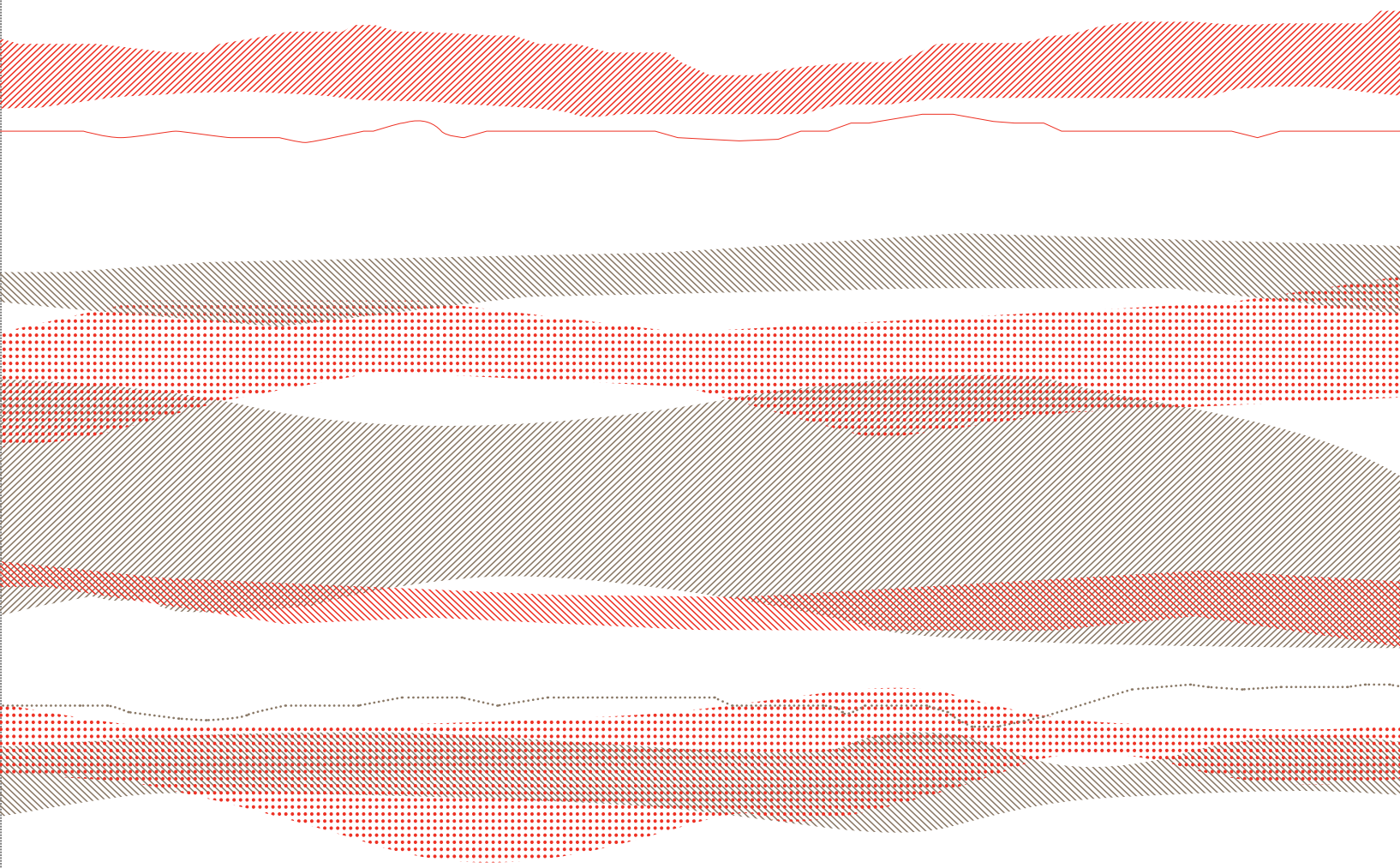
Zanaga
IRON ORE

Adding Real Value in African Iron Ore



Zanaga Iron Ore
Annual Report and Accounts 2011

Zanaga Iron Ore Project Mineral Resource Statement

Classification	Tonnes (Mt)	Fe[2] (%)	SiO_2[3] (%)	Al_2O_3[4] (%)	P[5] (%)	Mn[6] (%)	LOI[7] (%)
Measured	149	38.7	39.1	2.4	0.047	0.093	1.2
Indicated	2,540	34.1	43.6	2.8	0.050	0.112	1.0
Inferred	1,650	31	46	4	0.05	0.12	2
Total	4,339	33.0	44.3	3.3	0.049	0.114	1.3

2. Fe -Iron
3. SiO_2 Silica
4. Al_2O_3 Alumina
5. P Phosphorus
6. Mn Manganese
7. LOI Loss on Ignition (indicative of moisture content)

The Mineral Resource statement set out above is reported in accordance with the terms and definitions included in the Australasian Joint Ore Reserves Committee ("JORC") Code (2004) as at September 2011. As at this date, the total Mineral Resources reported at a 0% Fe COG constrained within an optimised Life of Mine (LOM) pit shell, amounts to 4.34Bt grading 33.0% Fe, 0.049% P, 44.3% SiO_2, 3.3% Al_2O_3, 0.114% Mn, and 1.3% LOI. The shell was determined by SRK using operating costs derived from the Pre-Feasibility Study work streams and a selling price of 130 USc/dmtu based on the SRK 3rd Quarter 2011 consensus market forecast for Brazilian fines without adjustment. The table above presents the Measured Mineral Resource, Indicated Mineral Resource, the Inferred Mineral Resource and the total Measured plus Indicated plus Inferred Mineral Resource based on drilling to 26 August 2011 and as estimated by SRK in September 2011. The Competent Person, Dr John Arthur of SRK, has given his permission for the publication of this information in the form and context within which it appears.

Geological Summary

The north-south oriented greenstone belt which hosts the Zanaga deposit has been defined by an airborne geophysical survey over 47 kilometres in length, and is typically between 0.5 and 3.0 kilometres in width.

The iron bearing lithologies within the Zanaga deposit are itabirites/BIF, interbedded with basic lavas. Typically, the itabirites consist of layers of iron-rich and quartz rich meta-sediments which alternate on a millimetre to centimetre scale and which have been crosscut by late intrusions and dolerite dykes.

The weathered itabirite units which overlie un-weathered ore are typical of iron ore deposits and characterised by an enrichment in iron due to a mass reduction and associated leaching of the silicate layers.

The Competent Person who has reviewed the Mineral Resources as reported by ZIOC is Dr John Arthur (CEng MIMMM, CGeol FGS), who is an employee of SRK Consulting. Dr Arthur is a Member of the Geological Society of London (CGeol) and of the Institute of Materials, Minerals and Mining (CEng) and has sufficient experience, which is relevant to the style of mineralisation and type of deposit under consideration, and to the activity he is undertaking, to qualify as a Competent Person in terms of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves" (JORC Code 2004 Edition) and is a "Qualified Person" under Canadian National Instrument 43-101 – "Standards of Disclosure for Mineral Projects".

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