

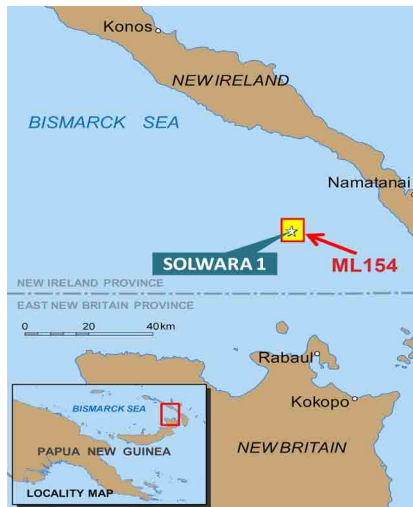


## New Vision • New World • New Resources

### MINING LEASE GRANTED FOR SOLWARA 1 PROJECT

The world's first deep sea mining lease was granted to Nautilus Minerals in January 2011, by the Government of Papua New Guinea, for the development of its Solwara 1 Project in the Bismarck Sea. The lease covers an area of approximately 59 km<sup>2</sup> surrounding Solwara 1, 30 km from the coast of New Ireland, where Nautilus intends to mine high-grade copper and gold deposits on the seafloor, at depths of approximately 1600 metres. The mining lease has been granted for an initial 20 year term.

The Environmental Permit for the Solwara 1 Project was granted by the Department of Environment and Conservation ("DEC") of Papua New Guinea ("PNG") in December 2009.



### Drilling Campaign

Nautilus commenced its drilling program in the territorial waters of Papua New Guinea, November 2010. Leading offshore service provider, TSMarine is providing the drilling services. The drilling program will focus on improving the resource and geotechnical understanding at Solwara 1 as well as scout drilling at other prospects on the Company's 100% owned tenements in the Bismarck Sea.



### KEY FINDINGS OF THE EIS

- **Solwara 1 can be developed responsibly and with minimal impact**
- **Footprint is small (0.112 km<sup>2</sup>)**
- **No direct impacts to communities, fisheries or reefs**
- **Near surface environmental impacts will be negligible - they have been engineered out**

### OVERVIEW

Nautilus Minerals Niugini Ltd ("Nautilus") is the first company to commercially explore the seafloor for high-grade massive sulphide deposits - a potential source of copper, gold, zinc and silver. Nautilus has been exploring in the territorial waters of Papua New Guinea ("PNG") since 1997, when the first offshore mineral exploration licenses were granted to Nautilus. Nautilus and PNG are leading the world in the exploration of seafloor massive sulphide ("SMS") deposits.

### SOLWARA 1

Nautilus is proposing to develop the Solwara 1 Project. The development involves the recovery of high-grade SMS deposits that are located on the floor of the Bismarck Sea, New Ireland Province, PNG. Solwara 1 contains a significant resource of copper and gold. The currently outlined mineralised zone is about 1.3 km long and up to 200 m wide and has been drilled to depths of up to 19 m below the seafloor. It occurs as a mound on the seafloor in water depths of approximately 1600 m.

### SEAFLOOR MASSIVE SULPHIDE DEPOSITS

SMS deposits form directly on the ocean floor where superheated water carrying metals from deep in the earth, mixes with cold seawater at the bottom of the ocean, 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.

## ADVANTAGES

There are many advantages to seafloor mineral extraction:

- Skills and technology transfer
- Clean mining, low disturbance
- Little disruption of land holders
- Increased safety (compared with onshore operations)
- Royalties and taxes.

## Solwara 1 Features

There are several features related to the Solwara 1 Project that are worth noting:

- The footprint (area of Solwara 1) is small, comprising in total only 0.112 km<sup>2</sup> - approximately the size of 15 rugby fields
- Near surface environmental impacts will be negligible - they have been engineered out
- There is no land clearance (no tree removal), no construction of site infrastructure and minimal mining material
- Independent experts have estimated that within a few years, animals are expected to re-establish on the areas which have been excavated.



## ENVIRONMENTAL STRATEGIES TO MINIMISE IMPACTS

It is important that the overall effects of our operations are minimised:

- Surface and near surface impacts from the mining process have been engineered out resulting in the avoidance of impacts on coral reefs, fish and large marine animals such as whales, dolphins and turtles
- In an effort to limit impacts to deep sea biology, Nautilus:
  1. Proposes to set aside a control site to enable:
    - a. Monitoring of natural variation of the environment compared to that imposed by mining
    - b. Supply of parent stock of animals to Solwara 1
  2. Will establish temporary refuge areas within Solwara 1 to facilitate recovery of excavated areas
  3. Will manually relocate some animals away from the path of mining into areas that have already been mined to facilitate recovery
  4. If appropriate, we will place artificial substrates to facilitate recovery.

For more information please visit our Corporate Website at [www.nautilusminerals.com](http://www.nautilusminerals.com) and our CARES (Community Accountable, Responsible Environmentally and Safe) website [www.cares.nautilusminerals.com](http://www.cares.nautilusminerals.com).



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## COMMUNITY CONSULTATION



Nautilus is engaging and consulting with national, provincial and local governments, local communities, Non-Government Organisations (NGOs) and various other stakeholders throughout PNG, including the international scientific community. Information about the Project has been presented in Tok Pisin and English to communities in New Ireland and East New Britain provinces as well as other provinces.

## LOCAL OPPORTUNITIES



Our assistance to local communities will focus on three broad areas:

- 1) Employment and training
- 2) Community development
- 3) Local business development.

We feel that supporting these key areas will potentially lead to widespread gains for the people and economy of PNG.