Roadshow Presentation – November 2011

Zanaga
IRON ORE

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Summary

- Value Engineering Exercise ("VEE") completed
  - results confirm the economic viability of the Zanaga Project
  - post VEE the projected cost of the 45 Mtpa railway option remains in line with IPO estimates
  - an alternative 30Mtpa slurry pipeline transportation option identified with potential to further enhance project economics
- Xstrata intends to commit to a Pipeline Study shortly to refine this option and its economics
- Feasibility Study ("FS") drilling and Environmental and Social Impact Assessment (ESIA) work continues on schedule
  - FS expected to conclude in Q1 2014
- Iron ore Mineral Resources upgraded to 4.3Bt at 33.0% Fe
- Relationship with Xstrata governed by JV agreement
- Joint search initiated with Xstrata for a strategic partner for the Zanaga Project

Project highlights

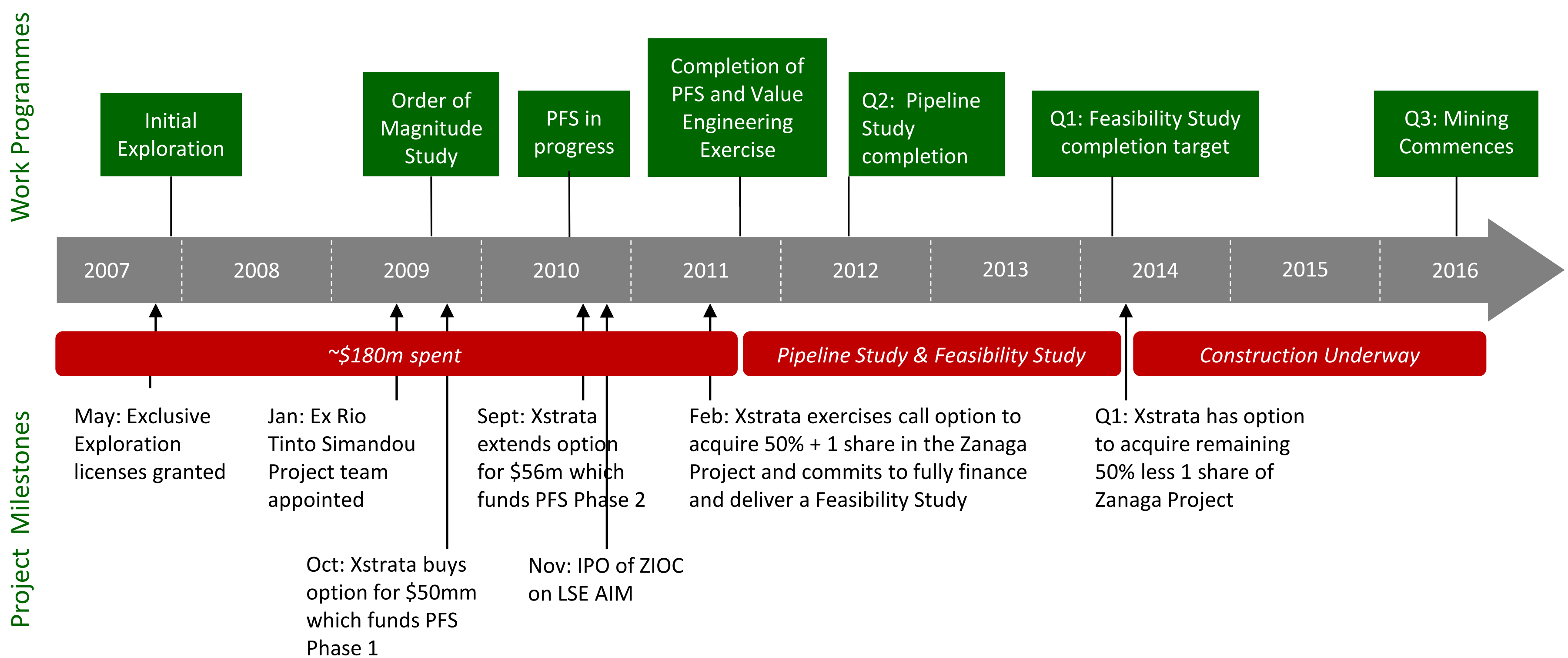
4.3Bt resource identified with future upside potential	• Drilling program totaling 126,984 meters identified 4.3 Bt iron ore resource grading on average 33% Fe[1] • Upside potential – only c.50% of magnetic footprint drilled

Large scale, low cost mining operation	• 2 development options under consideration
	    • 45 Mtpa Railway Option producing sinter fines and magnetite concentrate
	    • 30 Mtpa Pipeline Option producing pellet feed
	• High quality products similar to Brazilian supply
	• >30 year minelife

Significant expansion potential	• Potential to increase production based on current identified resources
Bottom quartile operating costs	• Estimated FOB cash costs of US$16/t - US$20/t[2], excluding 3% royalties and contingency • LOM strip ratio of 0.3 tonnes of waste to tonnes of ore[3]
Achievable integrated infrastructure and logistics solution	• Slurry pipeline (~380km) identified as low cost alternative to 350km rail (US$1.5bn saving on direct costs with ~US$1bn coming from move to pipeline from railway) • High quality deepwater port site with extensive land available • Local power supply solution using local natural gas
Partner with, and leverage the expertise from, a leading diversified major in Xstrata	• Xstrata is one of the world's leading mining companies, with significant capabilities in developing and operating large scale mines
Supportive government	• Established jurisdiction for foreign investments with government led land acquisition process facilitating timely development

Note: (1) Mineral Resources reported in accordance with the JORC Code (2004) by ZIOC on 26 October 2011
(2) Includes approximately US$3/t of potential savings identified by the VEE on the railway option
(3) Based on 30 Mtpa Pipeline Option

Project timeline



Value Engineering Exercise

- Xstrata assumed management control of Zanaga Project in February 2011
- Value Engineering Exercise (VEE) undertaken as an initial stage of Feasibility Study
- VEE initiated to identify most attractive development option in order to optimise project economics
- The pipeline option was revisited as part of the VEE
  - Potential for lower capex and opex
  - Fit with changing global iron ore market dynamics
- VEE outcome confirmed two viable transport options for project development
  - 45 Mtpa Railway Option producing 15 Mtpa sinter fines and 30 Mtpa magnetite concentrate
  - 30 Mtpa Pipeline Option producing 30 Mtpa pellet feed with significant expansion potential
- Life of Mine (LOM) >30 years for each option

Pipeline has the potential to improve project IRR but further work is required to confirm this

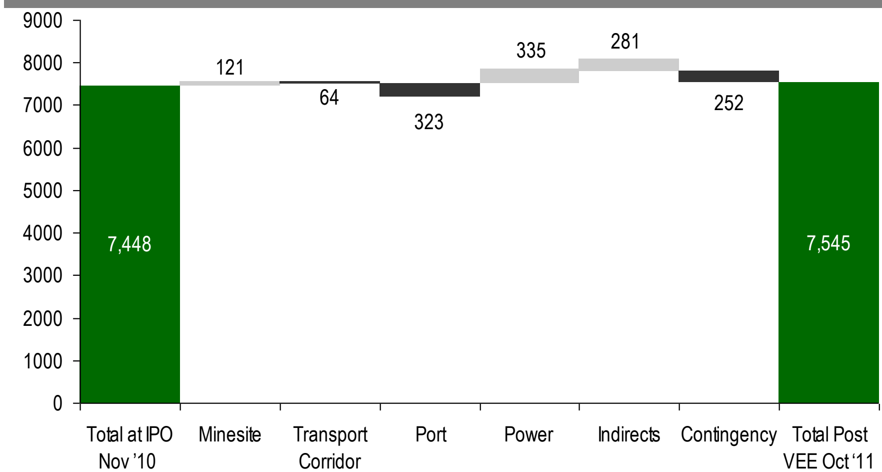
Capex and Opex for 45 Mtpa railway option is in line with IPO estimates

45 Mtpa Railway Option

- Original railway option as outlined at IPO
- Assumes 118 Mtpa of ore treated through one of two processing plants to produce 30 Mtpa of magnetite concentrate and 15 Mtpa of Hematite sinter feed
- Design and development plan for the railway option has not changed materially since IPO
- Projected ~$7.5bn capex in line with ZIOC's IPO estimate
- FOB operating cost of $20/t [1] excluding $2/t contingency represents significant saving on IPO estimate

[1] $25/t est. by PFS workstreams incl. $2/t contingency & ~$3/t potential savings identified by VEE

Capex – Railway option Post VEE vs IPO (US$m)



Capital Cost Estimate (US$m)

Area	IPO (Nov '10)	Pre VEE (Feb '11)	VEE savings (Mar-Sep '11)	Post VEE (Oct '11)
Minesite	2,644	3,170	(406)	2,764
Transport	2,074	2,472	(462)	2,010
Port	896	681	(108)	573
Power	214	500	50	550
Total Direct	**5,828**	**6,822**	**(926)**	**5,896**
Indirect costs[1]	634	915	0	915
Contingency[2]	986	734	0	734
TOTAL	**7,448**	**8,471**	**(926)**	**7,545**

Notes: The Post VEE figures include potential savings identified by the Xstrata managed VEE and have not been the subject of a formal capital re-estimate. Figures exclude FS costs (funded by Xstrata) of an estimated US$249m and are in 2011 US$.

[1] Indirect costs include Head Office costs, EPCM & other indirect costs

[2] Contingency provision of US$734m (10% of total direct plus indirect costs) for the 45 Mtpa railway option was the result of a thorough quantitative risk analysis (QRA) performed by the project team on the pre VEE case

Pellet Feed is becoming an increasingly attractive product

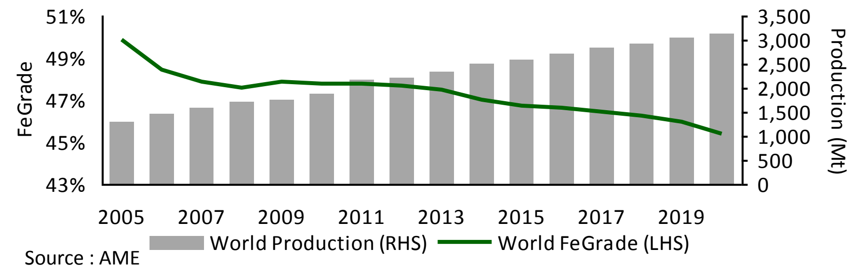
Future demand for pellet feed

- Iron ore grades are declining, leading to premiums for higher quality products expected to appreciate
  - The ongoing decline in availability of lump and fines product is encouraging steel mills to evaluate other alternatives
  - Furthermore, China has an ongoing need for substitution of domestic magnetite concentrates
  - Given the limited availability of lump, market demand for pellets is expected to grow
  - Evidence: Escalation of Chinese pellet plant construction
- While sinter will remain the largest product market, pellet demand is expected to grow significantly

Pellet Feed product provides significant benefits

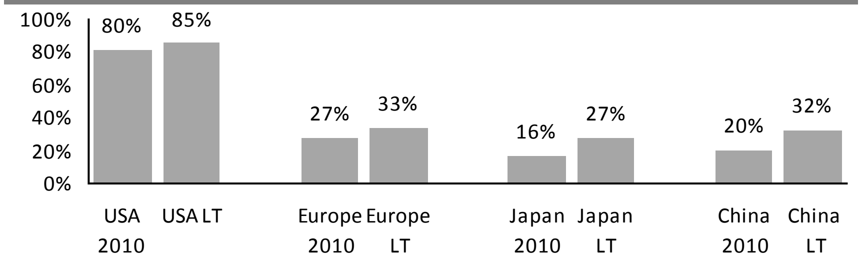
- Product characteristics comparable with Brazilian supply
- Pellet feed no longer trading at discount given high Fe grade
- Finely ground product capable of slurry pipeline transportation
  - Pipeline transportation may increase project returns
- Pellet feed product unlocks option for pelletising
  - Gas currently being "flared" in RoC due to lack of demand
  - "Stranded gas" provides potentially attractive power costs and pelletising economics

Declining Grades



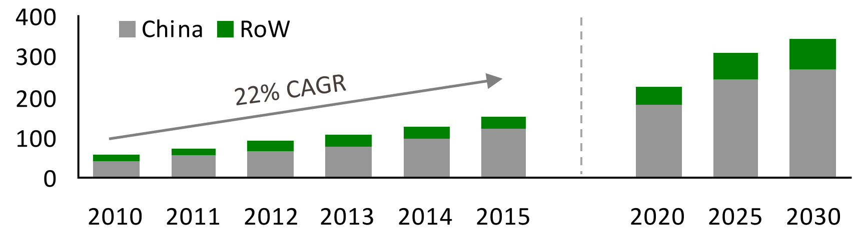
Source : AME

Global shift from Sinter towards Pellets



Source : AME

Imported Pellet Feed Demand (mt)

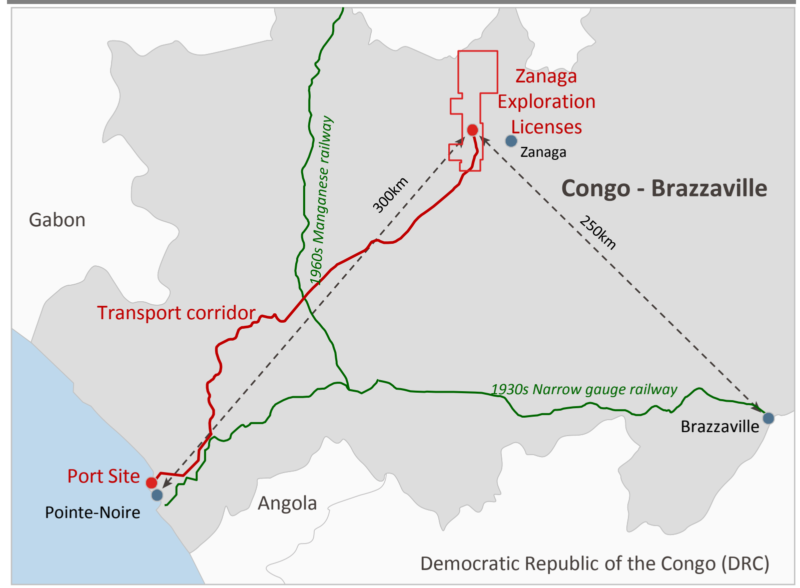


Source : CRU

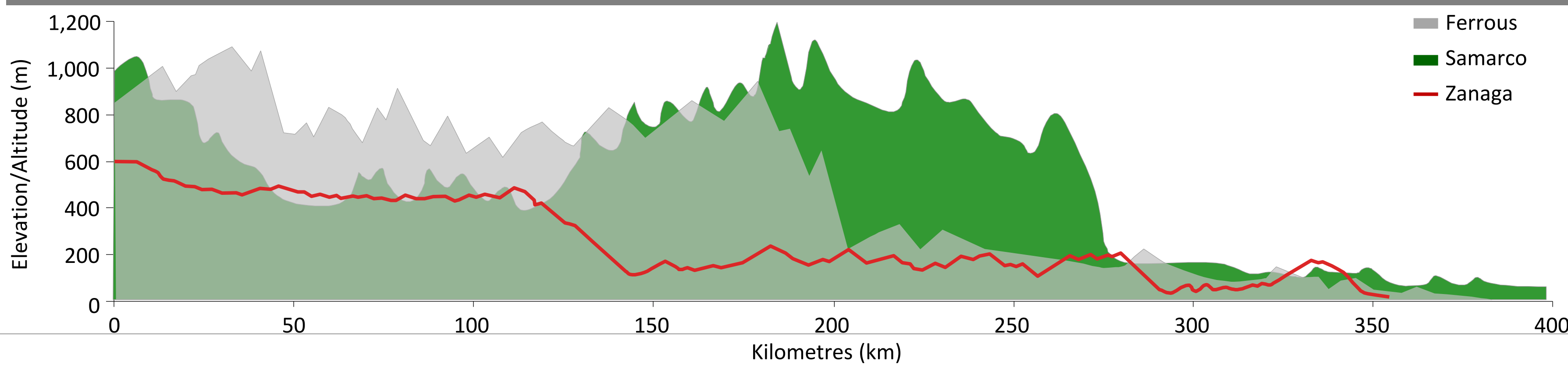
Pipeline transportation option could result in significant operational and financial benefits…

- Pipeline option is preferable transport solution for pellet feed
  - Lower capex / opex
  - Flexibility on route selection
  - Access to site for construction and logistics via local road networks
  - Downhill gradient to port
  - Timing and costing more favourable

Route



Indicative topographical profile

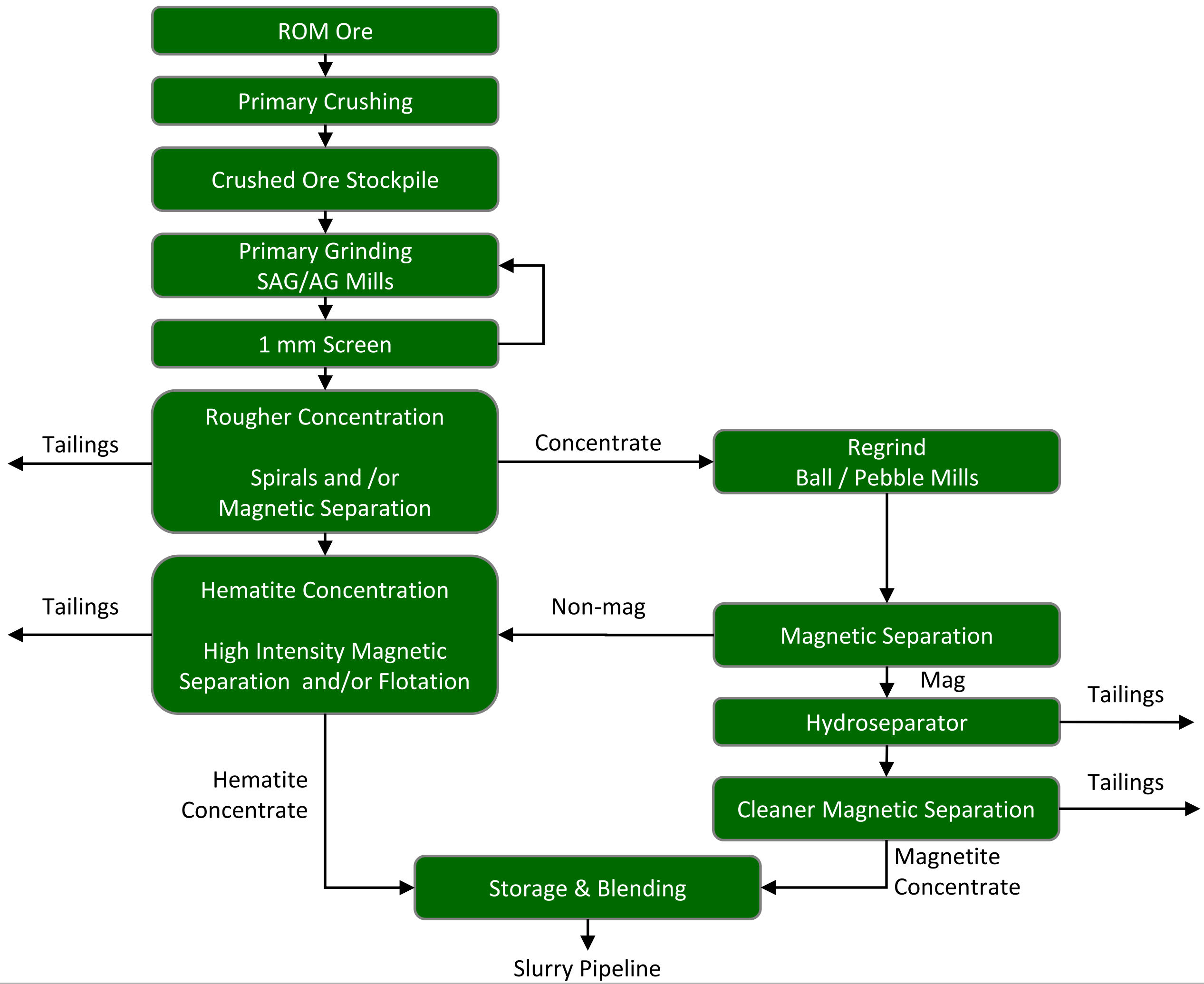


Source: ZIOC, Samarco and Ferrous company data

…using proven pellet feed technology

- Design capacity of 30mtpa in pipeline scenario
- Capable of processing hematite and magnetite ores
- Simple, well tested technologies with no step-outs
- PFS will refine and optimise flowsheet
- Slurry produced for transport to port via pipeline

Indicative plant flow sheet

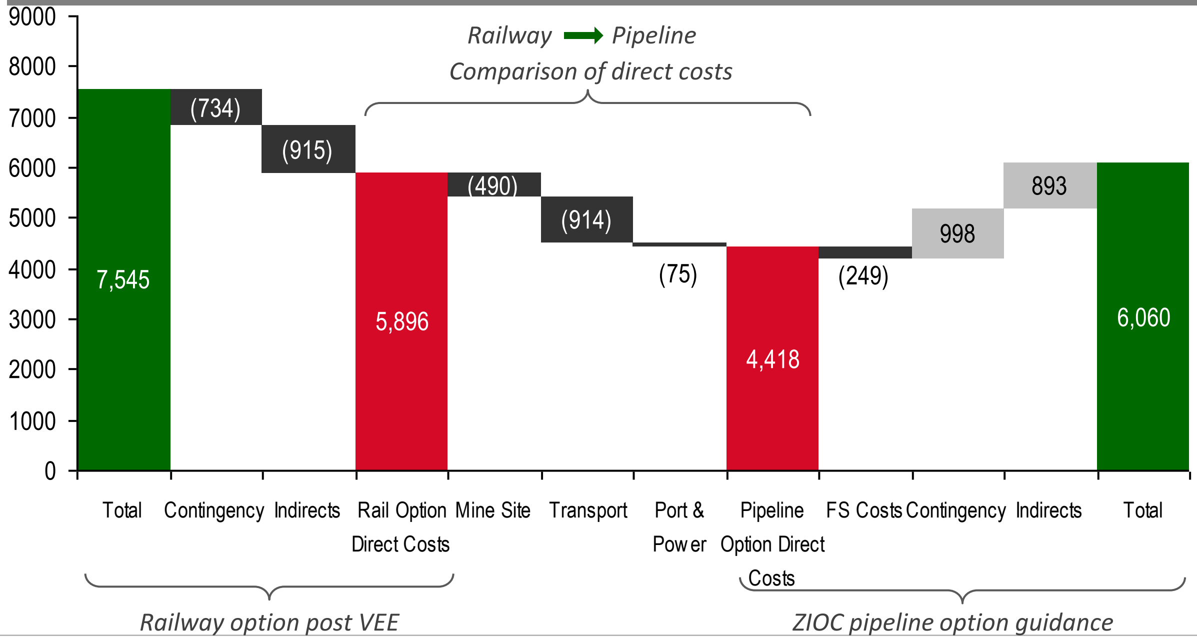


Pipeline capex – ongoing optimisation

30 Mtpa Pipeline Option

- Assumes initially 30 Mtpa of pellet feed produced from 75 Mtpa of combined hematite/magnetite ore
- Treatment of ore through single integrated process plant
- Pellet feed product transported via pipeline to port site north of Pointe Noire
- Significant potential to expand production beyond 30 Mtpa pipeline
- FOB operating cost as estimated by the VEE is $16/t excluding $5/t contingency

Capex – Pipeline option vs Post VEE Railway Option (US$m)



Capital Cost Estimate (US$m)

Area	Cost
Mine	1,203
Beneficiation plant	1,071
Transport Corridor	1,096
Port	484
Power	564
Total Direct	**4,418**
Head Office	273
Indirects	441
On-costs (EPCM)	502
Contingency	1,627
Total per Xstrata managed VEE	**7,260**
FS costs (funded by Xstrata)	(249)
ZIOC identified savings:	
Indirects[1]	(322)
Contingency[2]	(629)
TOTAL- ZIOC guidance	**6,060**

Notes: ZIOC's technical team has identified potential savings to certain indirect costs and contingency provisions outlined below. Figures shown in 2011 US$.
(1) Comprises additional indirect costs included by Xstrata in the pipeline option but not included in the railway option
(2) Comprises additional contingency included by Xstrata consisting primarily of engineering rework and full costs associated with an assumed one year project delay

Pipeline opex – highly competitive

- Pipeline LOM opex estimated at US$16/t excluding US$5/t contingency
- Drivers of low operating cost
  - Low strip ratio - minimises material movement
  - Low excavation costs - significant free dig material in the early years of mining
  - Low grinding duty with a weighted average Bond Ball Mill Work Index of 12.2 kWh/t
  - Potential for low cost power from plentiful natural gas reserves in country
  - Owner / operated slurry pipeline

Operating cost estimate for 30mtpa pipeline case [1,2]

Parameter	LoM Cost (US$/t)
Mining	4.09
Processing	9.11
Overheads and Admin	0.79
Pipeline	1.51
Port	0.59
Subtotal	**16.09**
Contingency	5.00
Total (pre royalty)	**21.09**
Royalty	3%

Notes: (1) Includes: crushing, processing, plant services and tailings
(2) Estimate excludes tax, and VAT

Bottom quartile cost curve position

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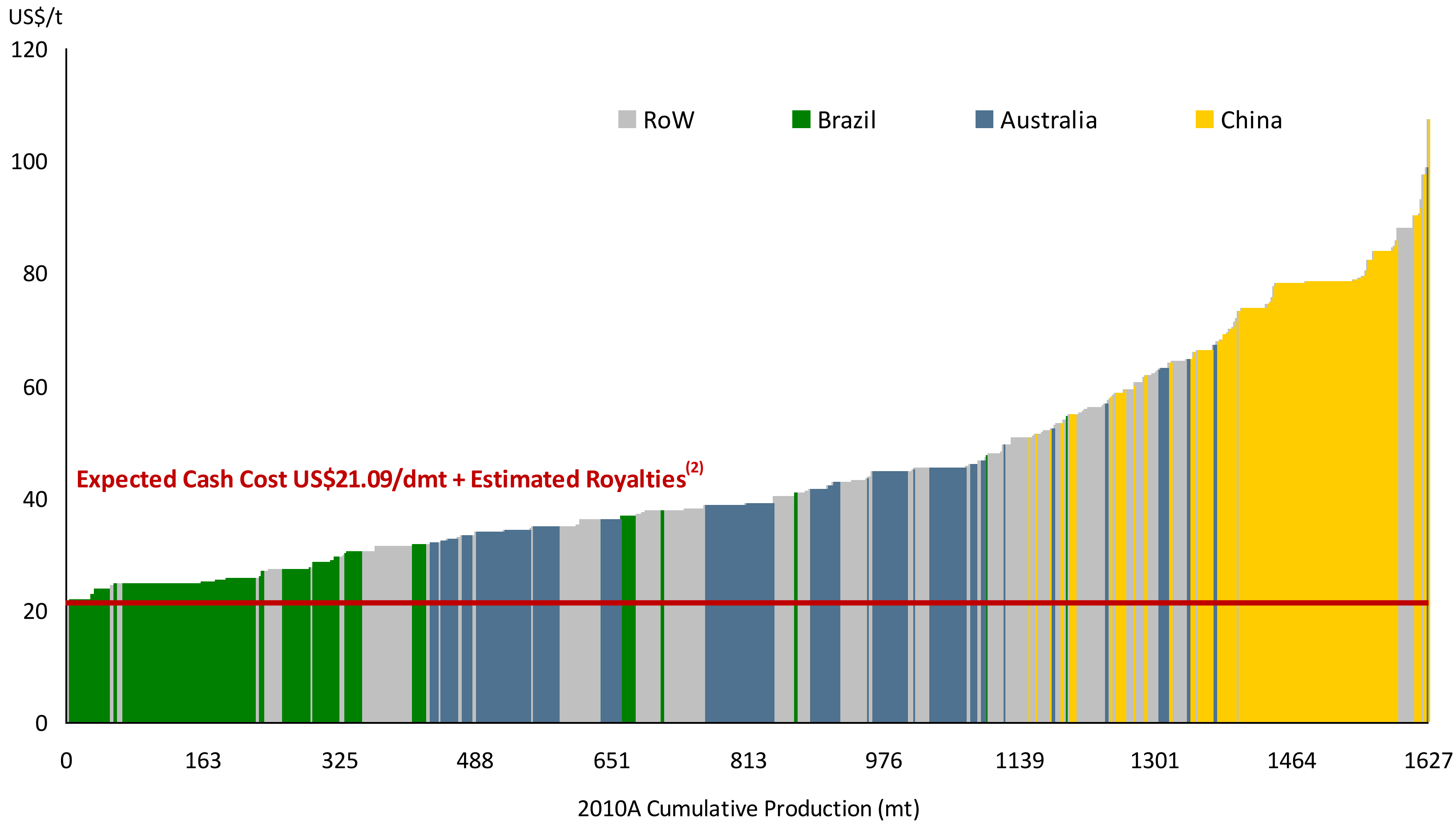
FOB Cash Costs for 2010 - Saleable Mine Production(1)



Source: AME.

Note: (1) Cost curve inclusive of royalties. Curve shows cash costs per mine in the various countries.

(2) $21.09/dmt relates to the LOM opex for an estimated Fe pellet feed product. Royalties are estimated at US$1.9/dmt based on 2010 pricing

Iron Ore pricing – Blended AME/CRU price curves continue to move upward and outward

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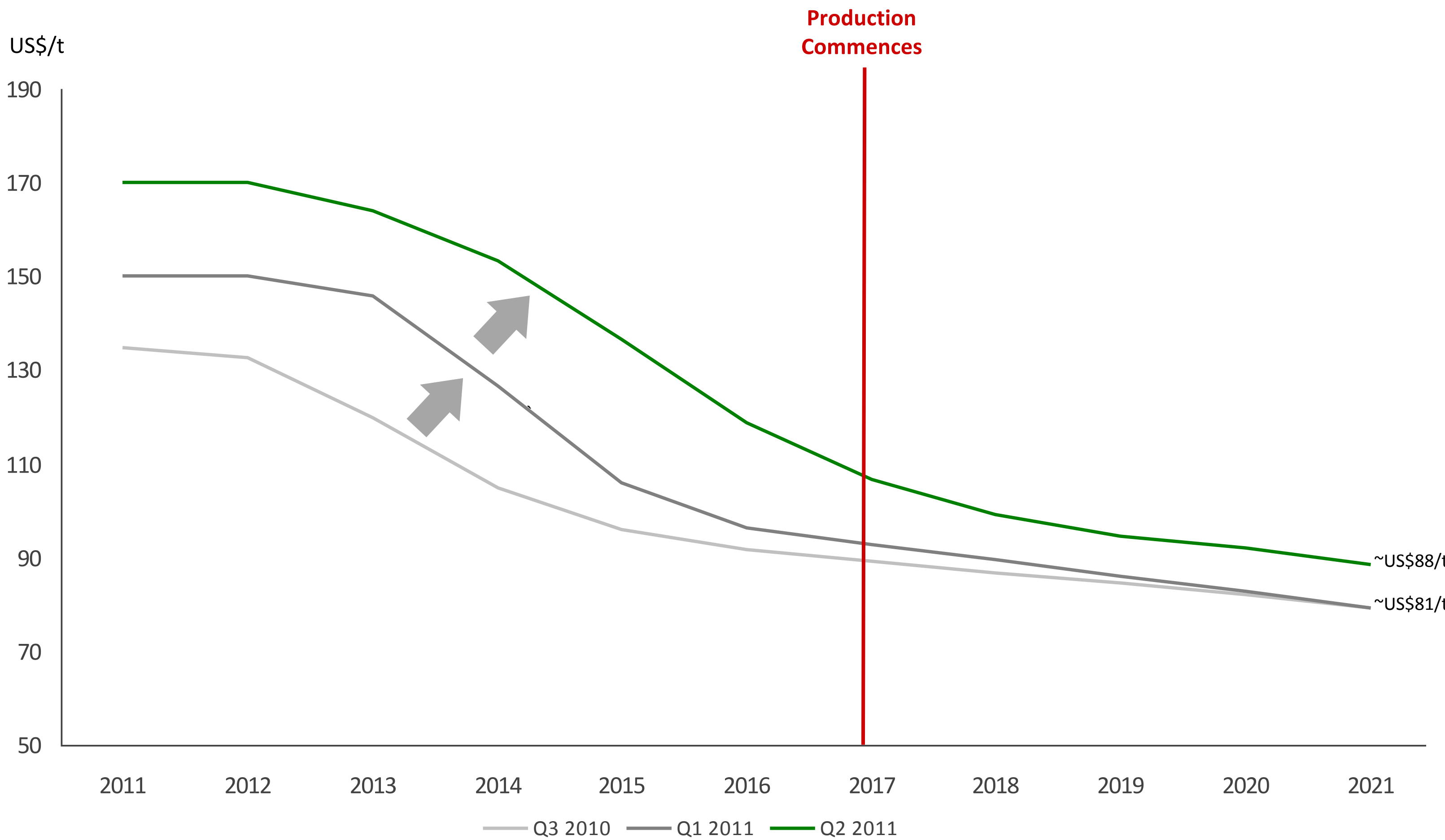
Blended AME/CRU price average historical price forecasts[1]



Source: (1) Average of AME Southern Systems Fines /CRU Itabira fines. Adjusted for estimated average LOM Fe pellet feed product.

Over 4bn tonnes of resource with upside potential

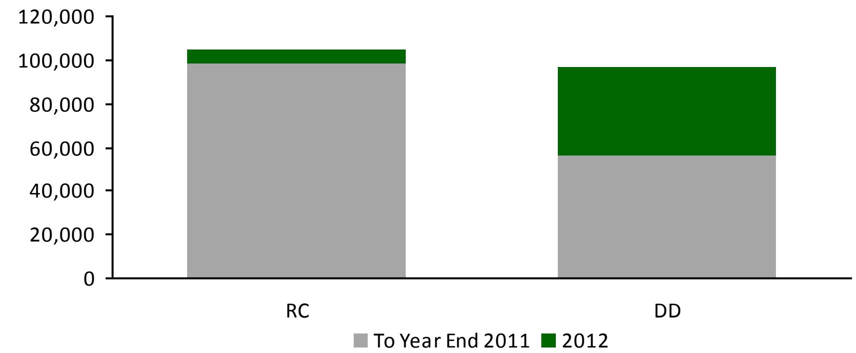
Mineral Resource statement [1]

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

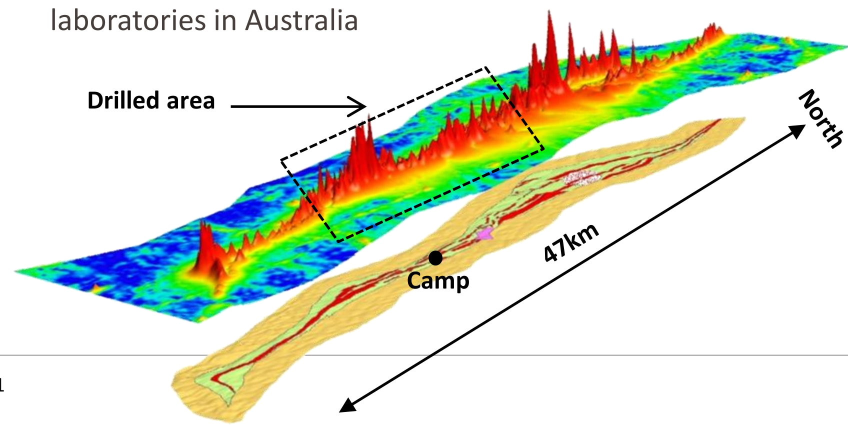
Reported at a 0% Fe cut-off grade within an optimised Whittle shell representing a metal price of 130 USc/dmtu.

- 126,984 metres drilling included in JORC compliant Mineral Resource statement
- Over 60% of resources are already in the measured or indicated categories
- 25km of 47km magnetic anomaly drilled to date
- Drilling to circa 300 metres with mineralisation open at depth
- Based on expected mass recoveries, only 1.6bn of the existing 4.3bn tonnes of existing JORC compliant resources will be mined over the first 20 years, suggesting a higher production level and / or a longer mine life is possible

Ongoing drilling program (metres)

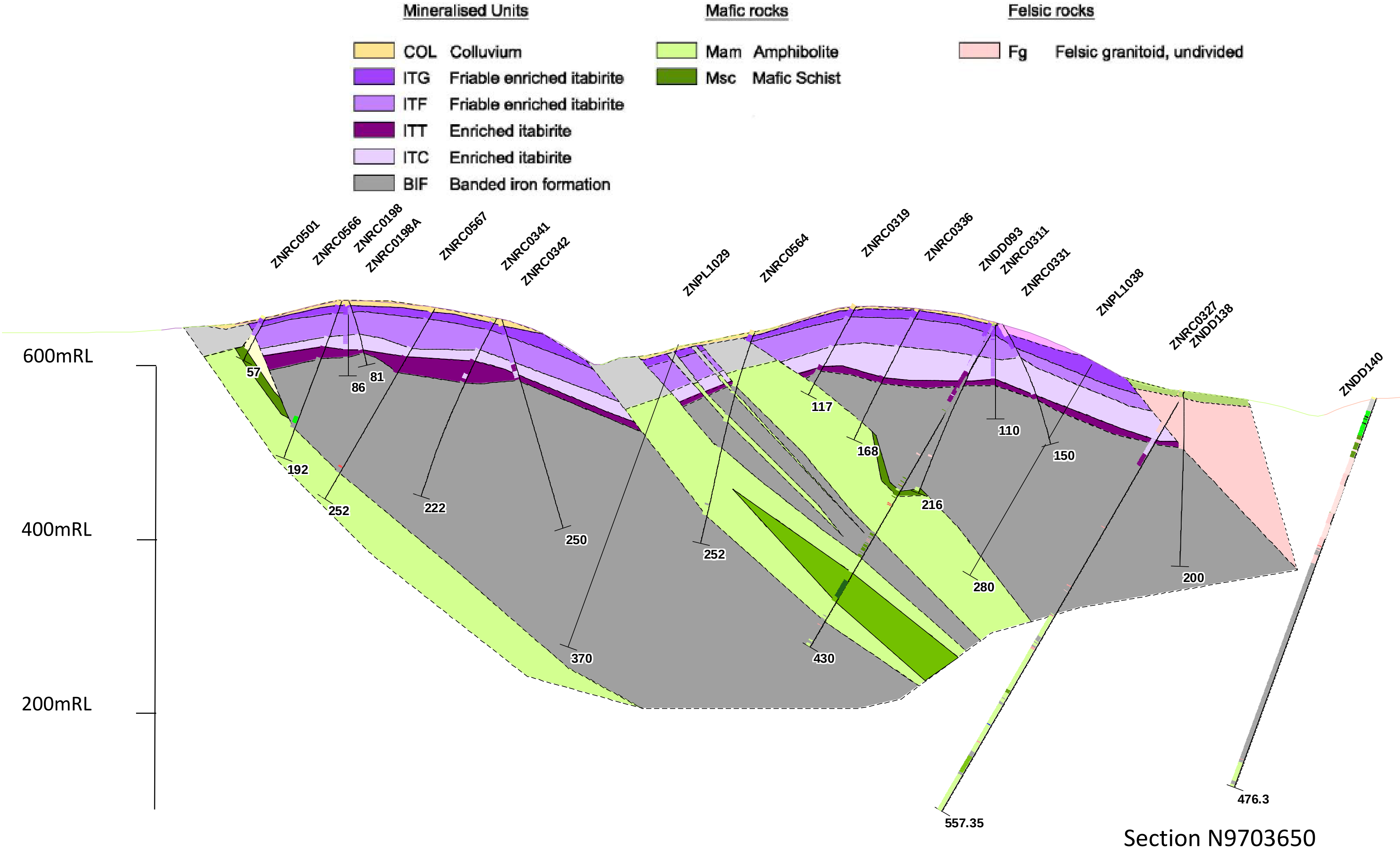


- Drilling program is ongoing
  - 4 DD rigs, 2 RC rigs and a hydrogeological rig currently active on site
- Work subject to comprehensive QA / QC, with use of standards, field duplicates and blanks and checks by laboratories in Australia



Note: (1) Mineral Resources reported in accordance with the JORC Code (2004) by ZIOC on 26 October 2011

Geology well understood



Xstrata relationship governed by Joint Venture Agreement

- Xstrata obliged to fund Feasibility Study to internal standards and international best practice
- At end of the Feasibility Study Xstrata has a one off right to acquire ZIOC stake in the Project for cash
- If cash offer is rejected by ZIOC pricing defers to independent valuation terms below :
  - Feasibility Study technical assumptions
  - 10% real discount rate
  - CRU/AME forecast prices
- If Xstrata does not acquire ZIOC stake
  - Option lapses
  - ZIOC has marketing nomination rights for its equity proportion of production at market prices
  - ZIOC may choose to fund its share of capex or may dilute at NPV based on assumptions above

Significant advantages of being partnered with a major mining company at times of competition for project development resources

Strategic partner search process

- Xstrata and ZIOC wish to explore potential strategic partners in order to further enhance long-term project value
- Areas of potential value-add include and are not limited to :
  - off-take on commercial terms
  - access to construction financing
  - construction expertise
- Xstrata intends to fully retain its interest in the Project
- Process being conducted jointly with Xstrata

Appendix

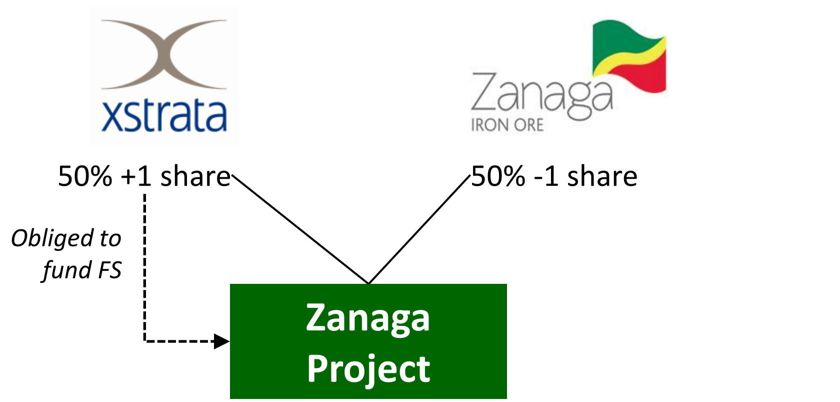
Corporate structure

- Market cap: £224m ($358m)
- Share price: £0.80
- Shares outstanding: 280.4m
- Cash on B/S at 30 June of $48m
- Listed on AIM in November 2010 (ZIOC)

Management & Board

Name	Position
Clifford Elphick	Non-Executive Chairman
Mike Haworth	Non-Executive Director
Clinton Dines	Non-Executive Director
Colin Harris	Non-Executive Director
Dave Elzas	Non-Executive Director
Gary Vallerius	CFO
Andrew Trahar	Corporate Development & IR

Corporate structure

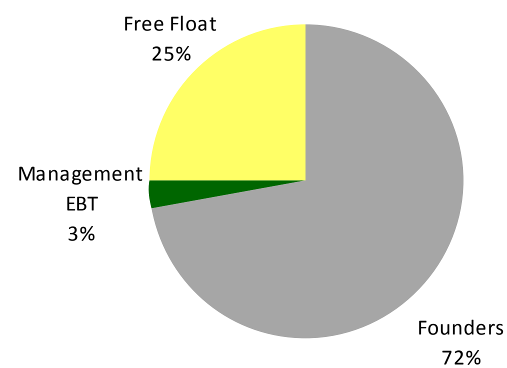


- Relationship with Xstrata governed by JV Agreement
- Xstrata has right to acquire ZIOC's stake at end of FS

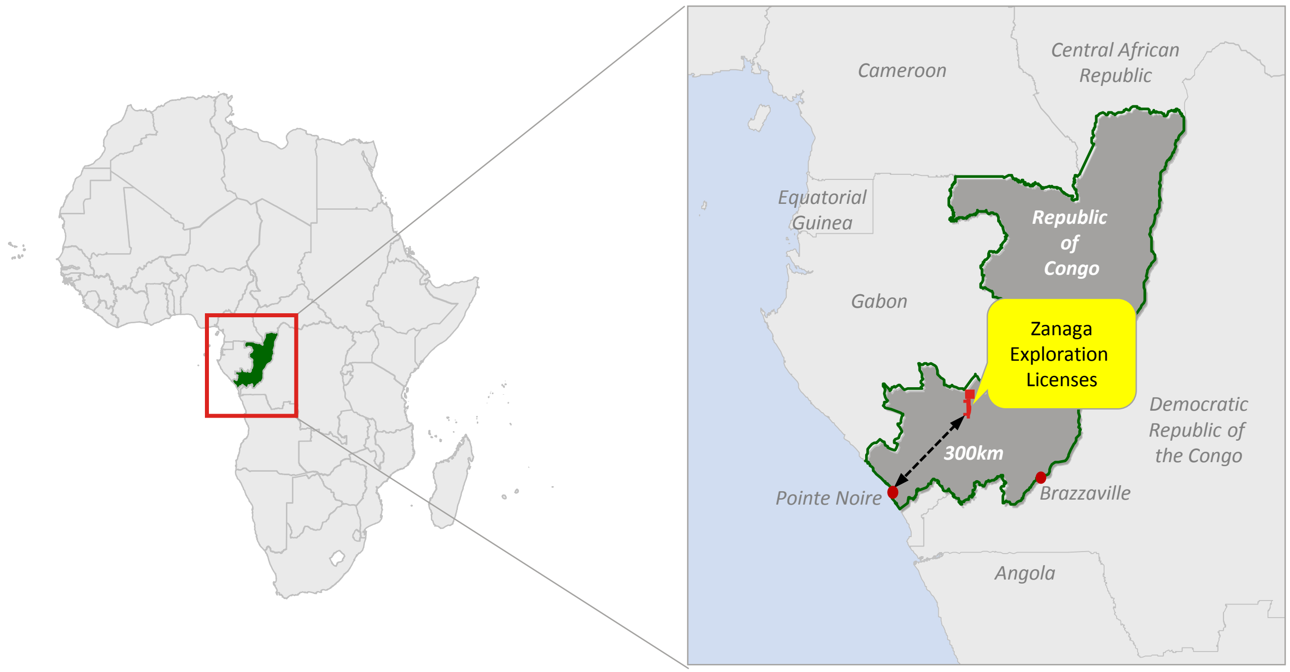
ZIOC Shareholder Structure

Top Institutional shareholders

Name	Holding
BlackRock	8.5%
F&C AM	5.4%
TT Int'l	3.0%
Credit Suisse	1.4%
Henderson	1.4%



Project location



- Located in the French-speaking Republic of Congo, 300km north-east of the major port city of Pointe Noire
- RoC is a favourable destination for mining investment. The government that recognises importance of the project and is welcoming of international investment
  - The oil industry has operated since the 1950s, producing 300kbpd last year (representing 85% of 2010 GDP)
  - GDP PPP per capita is $4,100 and GDP growth was 9.1% in 2010
- The country has been politically stable since 1999, with the last election held in July 2009 and the next due in 2016
  - Current President is Dennis Sassou-Nguesso, first elected October 1997

Excellent port site

Site has potential for expansion

- Short distance to 20m deep water (post minimal dredging)
  - 1.6km trestle planned
- Good existing onshore facilities in Pointe Noire
- Land area presents scope for future expansion of facilities

1 Slurry pipeline in from mine

2 Slurry storage and thickening

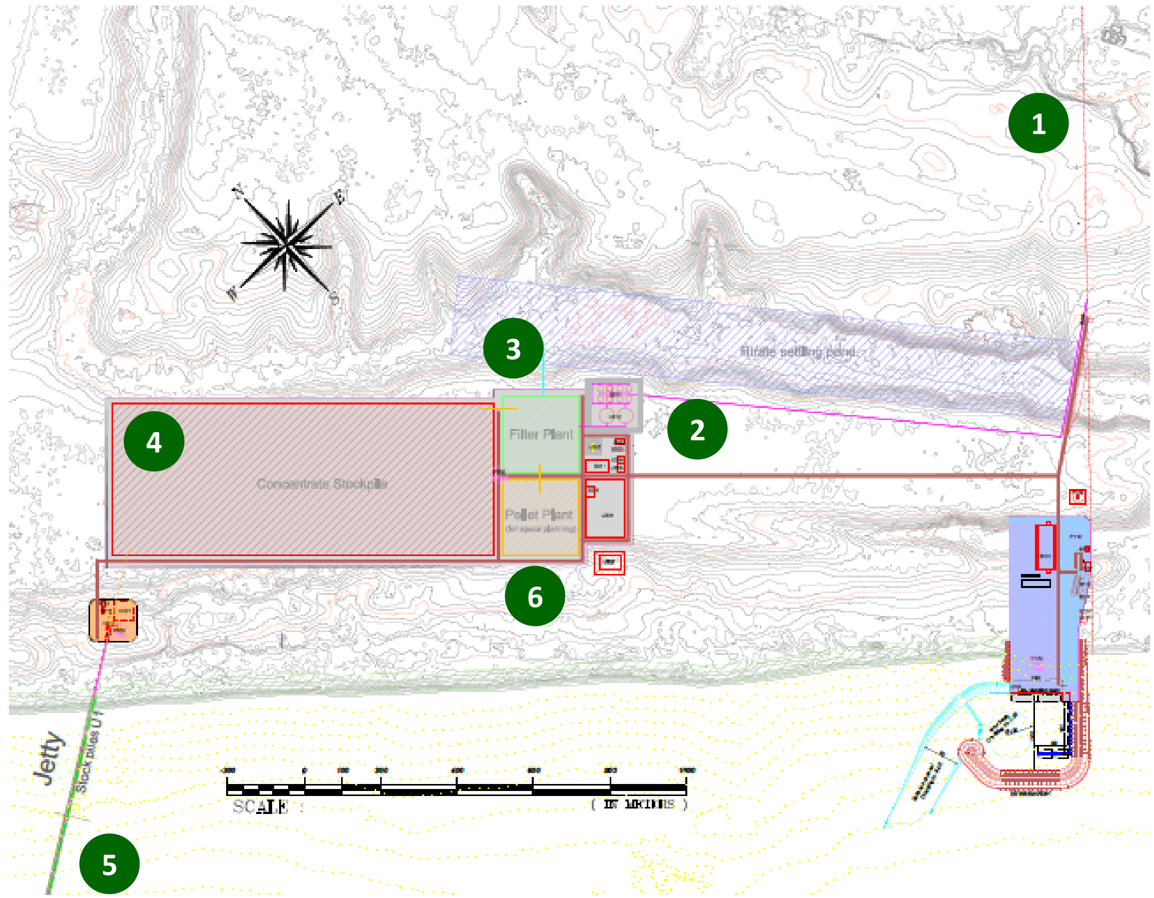
3 Pressure filtration plant

4 Concentrate stockpile

5 Jetty to shiploader for export

6 Site for potential pellet plant

Site has potential for expansion



Creating a positive presence through a responsible approach to business

Local employment

Open engagement with communities

Dedicated on-site clinic

Environmental studies

On-site nurseries

Supporting local education