



Nautilus Minerals Granted Mining Lease

January 17, 2011, The Government of Papua New Guinea granted the world's first deep sea mining lease to Nautilus Minerals for the development of its Solwara 1 project in the Bismarck Sea.

The lease covers an area of approximately 59 km² surrounding Solwara 1, 30km 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 and the PNG Government has retained an option to take up to a 30% stake in the Solwara 1 project as a joint venture partner. The option is exercisable within one month. If the option is exercised, the government will contribute funds to the project in proportion to its interest, including its share of the exploration and development costs incurred to date.

Nautilus CEO Stephen Rogers said the granting of the mining lease was an important step for the company and for PNG.

"This historic decision to grant a lease over a deep sea deposit is a major step forward for this new frontier, and it reflects the fact that the Solwara 1 project is being recognised as an exciting, commercially valuable undertaking," he said.

"We are grateful to the PNG government for its support and welcome its participation in the project. We look forward to working closely with the government on Solwara 1, which will generate significant investment for the economies of New Ireland, East New Britain and PNG. The successful development of Solwara 1 will pave the way for the expansion of operations to other seafloor deposits in the future, creating an exciting growth industry further benefiting PNG," he said.

The mining lease gives Nautilus the exclusive right to import and construct required equipment and to extract, process and sell minerals in accordance with the project development plan submitted by the company and the environmental permit granted by the PNG Government in 2009.

For more information please refer www.nautilusminerals.com or contact.

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