



## Overview of Nautilus Minerals

Nautilus Minerals is leading the world in the quest to develop seafloor mineral deposits. A Canadian company with a market capitalisation of approximately C\$450 million, Nautilus is developing the world's first seafloor copper/gold project at its Solwara 1 deposit in the Bismarck Sea of Papua New Guinea.

### SOLWARA 1

The Solwara 1 deposit, which sits on the seafloor at a water depth of some 1600 metres, boasts a copper grade of approximately 7%. That compares with land-based copper mines, where the copper grade today averages 0.6%. In addition, gold grades of well over 20 g/tonne have been recorded in some intercepts at Solwara 1.

### SMS Deposits

Seafloor Massive Sulphide (SMS) deposits form directly on the ocean floor where superheated water carrying metals from deep in the earth, mixes with cold seawater depositing metal-rich minerals. They are considered the modern analogues of volcanogenic massive sulphide deposits, historically a major source of the world's copper, gold, zinc and silver.

In 2011 the company conducted a major exploration campaign which has resulted in an increase in the resource base. The resource is outlined in the table below.

The drilling campaign also resulted in the declaration of a maiden Inferred Resource at Solwara 12, 25km north-west of Solwara 1.

Nautilus plans to begin extracting mineralised material from the Solwara 1 deposit in 2013.

The company has commenced construction of three remote-controlled seafloor production tools (pictured overleaf), which will work to disaggregate and collect the rock from the seafloor. The material then will be pumped as slurry through a 1.6 km pipeline to a production support vessel above.

A dewatering plant on the vessel will extract the excess water which will be returned via a pipeline to the seafloor. The mineralised material will be loaded on to barges for transfer to shore, some 50 kilometres away.

The mineralised material will then be shipped to treatment facilities for concentrating and smelting.

## NAUTILUS MINERALS RESOURCE ESTIMATES 2011

Classification	Domain	Tonnes	Cu (%)	Au g/t	Ag (g/t)	Zn (%)	Contained Cu (t)	Contained Au (Koz)
Solwara 1 - Indicated @ 2.6% Cu Eq cut off	Total	1,030,000	7.2	5.0	23	0.4	74,160	165.6
Solwara 1 - Inferred @ 2.6% Cu Eq cut off	Total	1,540,000	8.1	6.4	34	0.9	124,740	316.9
Solwara 12 - Inferred @ 2.6% Cu Eq cut off	Total	230,000	7.3	3.6	56	3.6	16,790	26.6

The news release dated November 25, 2011 regarding the resource estimate is available at: <http://www.nautilusminerals.com/s/Media-NewsReleases.asp?ReportID=492567>

Note: Resource estimates prepared by Ian Lipton, (BSc (Hons), FAusIMM), Principal Geologist, Golder Associates Pty Ltd, Toowong, Queensland, Australia who fulfils the requirements to be a "qualified person" for the purposes of NI 43-101. Rounding may result in errors in reproducing the totals from the individual components shown in this table. Copper equivalent (CuEq) = 0.915\*Cu+0.254\*Au+0.00598\*Ag.

## Share Capital

Shares outstanding: 195 million  
Options: 10 million  
Fully diluted: 205 million

### MAJOR SHAREHOLDERS

Metalloinvest: 21.0%  
Anglo American: 11.1%

Nautilus expects to be taking to shore approximately 1.3 million tonnes of material per year from the Solwara 1 deposit.

All major permits have been received, with the Mining Lease granted by the PNG Government in January, following the Environmental Permit award in December 2009.

The PNG Government also has announced that it will acquire a 30% interest in the Solwara 1 project, contributing approximately \$24 million for sunk costs, and funding its share of future capital expenditure.

Nautilus also holds some 600,000 square kilometres of exploration territory, or tenement applications, in PNG, Fiji, Tonga, Vanuatu, the Solomon Islands, New Zealand and the Eastern Pacific, and has secured some of the most prospective areas of seafloor for the potential development of future projects.

Previous exploration has already identified 19 mineralised seafloor systems in the Bismarck Sea, and 16 in Tonga.

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**CAUTIONARY STATEMENT:** Certain of the statements made in this fact sheet may contain forward-looking statements and forward-looking information. Forward-looking statements and forward-looking information include, but are not limited to statements or information with respect to the date of commencement of production and the annual rate of production from Solwara 1. We have made numerous assumptions about the material forward-looking statements and information contained herein. These assumptions are the result of management's best judgment as of the date hereof based on information currently available. Even though our management believes that the assumptions made and the expectations represented by such statements or information are reasonable, there can be no assurance that the forward-looking statement or information will prove to be accurate. Forward-looking statements and information by their nature involve known and unknown risks, uncertainties and other factors which may cause the actual results to be materially different from any future results expressed or implied by such forward-looking statements or information. Should one or more of these risks, uncertainties or other factors materialize, or should underlying assumptions prove incorrect, actual results may vary materially from those described in forward-looking statements and information. Although we have attempted to identify factors that would cause actual results to differ materially from those described in forward-looking statements and information, there may be other factors that cause actual results, performances, achievements or events to not be as anticipated, estimated or intended. There can be no assurance that forward-looking statements or information will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly you should not place undue reliance on forward-looking statements or information. Except as required by law, we do not expect to update forward-looking statements and information as conditions change and you are referred to the full discussion of Nautilus's business contained in Nautilus's reports filed with the securities regulatory authorities in Canada.

## Seafloor Production System

