



# NAUTILUS MINERALS

September 21, 2012

Atlantic Forum  
Faial –Azores

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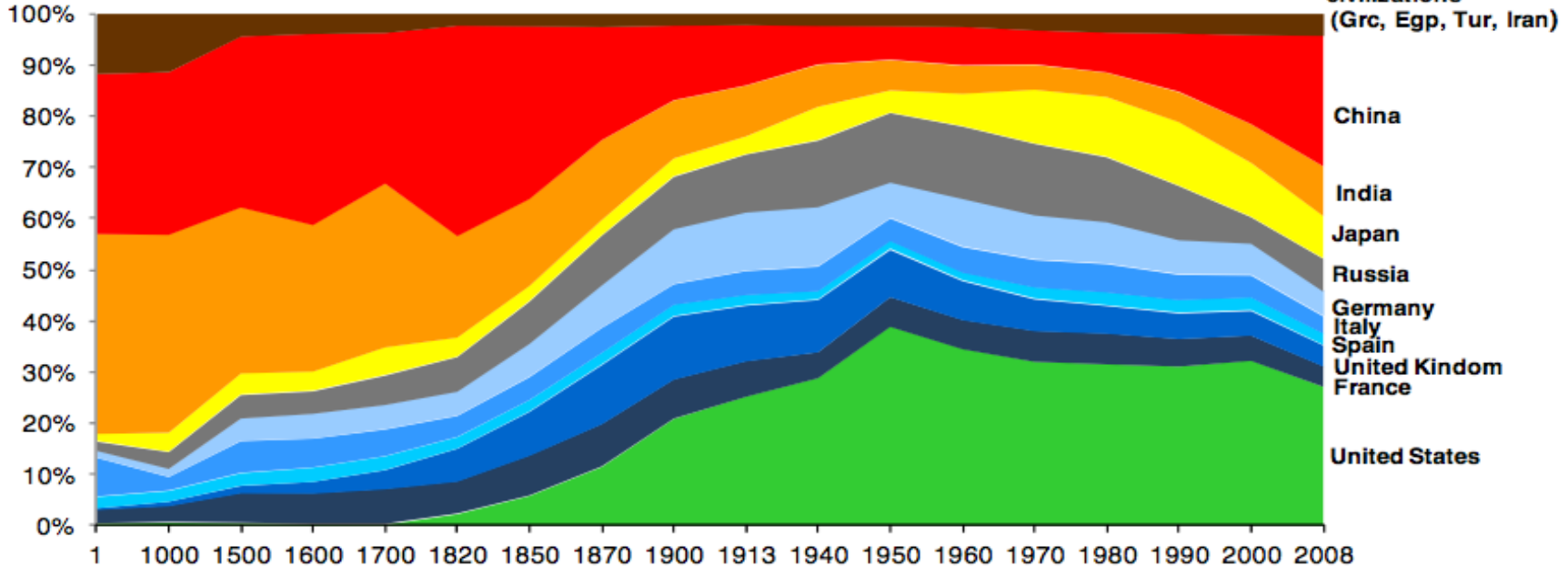
# Why Mine ??

## GDP - growth and trends



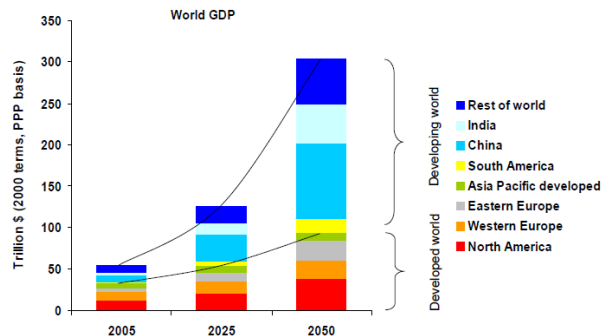
### Economic history of China and other major powers

Share of world GDP



Source: "Statistics on World Population, GDP and Per Capita GDP, 1-2008 AD", Angus Maddison, University of Groningen.

Developing world will take a bigger share of growing global economy

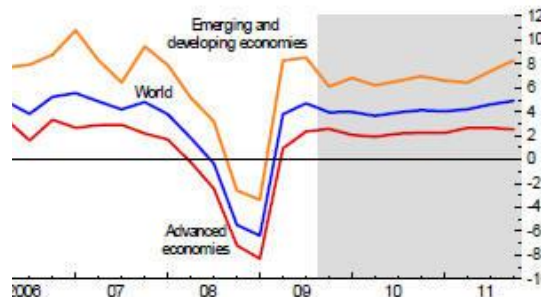


Source: World Bank for base 2005 data, Global Insight for growth estimates to 2025, Rio Tinto estimates for 2050 data

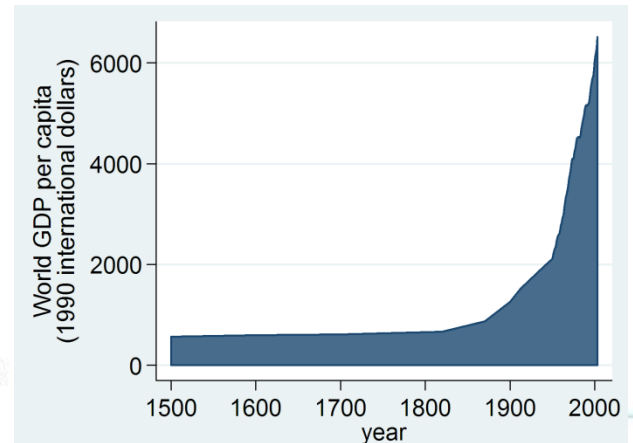
NEW VISION | NEW WORLD | NEW RESOURCES

### Figure 1. Global GDP Growth

(percent; quarter-over-quarter, annualized)



Source: IMF staff estimates.

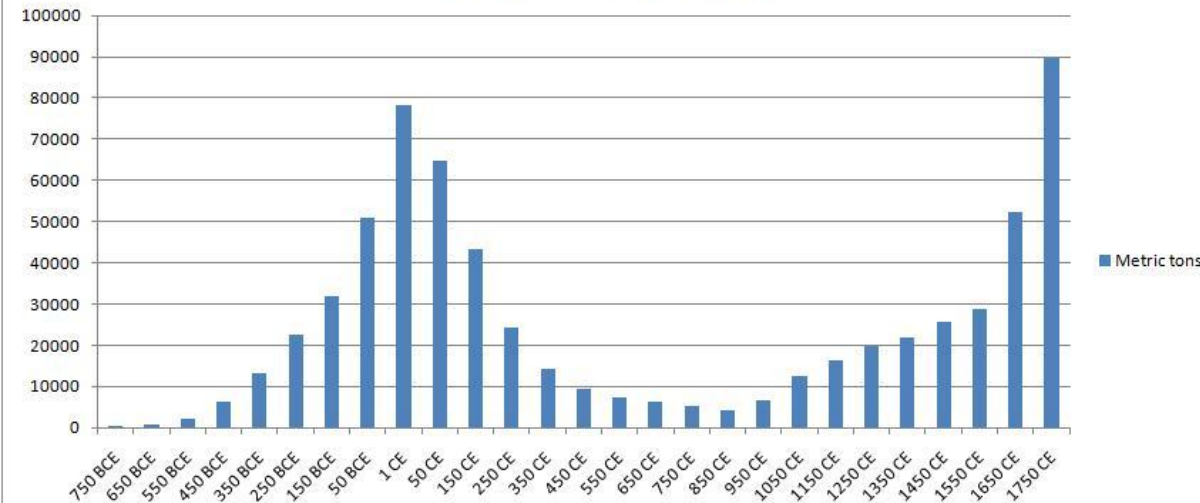




# GDP growth = increased metal demand



**World Lead Production**



- technological change can change demand for metals
- copper consumption currently doubles ever 40 years!!
- Emerging markets driving growth (and price)!!
- “Green Economy” initiatives will drive growth even higher!!

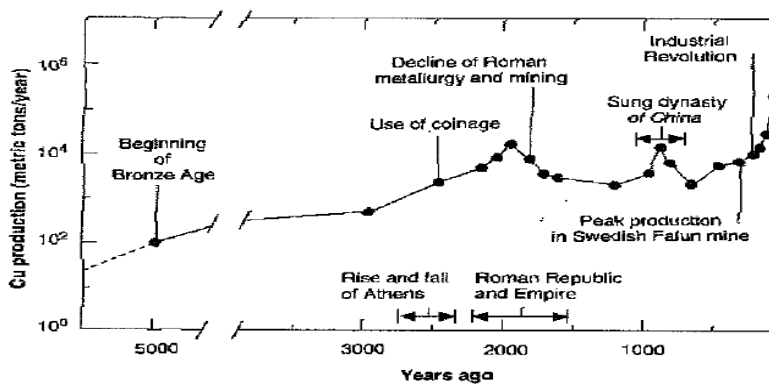
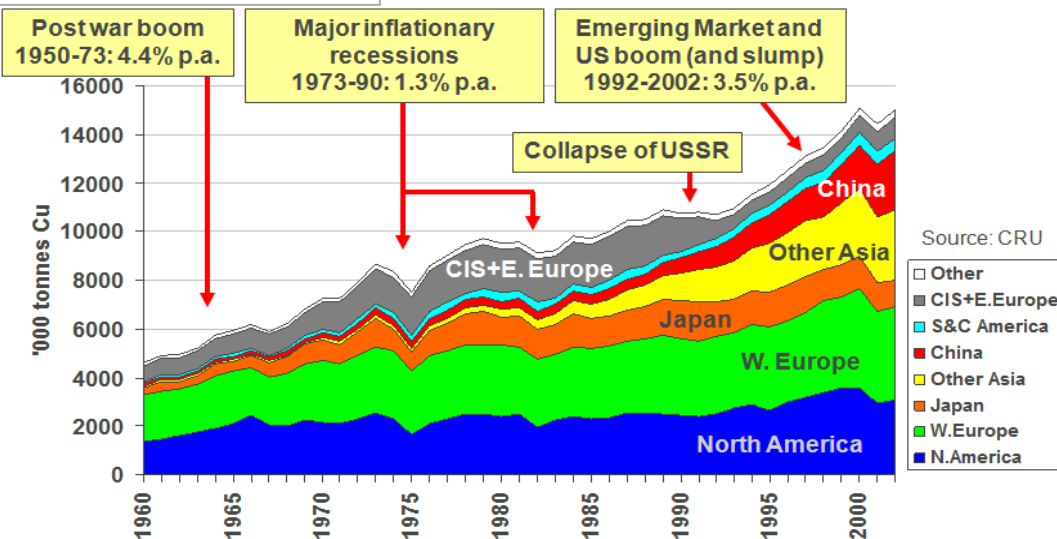


Fig. 2. Variations in the copper production rate during the past 5000 years as reconstructed from an extensive review of available literature.



Source: CRU

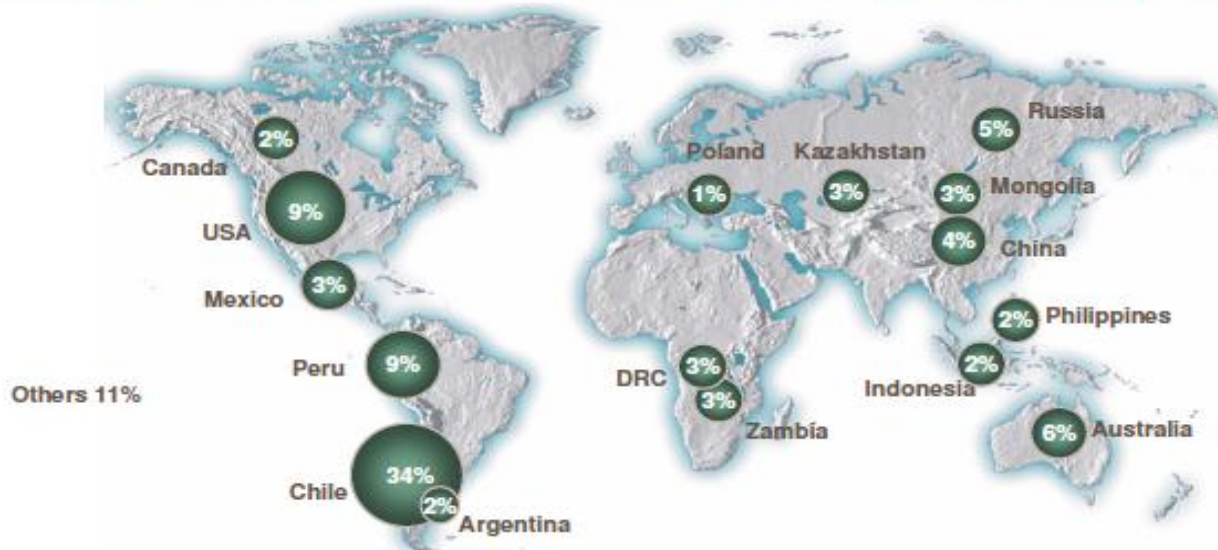
# Land based copper Resources



Rio Tinto

Known resources are geographically concentrated

Copper reserves and resources – 1.95Bt of copper in 866 deposits



The largest 13% of deposits contain 77% of the copper

**Reserves**  
 Weighted average grade: 0.94% copper  
 Total contained copper: 475Mt



**Resources**  
 Weighted average grade: 0.71% copper  
 Total contained copper: 1,036Mt

# Why Go to the Sea?



Land-based mine



Deep sea production

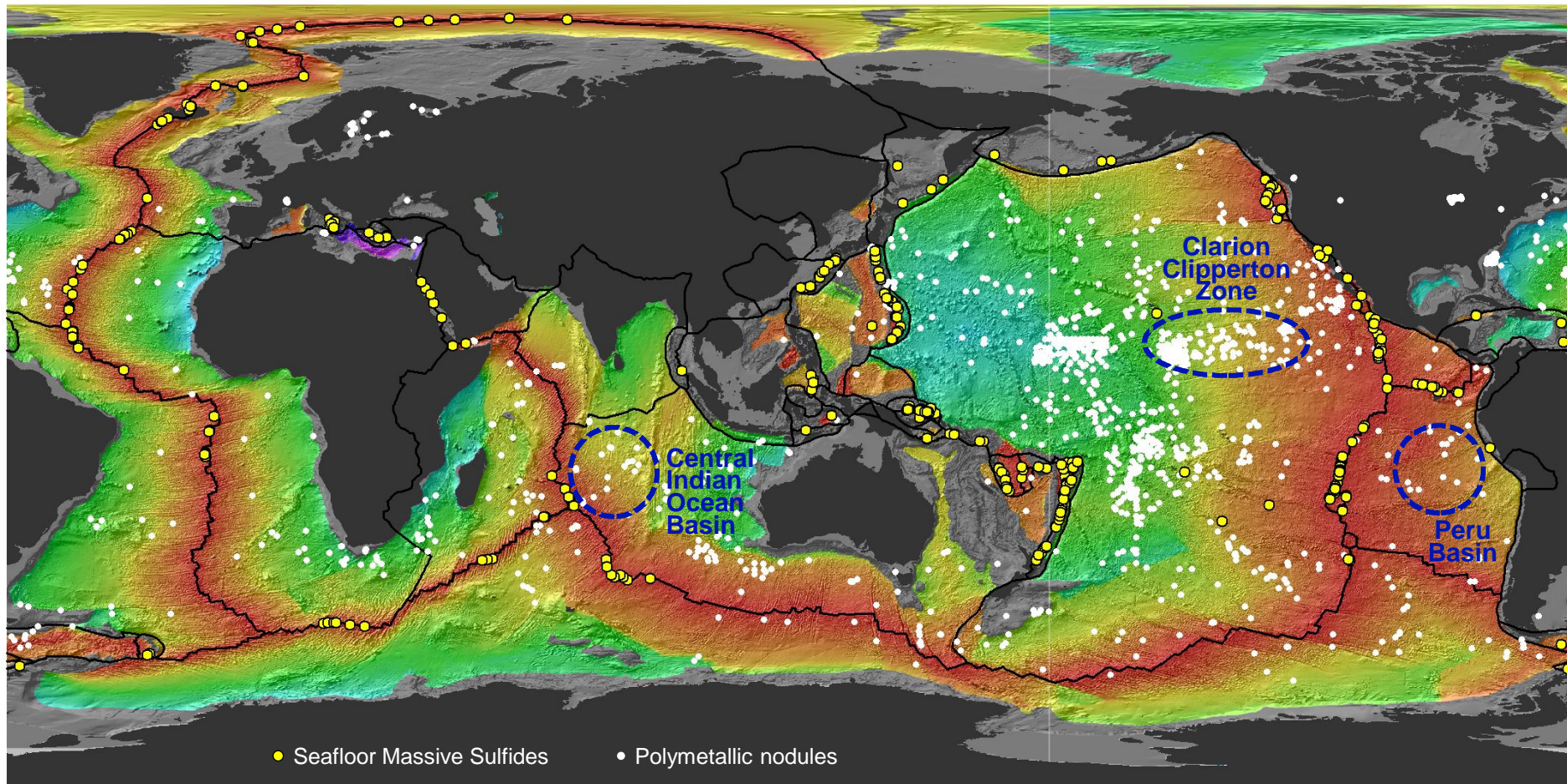


High tech, high grade, low volume,  
low waste, small footprint

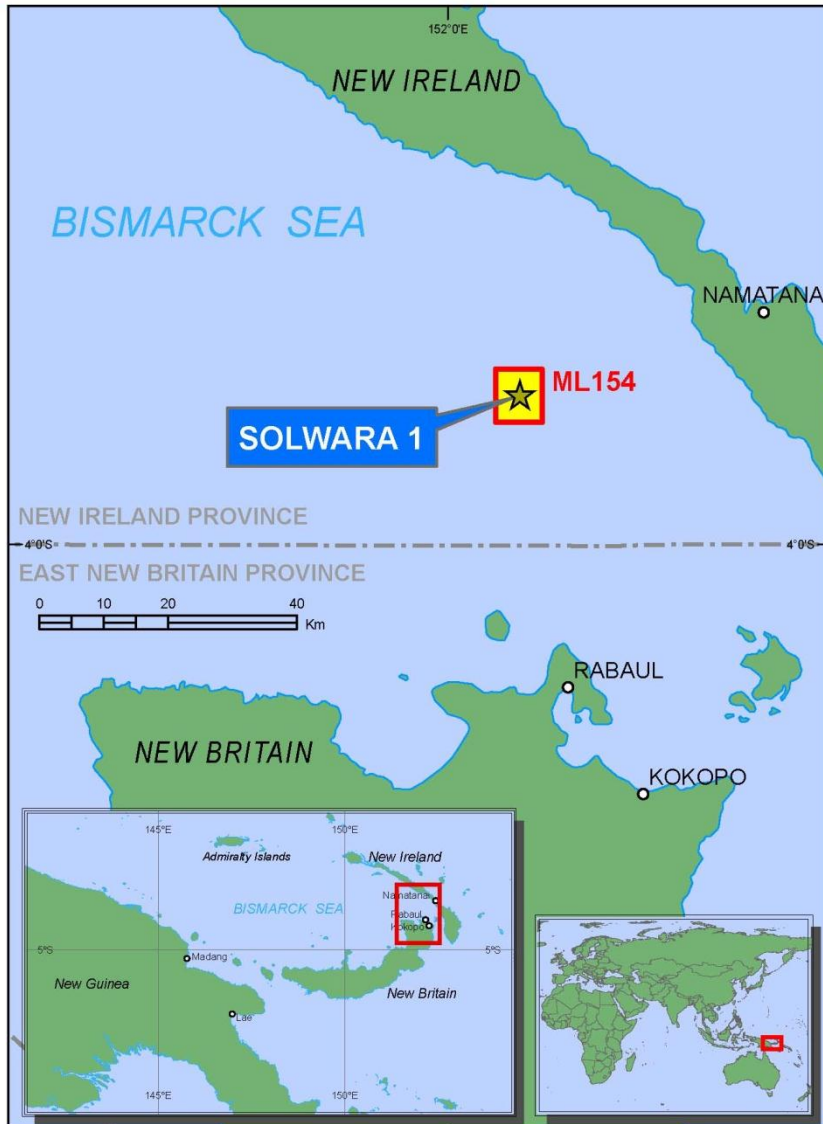
- World's demand for metals continues to rise
- Land resources are stretched
- Every human activity impacts on the environment
- Minimal social disturbance



# Known seafloor mineral resources



# What does Nautilus Minerals have?



- High grade deposits – copper, gold, zinc and silver.

## Our first project – Solwara 1

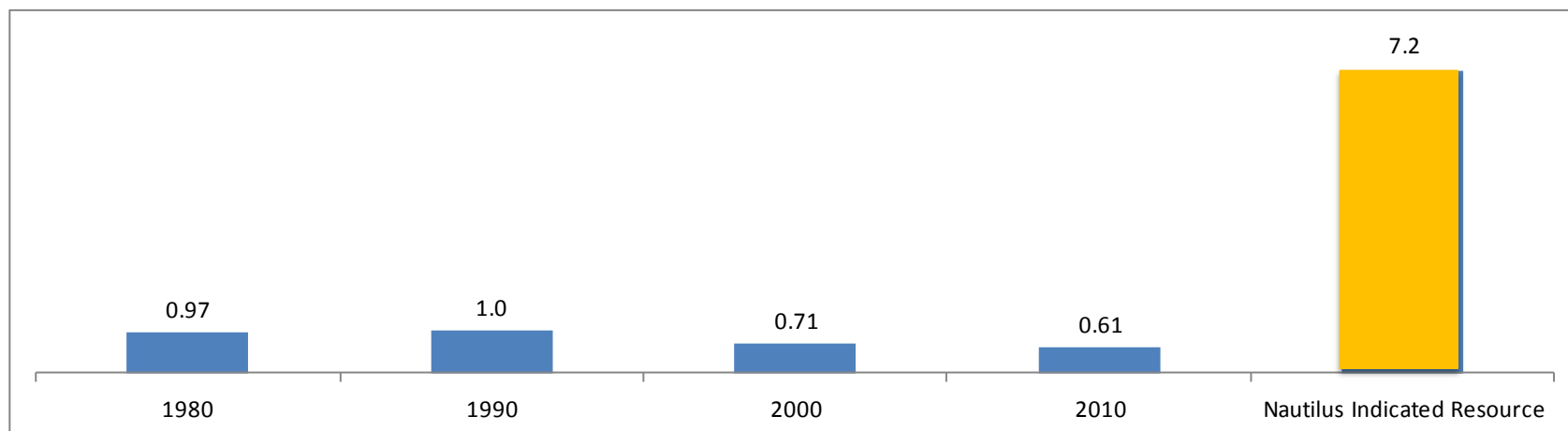
- Located in the Bismarck Sea, PNG, at 1,600m water depth
- Small extraction area - 0.11km<sup>2</sup>
- NI 43-101 Resource established
- Environmental Permit granted December 2009
- Mining Lease granted January 2011



# We have a resource...and it's high grade



## Average Reserve Grade (%) of Land-Based Copper Projects



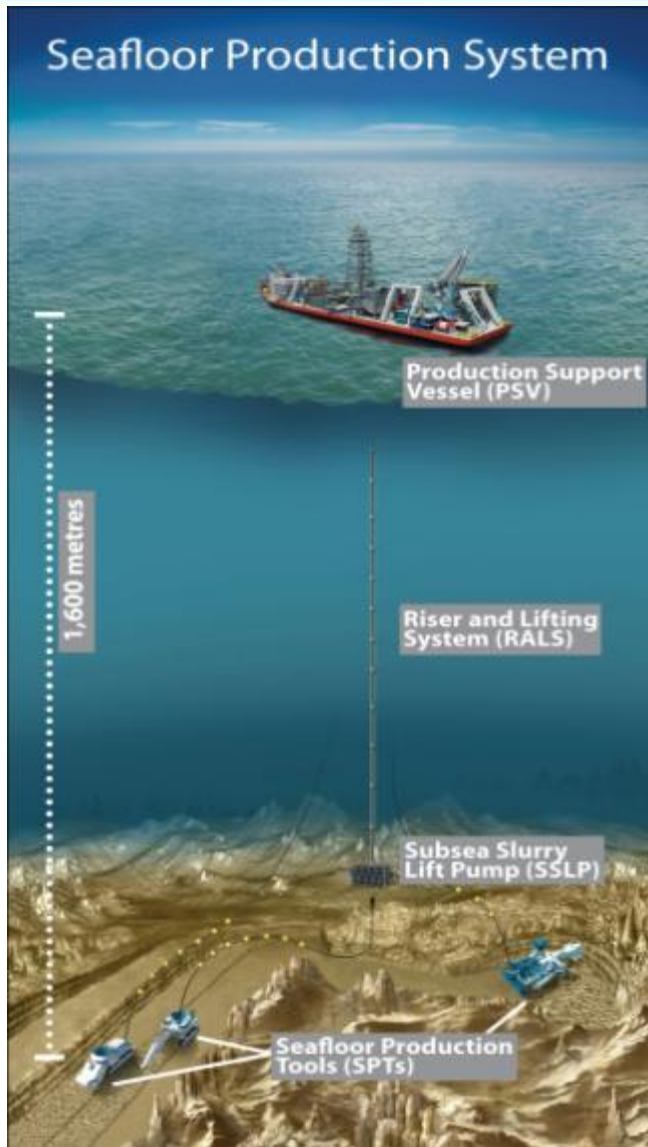
Source: Source: Brook Hunt, a Wood Mackenzie Company

## Solwara Resource

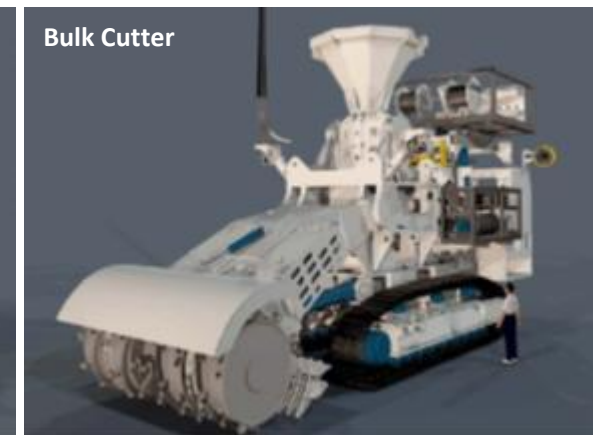
Classification	Class	Tonnes	Cu (%)	Au (g/t)	Ag (g/t)	Zn (%)	Contained Cu (t)	Contained Au (Koz)
<b>Solwara 1</b>	Indicated	1,030,000	7.2	5.0	23	0.4	74,160	165.6
@2.6% Cu eq cut-off	Inferred	1,540,000	8.1	6.4	34	0.9	124,740	316.9
<b>Solwara 12</b>								
@2.6% Cu eq cut-off	Inferred	230,000	7.3	3.6	56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

Resource Estimate prepared by Ian Lipton, BSc (Hons), FAusIMM, Principal Geologist, Golder Associates Pty Ltd. Effective Date: 25 Nov 2011  
 Source: April 2012 Solwara Project, Bismarck Sea, PNG NI 43-101 Technical Report

# We have a plan – Seafloor Production System



- Key Components
  - Production Support Vessel (PSV)
  - Seafloor Production Tools (SPTs)
  - Riser and Lift System (RALS)
- Equipment either existing or an adaptation of existing offshore technology



# We've got partners worldwide





# We're more than 51% built

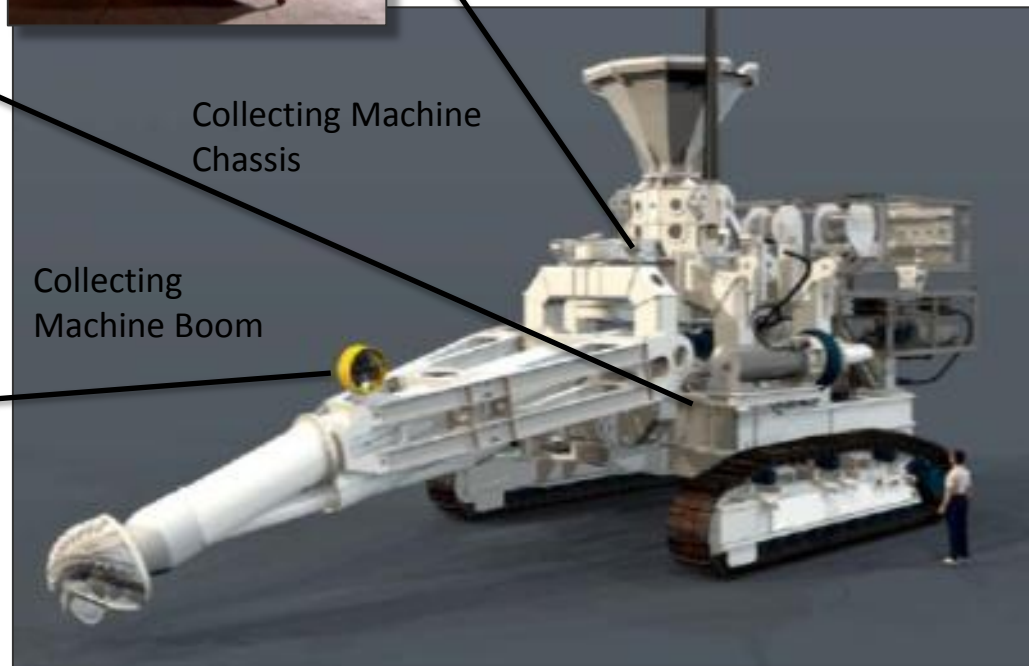


Collecting  
Machine Yoke



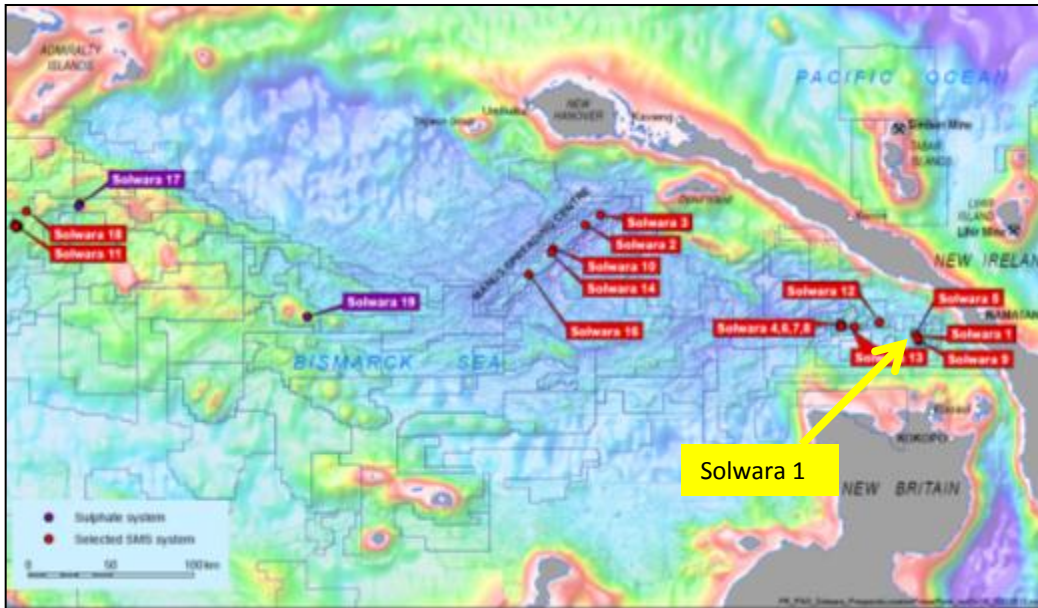
Collecting Machine  
Chassis

Collecting  
Machine Boom



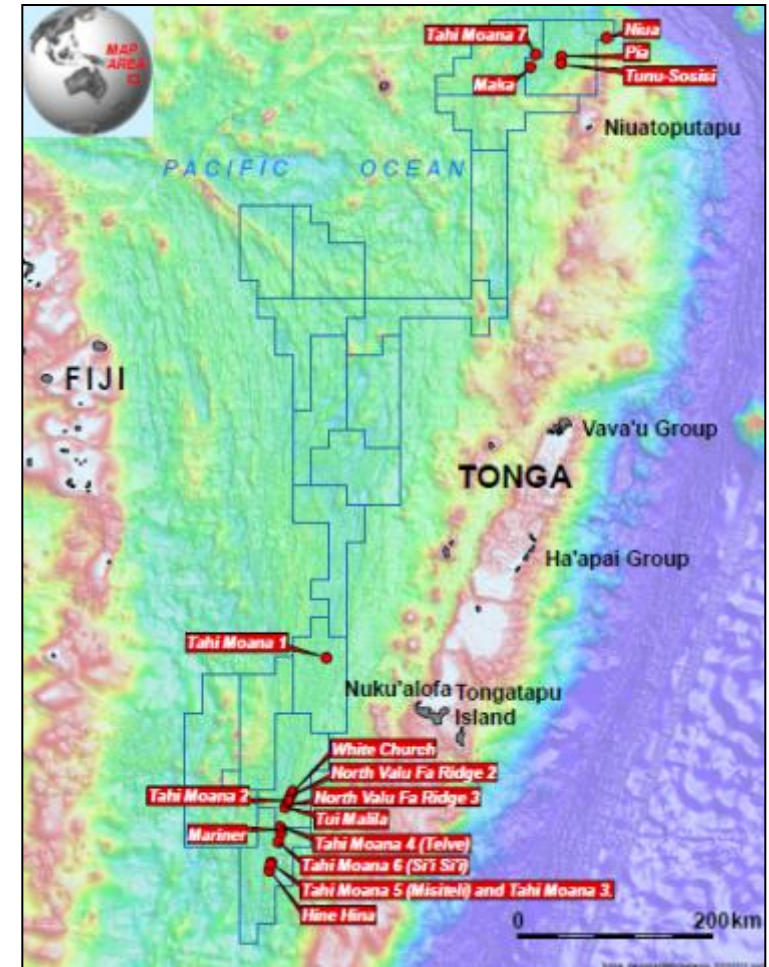
# We have a Pipeline

## Bismarck Sea Exploration



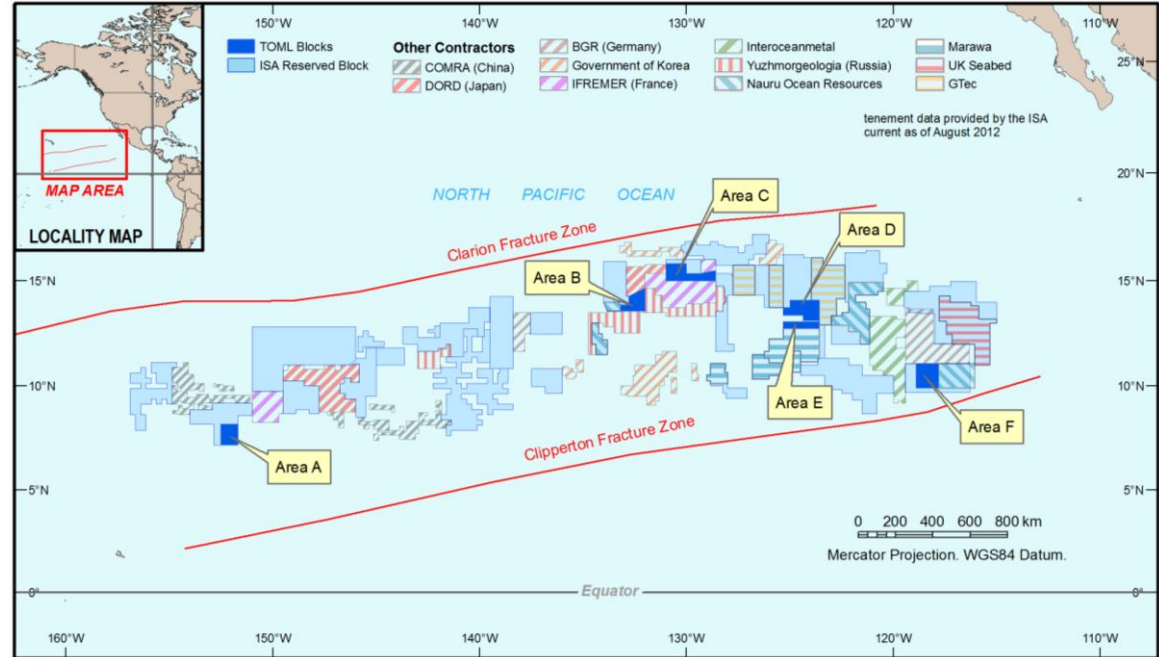
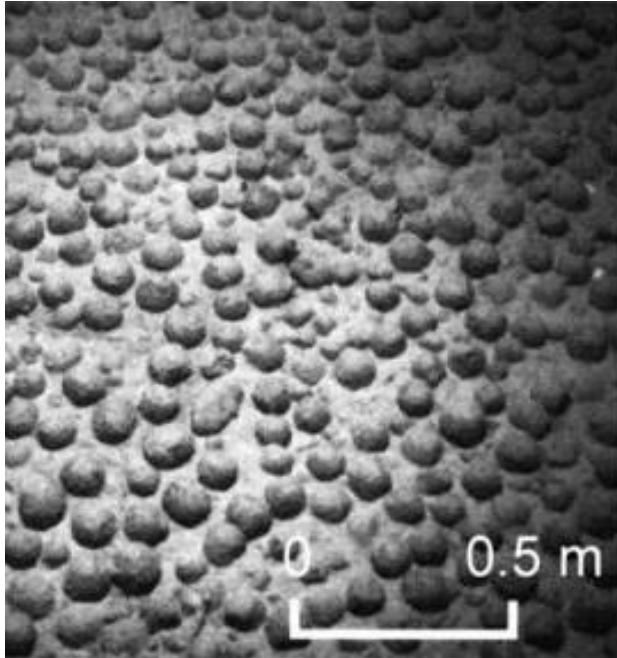
- 19 prospects identified in Bismarck Sea
- 16 prospects identified in Tonga
- Prospective tenements in Fiji, Solomons, Vanuatu
- Applications in New Zealand

## Kingdom of Tonga Exploration





# We aren't just looking at SMS deposits

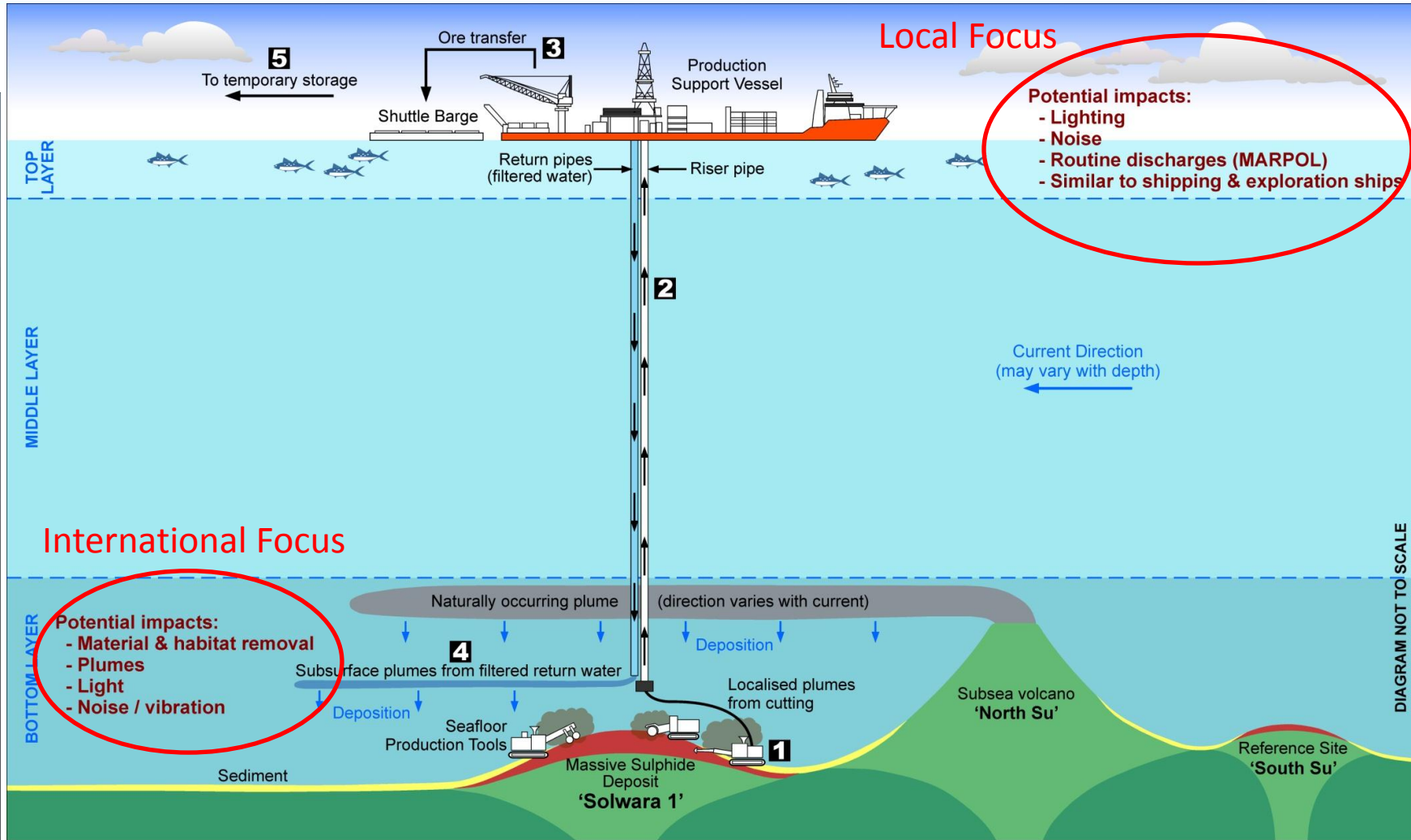


- World's first NI43-101 resource for nodules declared by TOML;  
**410 million tonnes @ 1.2% Ni, 1.1% Cu, 0.24% Co, and 26.9% Mn\***
- Found on the seafloor at depths starting at 4,500 metres
- Sponsored by Tongan Government

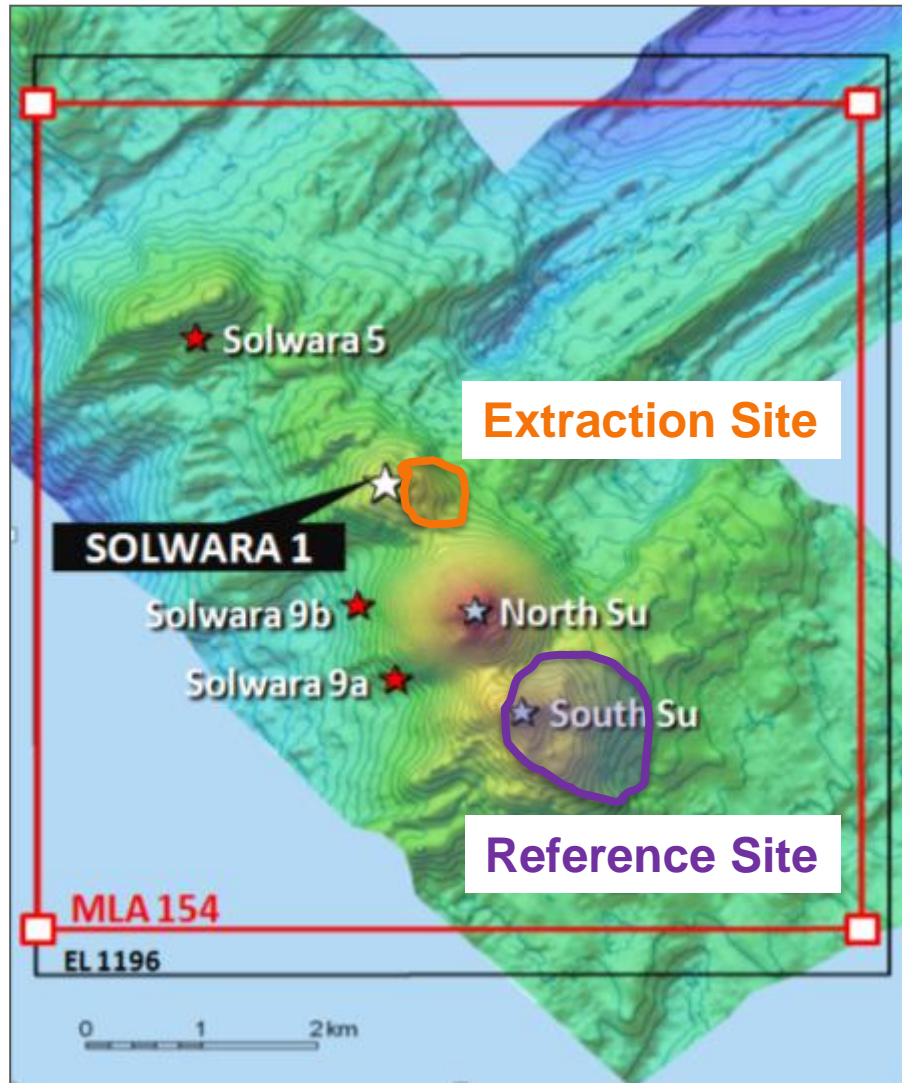
\* Resource prepared by Matthew Nimmo, Principal Geologist, Golder Associates Pty Ltd, a member of the Australian Institute of Geoscientists and a qualified Person under NI43-101.



# We've looked at the Potential Impacts (note: not to scale)



# Applying the Precautionary Principle - at depth



Limiting the impacts in the deep sea:

- Mitigation strategies developed with independent world experts.
- **All strategies suggested were accepted by Nautilus.**
- Protection measures include:
  - Plume reduction (stockpile hoods, closed delivery system, etc)
  - Control site(s)
  - Refuge Areas
  - Animal relocation
  - Artificial substrates
  - Independent monitoring

# Applying the Precautionary Principle - upper layers



## Limiting impacts to surface waters:

- Fully enclosed system
- No hazardous chemicals
- No tailings discharged to the sea
- No blasting
- Biodegradable fluids/oils to be used in all subsea equipment
- No extraction impact shallower than 1,300 m water depth at Solwara 1 (below where tuna, etc, live)
- Transparency
- Independent monitors and reviewers

**nautilus cares** ABOUT FISH AND CORAL REEFS TOO

1. Solwara 1 is located 30 km from land, at depths of 1600 m:
  - Well away from coral reefs and fish
2. Surface impacts have been engineered out:
  - No process discharges at the surface
  - No toxic chemicals discharged in the extraction process
3. Surface impacts are limited to the presence of vessels and barges:
  - Similar to cargo ships already present in the Bismarck Sea

About Nautilus Minerals Inc.

Nautilus is the first company to explore the ocean floor for polymetallic seafloor massive sulphide deposits and is developing its first project at Solwara 1, in the territorial waters of Papua New Guinea, where it is aiming to produce copper and gold. The company has been granted all necessary environmental and mining permits. For more information, please visit our Kavieng office or send a note to: PO Box 1161, Port Moresby, NCD or visit our websites:

[www.nautilusminerals.com](http://www.nautilusminerals.com) / [www.cares.nautilusminerals.com](http://www.cares.nautilusminerals.com)

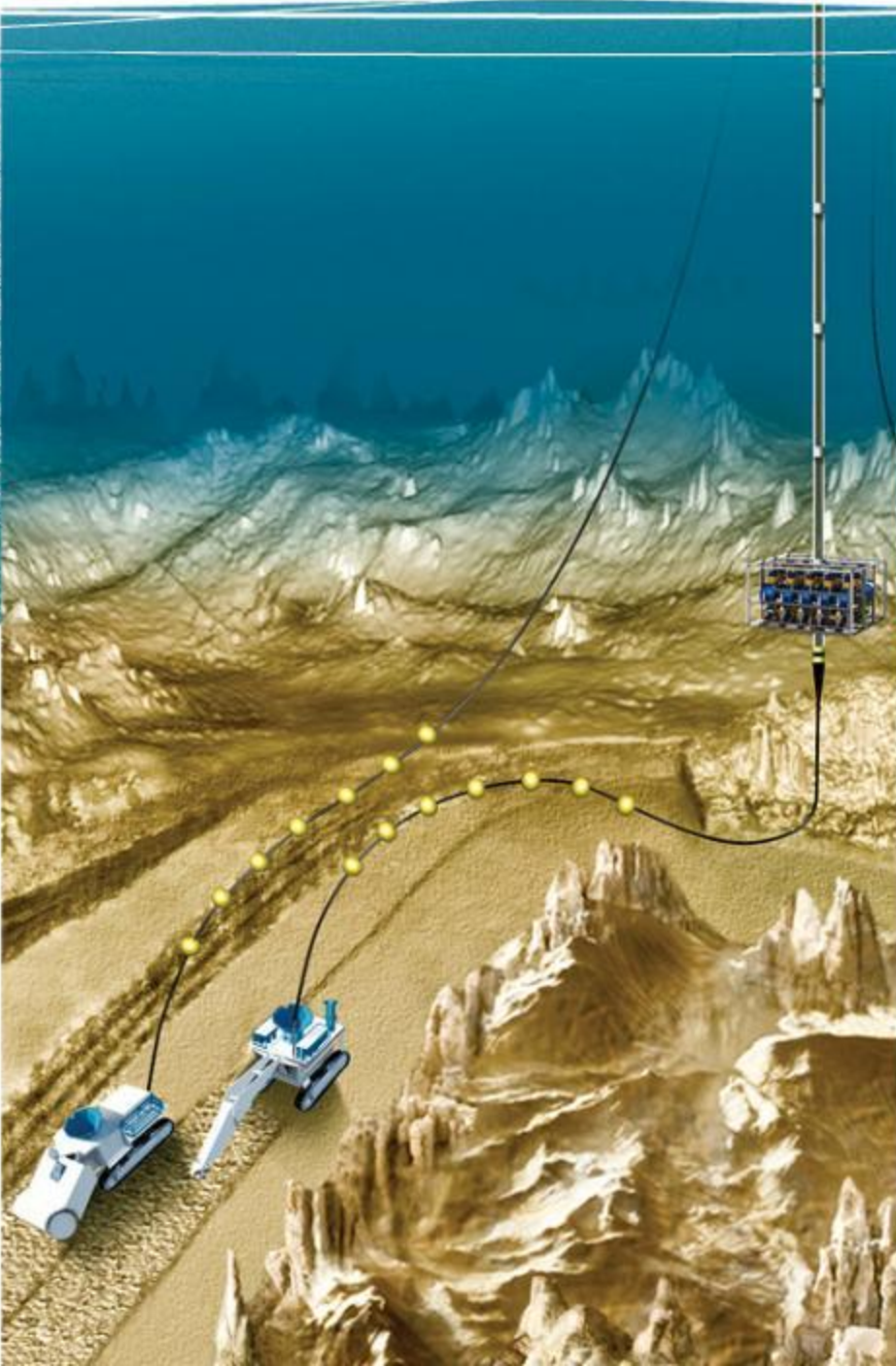


# Summary



- Demand for minerals continues to rise,
  - driven even higher by technology changes and the demands of a Green Economy
- Seafloor Resource Production offers many **social** and **environmental** advantages for mineral development
- We apply the Precautionary Principle
  - Transparency
  - Independent studies
  - Multi-stakeholder approach
- We are on a path to production





[www.nautilusminerals.com](http://www.nautilusminerals.com)

