



# Magnis Resources

L I M I T E D

FOR RELEASE  
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## LAND VALUATION COMPLETE

- **Official valuation completed and approved by Chief Government Valuer**
- **Total compensation at US\$3.4 million for Nachu Graphite Project**
- **Land purchased for the re-settlement of households**

Magnis Resources Limited (“**Magnis**” or the “**Company**”) (ASX:MNS) is pleased to announce that the valuations for re-settlement and land compensation activities on the Nachu Graphite Project in Tanzania have now been completed, paving the way forward for construction of the mine.

An official valuation of the area within the Special Mining Licence (SML 550/2015) has now been completed and a total of US\$3.4 million was calculated for the complete compensation package of crops and trees, land area, structures and other required items such as disturbance allowance. The valuation documents have been accepted and approved for payment by the Chief Government Valuer.

Chairman Frank Poullas commented: “This is a very significant milestone for the Company. We will be ready to begin construction at the end of the wet season. The compensation valuations began over six months ago and at its peak we had 200 people working on site. The Company is pleased with the outcome generated for all stakeholders involved.”

“I would like to thank the Prime Minister, the Right Honourable Mr Majiliwa Kasim Majiliwa, who is the Member of Parliament for the Ruangwa Constituency, the Honourable William Likuvi (MP), Minister for Lands, Housing and Human Settlement, the Permanent Secretary Dr Yamunga Kayandabila of the Ministry of Lands, Housing and Human Settlement, The Regional Commissioner for the Lindi Region, Honourable Godfrey Zambi along with the Government officials from the Lindi Regional Office and the Ruangwa District office for the very valuable advice and assistance.”

“I would like to thank our team in Tanzania and consultants from Paulsam and Ardhi University for their outstanding contribution to complete this task, which was spearheaded by Peter Tsegas, Brent Laws and Rod Chittenden.”

## Compensation and Valuation

The area of the SML is approximately 30km<sup>2</sup> and the valuation covered a total of 773 people or households who are affected by the project (Figure 1). Most of the people affected are being compensated for farm plots and there are 59 households on the SML that will be offered relocation to a new village area.

To complete the valuation, the Company contracted Paulsam Geo-engineering to manage the process and Ardhi University of Dar es Salaam. Ardhi (is the Swahili word for Land) University is the key institution in Tanzania that deals with land and settlement research and education.

The Valuation exercise consisted of approximately 200 people including survey teams, valuation teams, Magnis representatives, Uranex Tanzania staff and Paulsam staff and monitors.

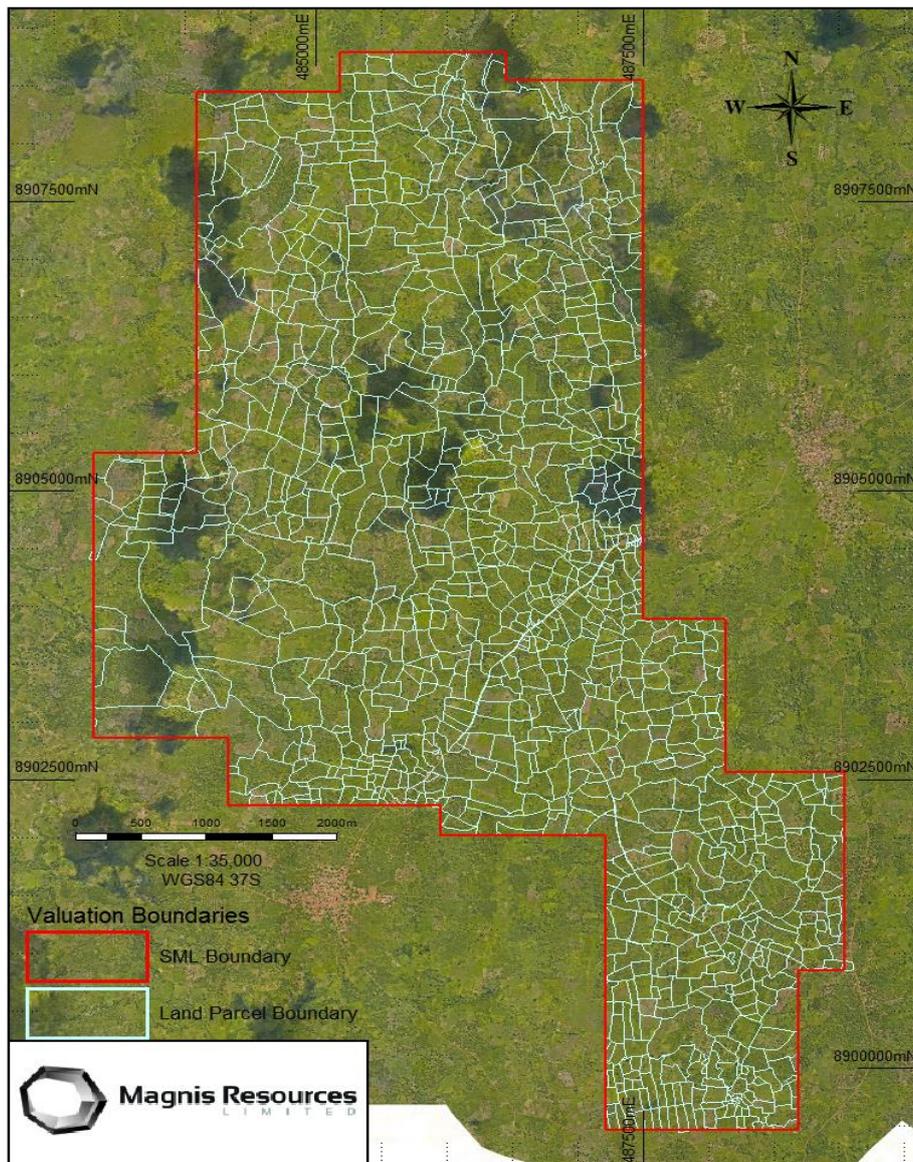


Figure 1 - Plan showing the individual parcels of land in the Special Mining Licence area.

The cost of both the compensation and re-settlement is consistent with estimations within the Bankable Feasibility Study. An indication of the key categories for compensation can be seen in Table 1.

Tree or Crop Category	Number of trees/crops
Mikorosho/Cashew nuts	25369
Miti ya Kivuli/Shade trees	5001
Migomba/Bananas	4514
Mipingo/Blackwood	1794
Mpilipili-Mti /Pepper	1462
Miwa/Sugar cane	1279
Minyonyo/Castor	1065
Miembe/Mango	941
Mikwaju/Tamarind tree	651
Mibuyu/Boabab	370
Minazi/Coconut	319
Mipapai/Pawpaw	215
Mikonge/katani/Sisal	138

**Table 1 - Itemisation of key trees / crops being compensated**



**Figure 2a - Key members of the valuation team**



**Figure 2b - Valuation team and officials on site**



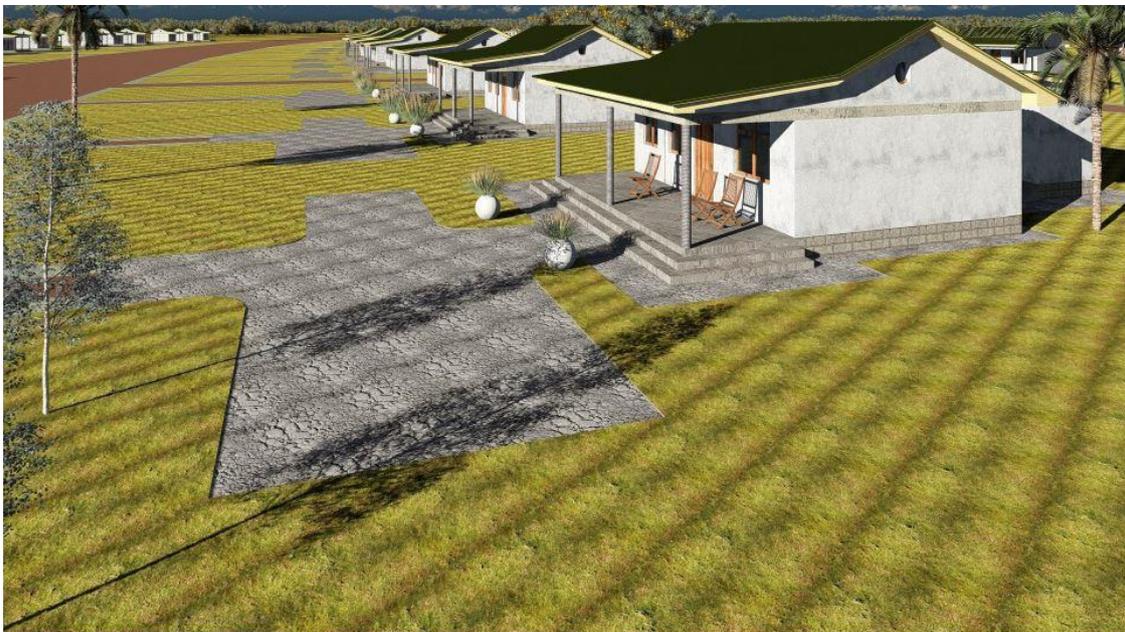
**Figure 3 - The Honourable William Likuvi (MP), Minister for Lands, Housing and Human Settlement, addresses the Project Affected People (PAPs) in Ruangwa**

### **Re-settlement Process**

Land has been purchased for the re-settlement of homeowners. The land has been cleared with construction activities beginning early in the New Year. It is expected the cost will be US\$900,000 which has been quoted for the construction of a new housing village set to be completed in the 2<sup>nd</sup> quarter of 2017.



**Figure 4 - Land clearing for village construction site**



**Figure 5 - Proposed re-settlement site to be built near Ruangwa**

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