAh/g
- Remaining impurities greater than 10ppm are benign to cell performance

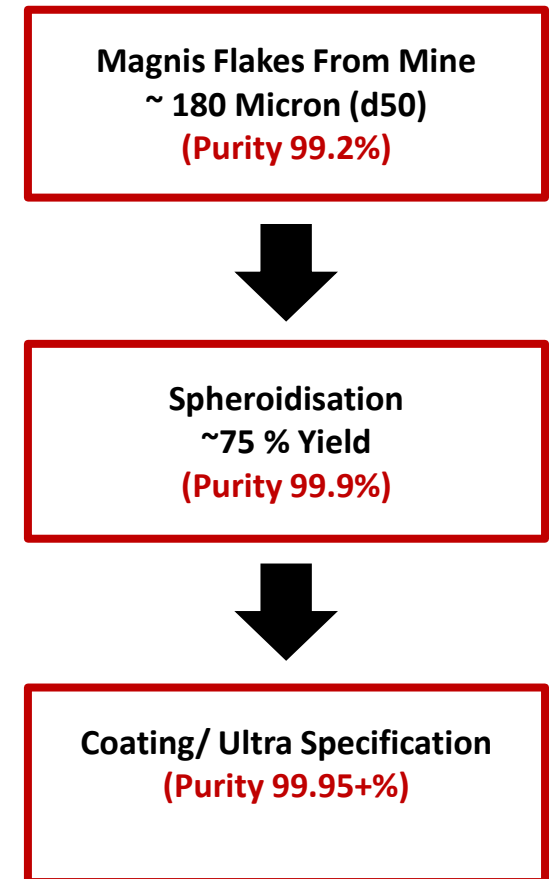


Supply Chain Strategy & IP

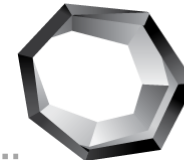


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- Magnis Resources' supply chain has significant flexibility to meet customers indicated specifications
 - This starts and finishes with the quality of the in-situ graphite at Nachu
- Co-location potential of downstream facilities for efficiency, reduced cost and rapid scale up potential to meet end user demand
 - Establishment of a higher quality and consistent non Chinese supply source
- Magnis may supply both coated and uncoated spherical graphite subject to customer requirements
 - Coated Spherical Graphite @ >99.95% C
 - Uncoated Spherical Graphite @ 99.90% C
- Industry leading infrastructure and IP
 - Team with cumulative 50+ years of Li-ion industry experience
 - Access to IP to continue product evolution

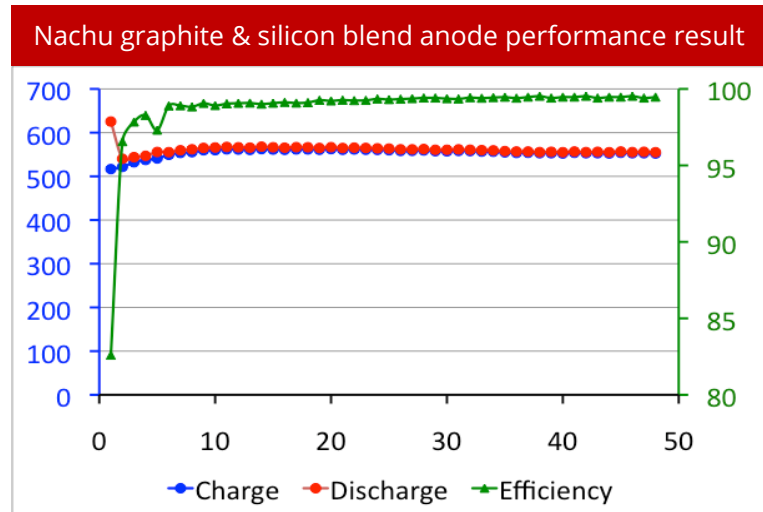


Graphite/Silicon blend results highlight our R&D commitment

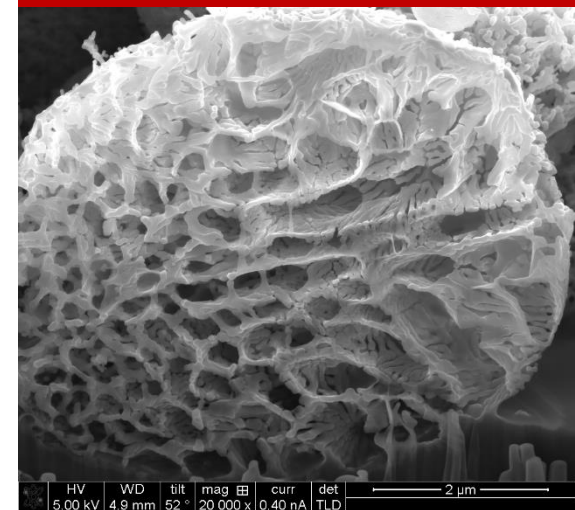


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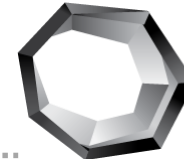
- Graphite and silicon anode blend is an area receiving significant attention from battery makers and car manufacturers for the next generation of high performance anode material
 - Experience of the Magnis team allows for parallel development of the silicon blend with delivery of coated spherical graphite material from the Nachu project
- Testwork conducted for a 10% silicon additive blended with Nachu coated spherical graphite
- Initial results from coin cell testing include
 - First charge capacity capacity of 587+ mAh/g, a 65% improvement over the energy density of ~355mAh/g for current industry standard graphite anode
 - First cycle efficiency >86%
 - More than 98% capacity retention after 38 cycles
- Potential to deliver significant increase in mileage and power
 - The 65% increase in anode capacity translates to 20-30% increase in mileage for current battery pack sizes



Internal view of silicon composite particle



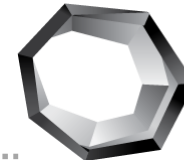
Tanzanian Operating Environment



Magnis Resources

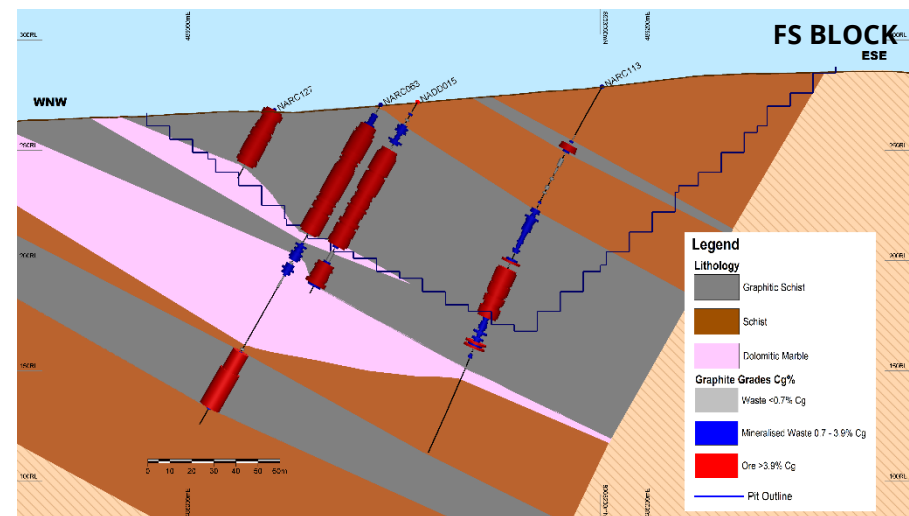
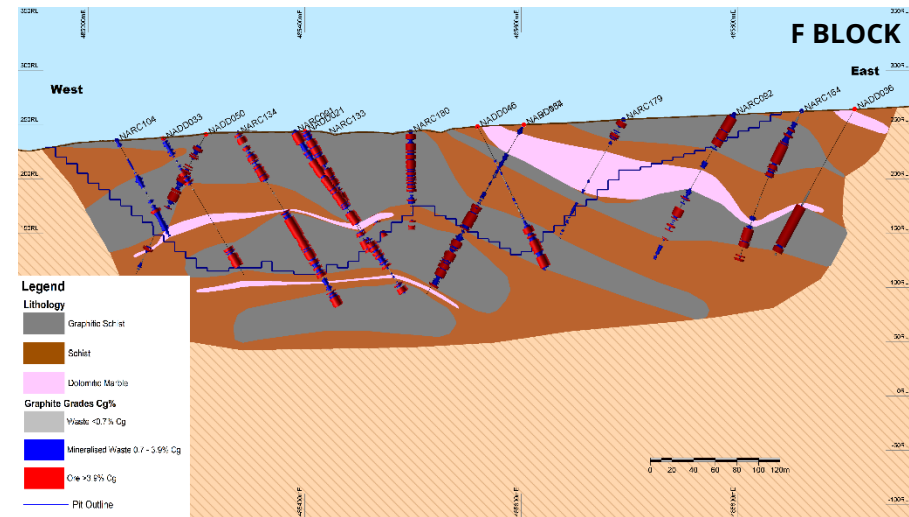
- Tanzania overview
 - Broad stability following independence in 1961 and administered under English common law
 - Presidential constitutional republic with democratic multi-party elections since 1995; most recent October 2015 (current 5 year terms)
 - Track record of successful foreign investment in the mining sector following reform of mining policy in 1998
 - US\$2bn invested in the gold sector since 1998 with Tanzania note the 4th largest gold producing country in Africa
- All requisite environmental and mining permits finalised
 - Special Mining Licence (SML) granted to Nachu by the Ministry of Energy and Minerals of Tanzania
- Mineral Development Agreement (MDA) executed for Nachu
 - 30% corporate tax rate
 - 3% production royalty
 - 5% free carried interest in project for Tanzanian Government
 - Environmental conditions, dispute resolution mechanisms

Simple Geology

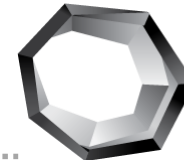


Magnis Resources

- Graphitic schist with later stage dolomite intrusives resulting in high purity and ordered crystal structure
- Impurities on the surface not within the crystalline structure
- Outcropping and near surface
- Open folded anticlines with an average dip of less than 20 degrees
- Excellent continuity
- Major deposit is F Block
 - Strike length over 1.4km
 - Defined width over 900m
 - Major horizons are 30-70m thick
 - Open in all directions

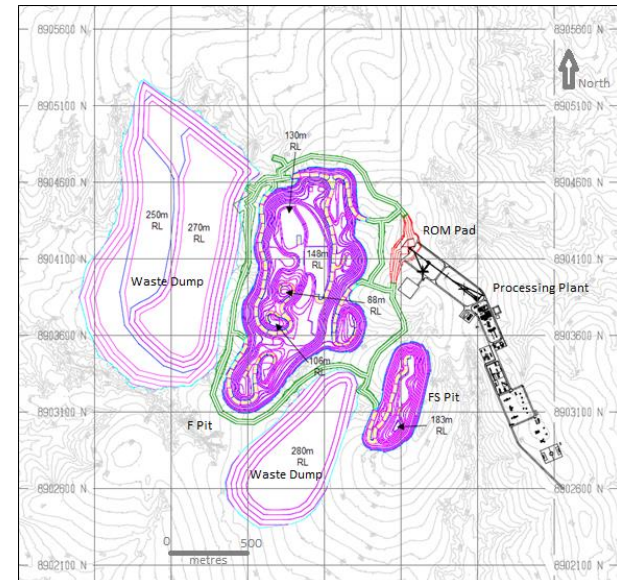


Conventional Mining



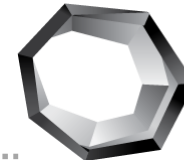
- Nachu reserve = 76mt at 4.8% TGC for 3.7mt contained graphite
 - Two open pits – F and FS
- Broader resource = 174mt at 5.4% TGC for 9.3mt contained graphite
 - Represents only 2% of project licence area
- Conventional drill and blast, truck and shovel open pit mining techniques
- A number of independent mining cost estimates received and reviewed from contractors as part of BFS
 - Assumed \$3.95/t material moved in BFS
- 90t excavators (Cat 390) and 40t articulated trucks (Cat 475)
 - Ramp design allows up to 90t Cat 777 trucks
- Average strip ratio of 1.5:1 LOM
 - 1.4:1 over the first 5 years
- Lower grade ore (3.5% TGC) stockpiled for treatment in latter years of initial mine life

Nachu ore reserve estimate ¹			
Classification	Tonnes (mt)	Grade (% TGC)	Graphite (mt)
Proved	50.5	4.6	2.3
Probable	25.7	5.1	1.3
Total ore reserves	76.3	4.8	3.7



1. Refer Magnis ASX releases on 1 February 2016 (Mineral resource estimate) and 31 March 2016 (Ore reserve estimate).

Process and Metallurgical Rigour

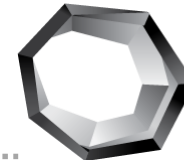


Magnis Resources

- Simple and proven process flowsheet – crushing and screening, grinding, flotation, filtration, drying
- Key processing parameters
 - Front end throughput of 5mtpa ore
 - Feed grade: avg 5.2% TGC first 12 years and avg 3.9% TGC next 3 years (LG stockpiles)
 - Processing recovery of 92%
 - Final average concentrate purity of 98.3%
- High volume and broad nature of Nachu testwork delivers robust process and product parameters
 - > 99% TGC and up to 99.6% TGC from basic flotation for sub-300 microns concentrate
 - Results repeated throughout Blocks F and FS
 - Core sample tests from every diamond hole



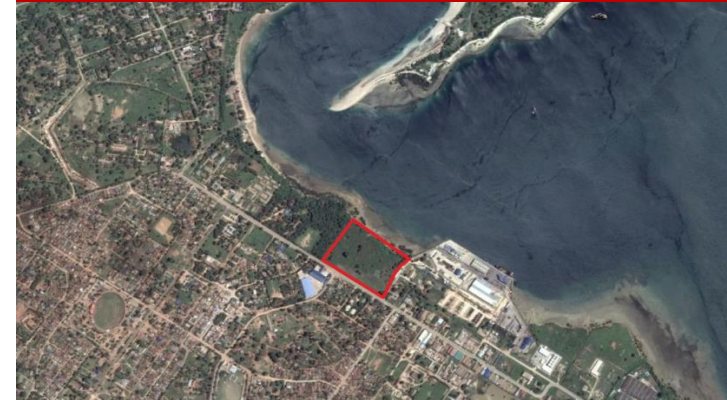
Infrastructure and Logistics



Magnis Resources

- In-country transport
 - Bagged concentrate loaded in containers and trucked to port
 - 200km by road; 140km sealed and 60km hard dirt to site
- Port access
 - Mtwara facility has 400ktpa capacity; 130-140ktpa current utilisation; required Nachu usage approximately 240ktpa
 - Efficient consumables supply chain and product export route
- Water availability
 - Borehole field on-site; water recovery and re-use
- Power
 - Grid power agreement signed with Symbion Power
 - Symbion to construct a dedicated 30MW power station, associated substations and 132KV transmission line to Nachu
 - Grid power pricing of US\$0.08-0.10/kWh represents significant cost saving over diesel or HFO

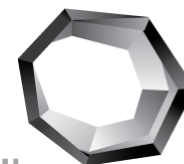
Mtwara port and proposed Magnis land allocation



Typical section of flat lying road between Nanganga and Ruangwa



Compelling BFS Results



Magnis Resources

- BFS confirms Nachu as a robust, high returning graphite project with premium product quality
- Average 220ktpa graphite concentrate produced over an initial reserve-backed 15 year mine life
 - 240ktpa over first 12 years
- Strong further high grade resource conversion potential
- Post-tax NPV_{10%} of US\$1.69b and project IRR of 98%
- 12.5x mine life to payback ratio
- Outstanding forecast operating margin of US\$1,791/t
- Projected basket price of US\$2,350/t reflects high value products – exceptional purity and flake size
- Increased pre-production capex relative to PFS driven by larger plant capacity (3.6mtpa PFS)

Key project parameters	BFS (March 2016) ¹
Resources	174mt at 5.4% TGC
Reserves	76mt at 4.8% TGC
Initial life of mine (years)	15.2
Total mined ore (mt)	76.3
Strip ratio (LOM avg)	1.5
Plant throughput (mtpa)	5.0
Feed grade (% TGC, LOM avg)	4.8%
Recovery (LOM avg)	92%
Graphite concentrate production (ktpa, LOM avg)	220
Average concentrate purity (% TGC)	98%
Cash cost (US\$/t conc FOB Mtwara, LOM avg)*	559
Pre-production capital (US\$m)	269
Sustaining capital (US\$m)	71
Weighted average basket price (US\$/t conc FOB)	2,350
Free cash flow (US\$m pa, LOM avg)	255
NPV _{10%} (US\$m, post-tax)	1,686
Project IRR (post-tax)	98%
Payback period (years)	1.2

* Excludes production royalty (3%)

Capital and Operating Costs



Magnis Resources

- Pre-production capital estimate of US\$269m (includes 11% or US\$28m contingency provision)
 - Increase from PFS estimate predominantly driven by bigger plant size (5mtpa)
 - Sustaining capital of approximately US\$4.7m pa
- Cash operating cost LOM estimate of US\$559/t concentrate FOB Mtwara
 - US\$502/t average across the first five years (240ktpa production rate)
 - Contract mining and product transport
- BFS cost estimates to an accuracy of -10%/+10%

Nachu pre-production capital cost estimate

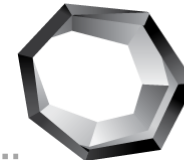
Capital activity	Capex (US\$m)
Process plant	117
Infrastructure	60
Pre-mining and site preparation	25
Owner's costs	20
EPCM	20
Contingency and escalation	28
Total pre-production capital cost	269

Nachu cash operating cost LOM estimate

Production activity	Opex (US\$/t conc FOB)
Mining	217
Processing	51
Power	66
Diesel	48
Product logistics	81
Maintenance, G&A and other	96
Total cash operating cost (FOB Mtwara)*	559

* Excludes production royalty (3%)

Target Development Timeline



Magnis Resources

	2014		2015				2016				2017				2018	
	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2
Drilling & resource modelling	✓	✓														
Metallurgical testwork	✓	✓	✓	✓	✓	✓										
Pre-feasibility study	✓	✓														
Cornerstone offtake agreements		✓	✓													
Environmental impact study	✓	✓	✓	✓	✓											
Mining approval & MDA					✓	✓										
Detailed design			✓	✓	✓	✓	✓									
Bankable Feasibility Study						✓	✓									
Detailed engineering							✓	✓	✓							
Offtake agreements																
Project financing																
Construction																
Commissioning & production																

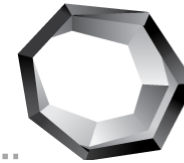
Summary



Magnis Resources

- Nachu is a high quality, long life graphite resource
- Located in Tanzania, a well established mining jurisdiction
- Development ready – all environmental and mining permits secured, fiscal stability with signed MDA
- Nachu BFS delivers outstanding forecast returns – 98% post-tax IRR, US\$1.69b post-tax NPV_{10%}
- Key advantages relative to graphite development peers
 - High appeal, high value product given exceptional concentrate purity and coarse flake size
 - High volume and broad nature of met testing delivers robust processing and product parameters
 - Outstanding realised price and operating margin position expected given premium product composition
 - No downstream chemical purification requirement for Nachu concentrate = strong ‘green credentials’
- Project financing progressing in parallel with advanced North American, European and Asian buyer offtake discussions

Appendix A: Graphite Markets



Magnis Resources

- Global graphite market = 2.2mtpa
 - **Natural** (1.1mtpa); flake and amorphous sources; key producers China, India, Brazil
 - **Synthetic** (1.1mtpa); high purity but energy intensive and expensive
 - Natural-for-synthetic displacement potential

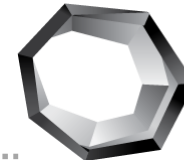
- China currently ~70% of total natural supply
 - Consistency and quality issues
 - Ore value declining and labour costs rising
 - Increased focus on environmental impacts
 - 20% export duty and 17% VAT levied on exports
 - Downstream spherical plants at ~50% capacity
 - End users seeking greater diversity of supply

Key graphite end uses

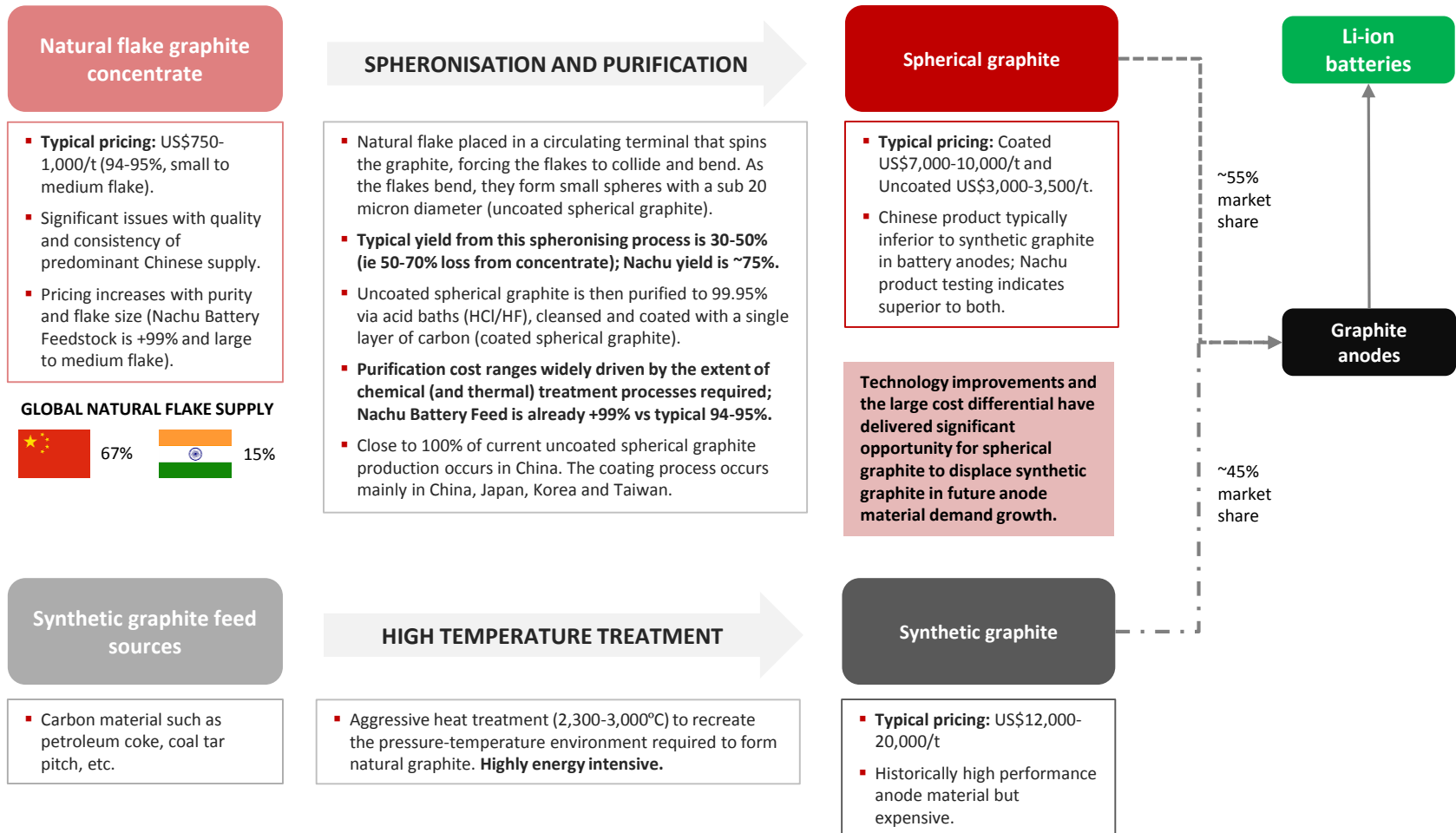
- Battery anodes (high growth)
- Expandable graphite (high growth)
- Composites
- Refractory and foundry
- Gaskets, seals, brake linings, lubricants



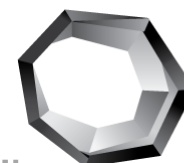
Appendix B: Graphite in Li-ion Batteries



Magnis Resources



Appendix C: Basket Price and Sensitivity



Magnis Resources

BFS basket price construction

Classification	Concentrate grade (% TGC)	Sieve size (microns)	Sieve size (mesh)	Price (US\$/t FOB)	Weight distribution
Super Jumbo	97.5%	> 500	+35	4,000	9%
Jumbo	97.0%	300 - 500	+50/-35	2,500	32%
Battery Feedstock	99.1%	< 300	-50	2,125	59%
Gross basket price				2,413	100%
Discounted net basket price				2,350	

Sensitivity of BFS outcomes to basket price assumption

Price scenario	Low (-35%)	BFS base	High (+35%)
Weighted average basket price (US\$/t conc FOB)	1,528	2,350	3,173
Free cash flow (US\$m pa, LOM avg)	125	255	383
NPV _{10%} (US\$m, post-tax)	779	1,686	2,592
Project IRR (post-tax)	54%	98%	139%
Payback period (years)	2.0	1.2	0.6

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