

Bankable Feasibility Study Update Confirms Strong Financial and Technical Viability for Magnis' Nachu Graphite Project

Strong technical & financial viability. Impactful sustainability. Optimised process plant design: higher-grade product and protect flake size during processing.


SYDNEY, NSW, AUSTRALIA, September 28, 2022 /EINPresswire.com/ -- Magnis Energy Technologies Ltd ("Magnis", or the "Company") (ASX: MNS; OTCQX: MNSEF; FSE: U1P) is pleased to announce that it has completed an [update to the 2016 Bankable Feasibility Study \(BFS\)](#) for its [Nachu graphite project in Tanzania](#) (the Nachu Project or the Project) and confirms that the Project continues to demonstrate strong financial and technical viability. Commenting on the completion of the [BFS update](#), Magnis Energy Technologies, CEO, David Taylor stated:

"The update to the BFS demonstrates that the Nachu Graphite Project represents one of the best graphite production opportunities in today's market. The project will produce a high quality, sustainable product that requires minimal purification, placing Magnis in a strong competitive position relative to others in the market. Our high purity graphite concentrate will provide lithium-ion battery manufacturers and other industrial customers with an attractive and competitive alternative to current sources in the global graphite market.

The update to the BFS has focused on improving the plant process design to ensure it maintains our product quality advantage, utilizing a more sustainable and efficient power supply, and

Key Highlights of the Nachu Graphite Project ²		
Project Metrics	Units	Value
Project NPV ₁₀ LOM (Post Tax)	US\$	\$1.2bn
Project IRR LOM (Post Tax)	%	51%
Payback Period ³	Months	19
Operating Expenditure ⁴	US\$/t	\$639
Initial Project Capital Cost ⁵	US\$	\$324mn
Special Economic Zone Period ⁶	Years	10
Concentrate Total Graphitic Carbon ⁷ (TGC)	%	98.5% - 99%
Concentrate Basket FOB Mtwaru ⁸	US\$/t	\$1847
Process Plant Capacity	t/year	5,000,000
Steady State Graphite Production ⁹	t/year	~236,000
Recovery Rate	%	89.6%
Ore Reserve	t	76M @ 5.2%
Mineral Resources	t	174M @ 5.4%
Mine Life	Years	15.5

Nachu Graphite BFS Key Highlights



Nachu Project Tanzania 3D Concept Render 1

reviewing the overall capital and operating costs of the project. As expected, and consistent with the mining industry as a whole, we have seen increases in capital costs from 2016, although opportunities remain to improve the current capital cost estimates as part of the next stage of optimization and detailed engineering. Pleasingly, operating costs have remained relatively stable and position Magnis well in terms of expected margins.



Nachu Project Tanzania 3D Concept Render 2

With existing offtakes in place, and discussions with other major offtakers in key sectors well advanced, we are confident that the project will be strongly supported by project funders. Initial discussions with funders have commenced, and we have received positive responses in relation to the overall bankability and attractiveness of the project. A rigorous financial risk management strategy will be put in place to ensure that Magnis can protect and enhance project returns as economic circumstances undoubtedly change over the course of the project life.

I would like to thank the Magnis team and all our partners involved in the update to the BFS for the extensive work that has been completed. Given the financial results demonstrated by the update, and the continued strength in the lithium-ion battery market driven by the growth of the electric vehicle and energy storage sectors, we are looking forward to advancing the project as quickly as possible. Our next milestones are making a Final Investment Decision (FID) and achieving financial close, which we are targeting to achieve by end Q2 2023. This is an exciting period of growth for the company, and we look forward to working with all stakeholders to supply high quality materials that will generate positive economic, social, and environmental outcomes.”

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