



Investor Presentation

November 2012



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Corporate information

- Listed on AIM in November 2010
- Ticker: ZIOC
- Market cap: £95m (\$152m)
- Share price: £0.34
- Shares outstanding: 279m
- Cash on B/S at 30 June of \$42m

ZIOC Top Institutional Shareholders

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

Highly Experienced Management & Board

Clifford Elphick	Non-Executive Chairman Founder & CEO of Gem Diamonds Former Director of Anglo American
Mike Haworth	Non-Executive Director Ex-JP Morgan investment banking
Clinton Dines	Non-Executive Director Ex-President BHP Billiton China
Colin Harris	Non-Executive Director Ex-Project Director, Simandou Project
Dave Elzas	Non-Executive Director CEO of Geneva Management Group
Gary Vallerius	CFO Ex-Rio Tinto Africa & Europe
Andrew Trahar	Corporate Development & IR Ex-JP Morgan Investment Banking

Zanaga Project has world class potential

Large Resource

6.8Bt

Large operation

30 Mt

Long life

30 yrs

High Quality Product

68% Fe

Low Cost

\$23/t

Supportive
Government

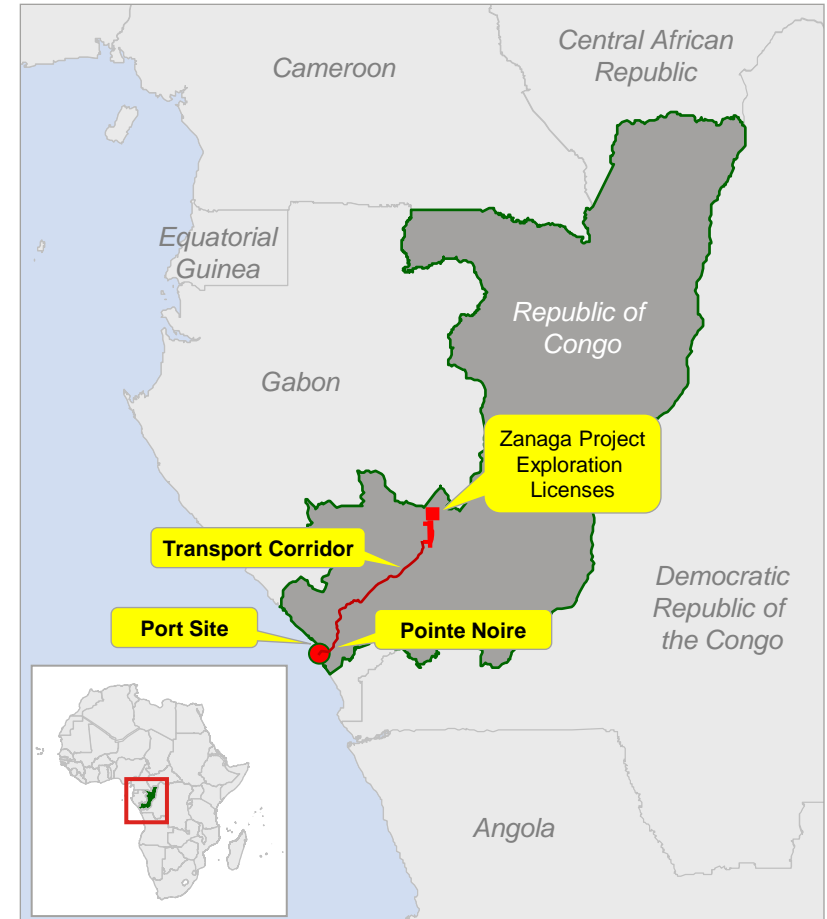


Republic of Congo is open for business

- Successful & established oil and gas industry
 - In operation for over 40 years

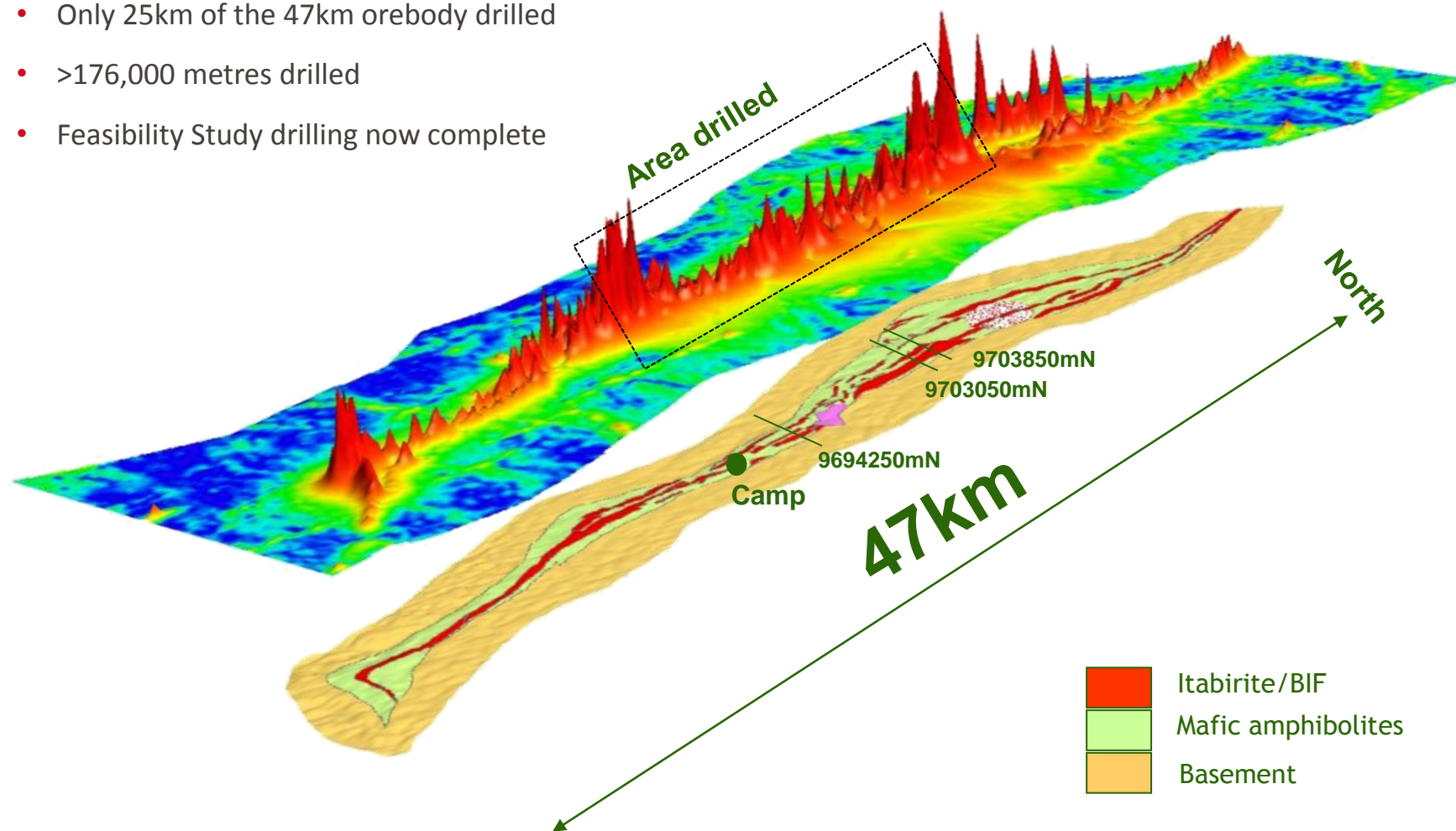


- Supportive government with strategy to diversify into mining
- Population only 4.2m
 - Zanaga Project outlined as a significant future employer
- Zanaga Project would become a significant contributor to national GDP



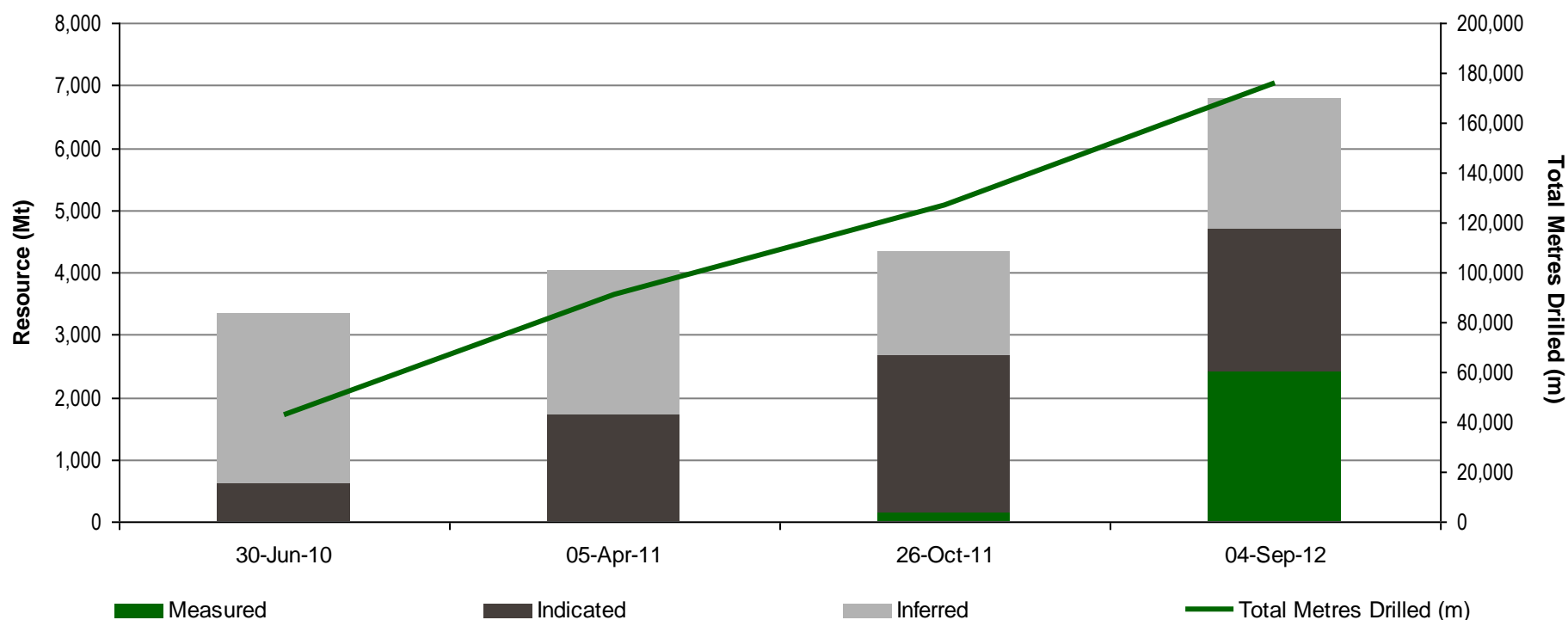
Large deposit identified

- Only 25km of the 47km orebody drilled
- >176,000 metres drilled
- Feasibility Study drilling now complete



Large, well defined, long life mineral resource

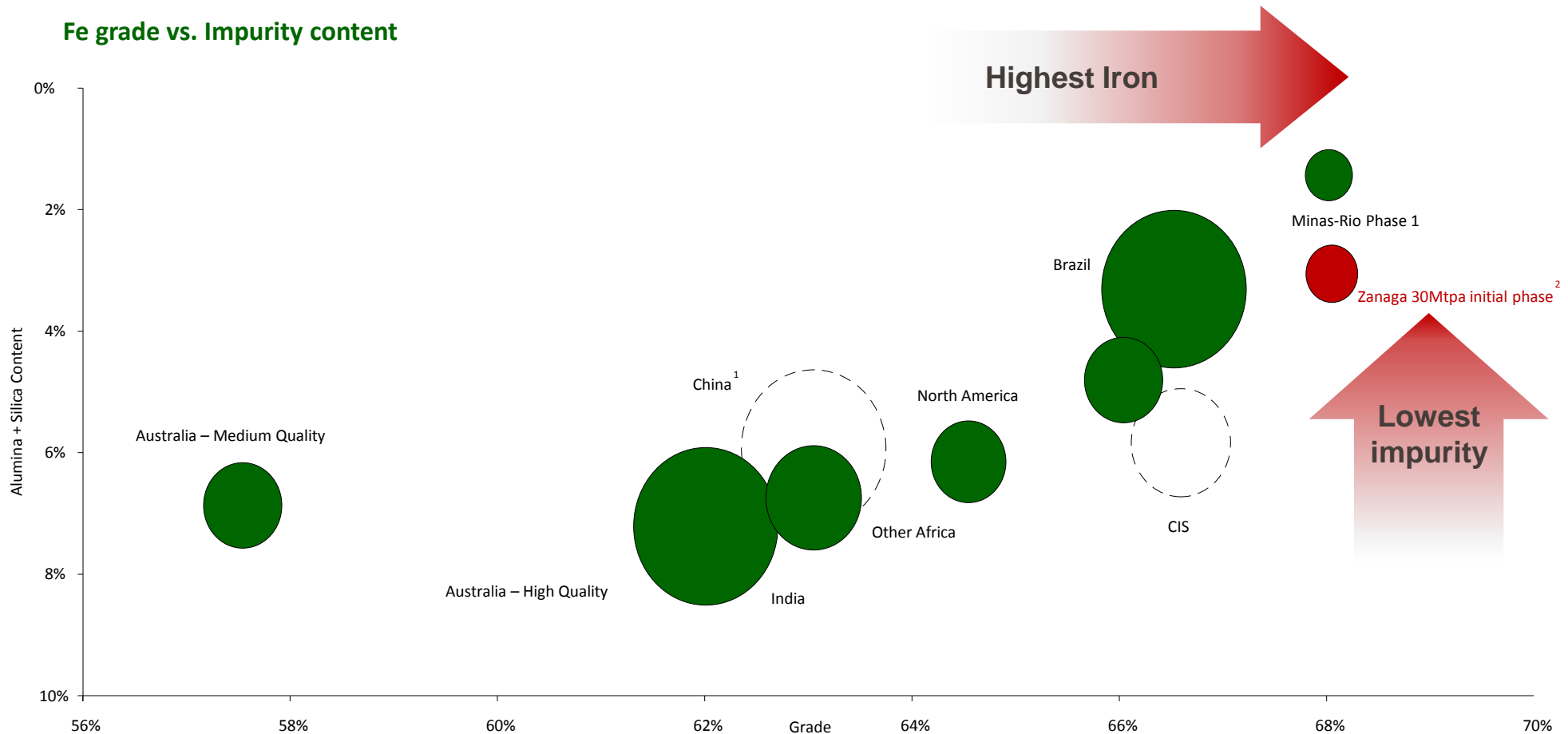
- 6.8 billion tonne Mineral Resource grading 32% Fe
- 69% in Measured & Indicated category
- Supports >30 year mine life
- Potential for higher production levels & longer mine life
- Resource underpinned by >176,000m of drilling
- Feasibility Study drilling now complete



Mineral Resource reported in accordance with the JORC Code, as presented in ZIOC announcement on 4 Sept 2012. Reported at a 0% Fe cut-off grade within an optimised Whittle shell representing a metal price of 130 US\$/dmu.

Product and scale places Zanaga amongst the best in the world

Fe grade vs. Impurity content



Notes: (1) Chinese production (iron ore equivalent) inferred from a small sample of mines. (2) Zanaga expected pellet feed product : 68% Fe with low impurities ($\text{SiO}_2 + \text{Al} \sim 3.5\%$)

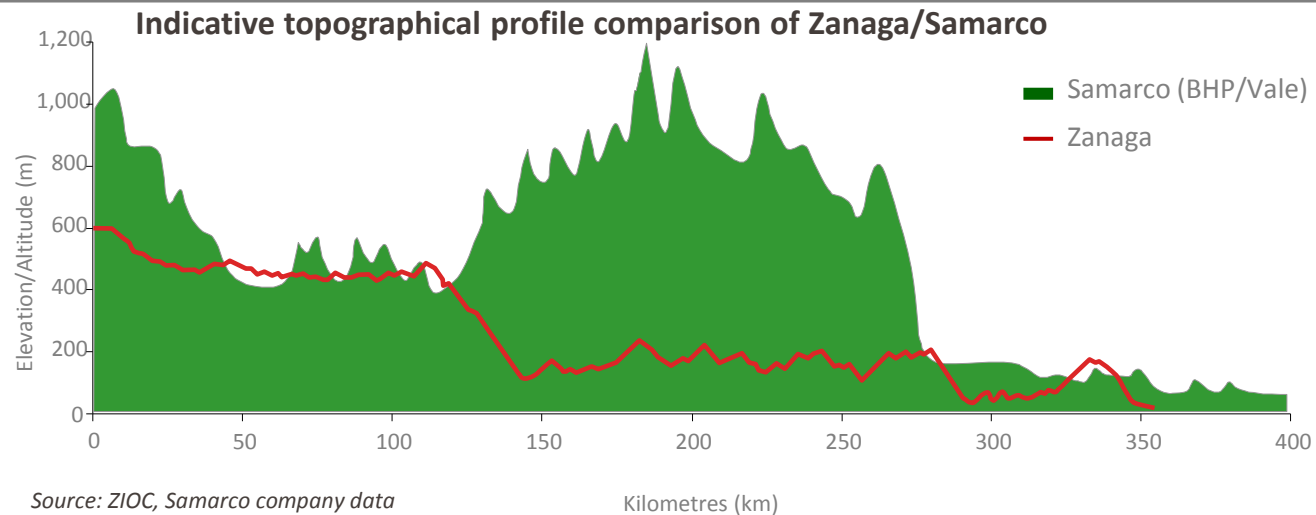
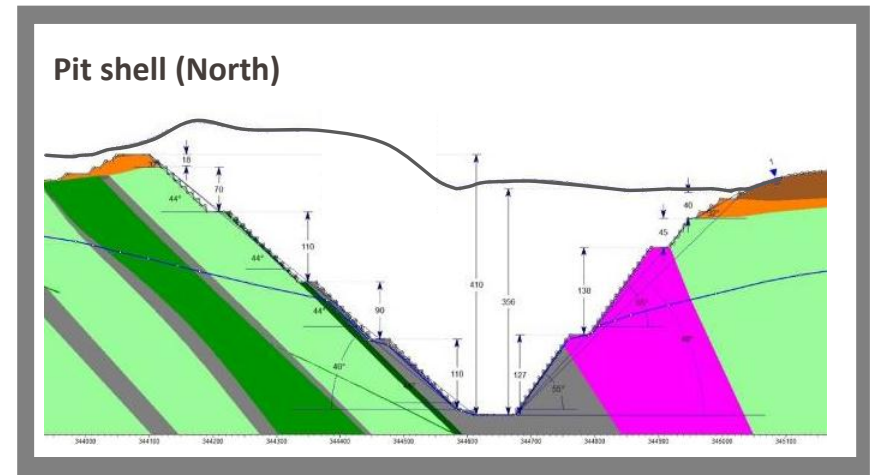
Source: CRU, AME, Anglo American Analysis

----- Indicates processed ore

Mining and Pipeline transportation

Mining

- Open pit, low drill and blast operation
- Low strip ratio a key driver of low opex
- Targeting high quality product with very low impurities



Pipeline transportation

- Optimal transport solution
 - Most suitable for pellet feed product
 - Very low opex
 - +US\$1bn saving and less execution risk than rail

Water, port site & power infrastructure

Port site design

- Attractive port site – 1.6km trestle with minimal dredging to accommodate cape size vessels
- Land area presents scope for future expansion (to 60Mtpa)
- Good existing onshore support facilities in nearby Pointe Noire



Power supply

- Initial project demand of 355MW increasing to 455MW
- Allowance for dedicated gas-fired power station located in Pointe Noire with HV transmission lines to mine and port sites
- 300MW ENI power plant already in operation with plans to expand

Attractive project economics

Capex

Area	Pipeline PFS (2012 US\$)
Mine & processing plant	2,348
Pipeline	1,194
Port	603
Power	717
Total Direct	4,862
Indirects	1,595
Total incl. Indirects	6,457
Contingency	897
Total	7,354

- Pipeline results in >\$1bn saving on direct costs vs rail

Opex

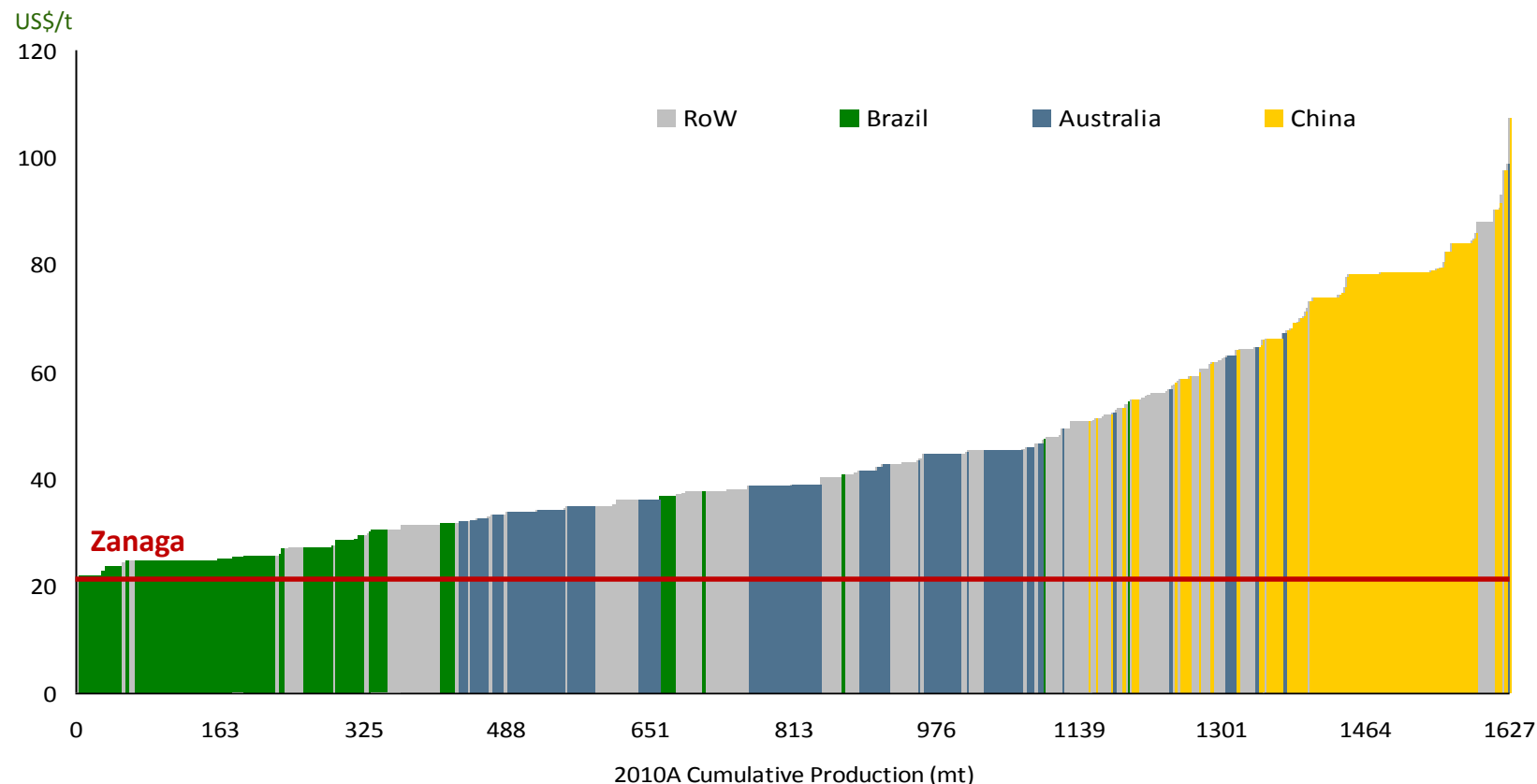
Mining	7.4
Processing	11.0
Admin/Overheads	2.5
Pipeline	0.5
Port	1.5
FOB Cost (incl. contingency)	22.8

- Expected lowest quartile (\$22.8/t) FOB
- Low opex driven by
 - Minimal strip ratio, blast & grinding
 - Low cost power potential
 - Abundance of water
 - Low slurry pipeline operating costs

*Estimated capital and operating costs in today's terms, before including potential future inflation. Further feasibility level studies are required to improve the level of definition of these estimates
Operating costs include \$2.4/t contingency, exclude 3% royalty*

Expected to be positioned at the bottom of the cost curve...

FOB Cash Costs for 2010 - Saleable Mine Production¹



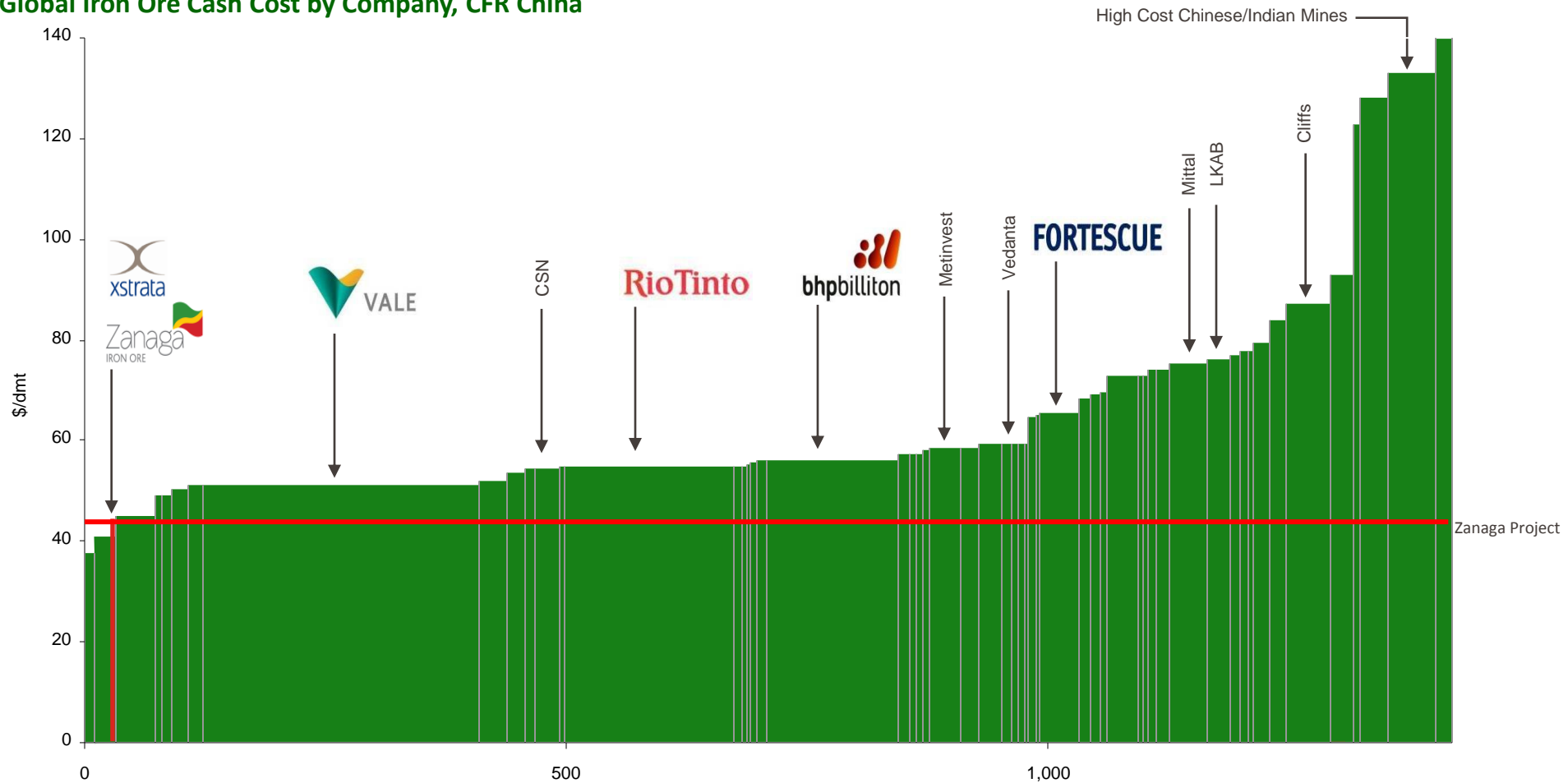
Source: AME

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

(2) \$23/dmt relates to the LOM opex for an estimated 68% Fe pellet feed product. Excludes 3% royalty

...remaining at the bottom of the cost curve once shipped to China

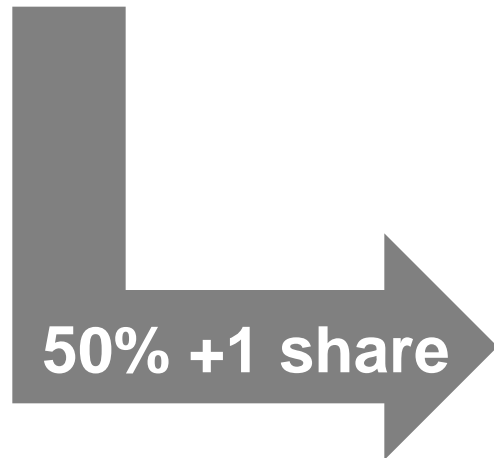
Global Iron Ore Cash Cost by Company, CFR China



Source: FMG, Rio Tinto, BHP, Vale, Company Reports, AME, Barclays Research

Cumulative Production – Million Tonnes

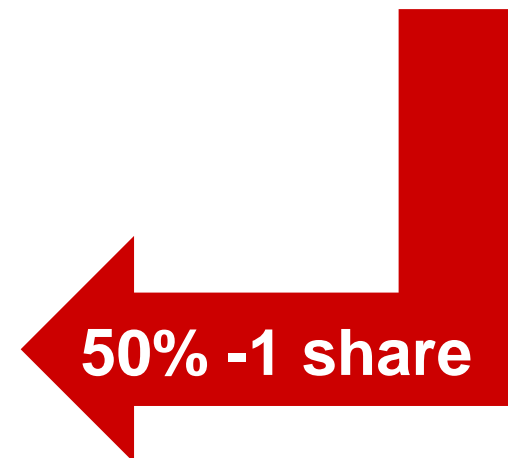
Leveraging the expertise of a leading diversified major



- Xstrata obliged to fund FS costs

JV Agreement

Zanaga Project



- \$42m cash and no current funding obligations

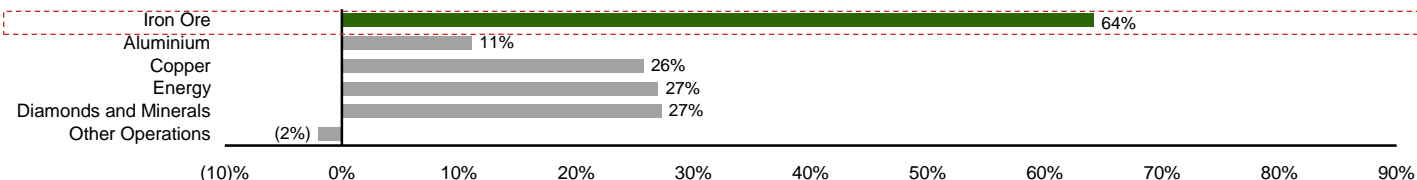
JV Agreement provides optionality to ZIOC

- 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 at 100% NPV
- Alternatively ZIOC has the right to fund its share of capex or dilute during construction at 100% NPV

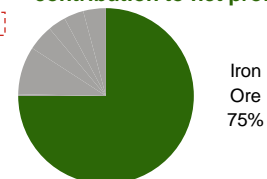
EBITDA breakdown by commodity for majors

Iron ore remains the highest margin business for the majors, even in H1 2012 with iron ore around c.\$105/t

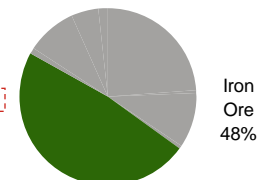
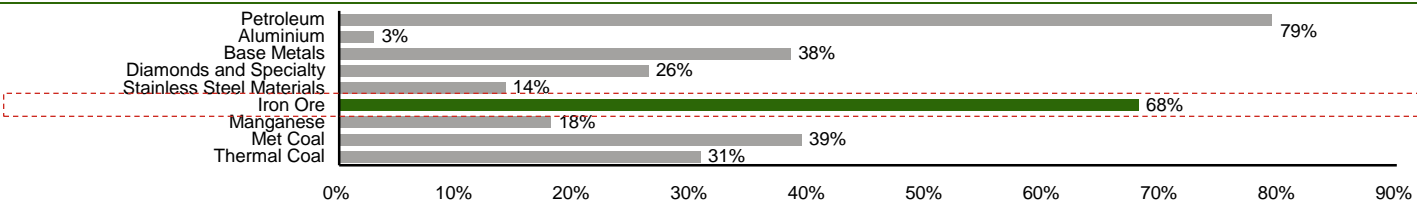
RioTinto



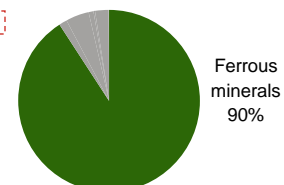
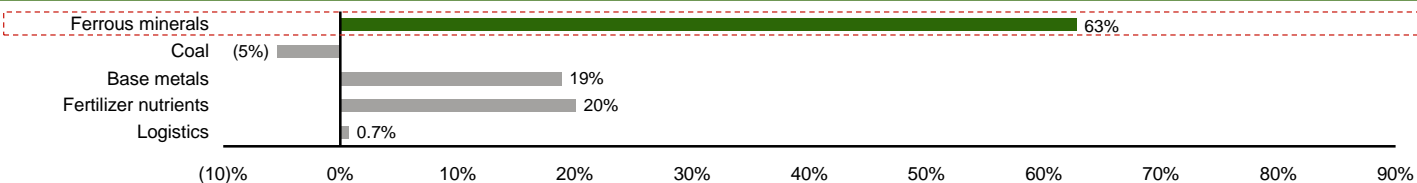
Iron Ore division % contribution to net profit



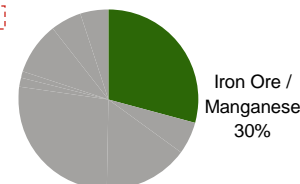
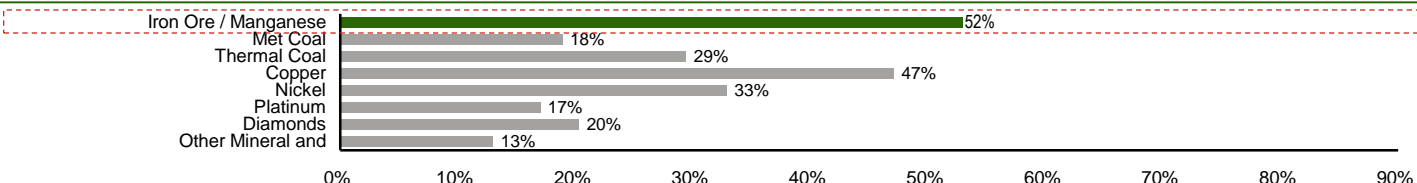
bhpbilliton



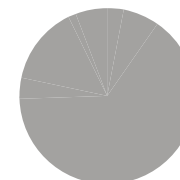
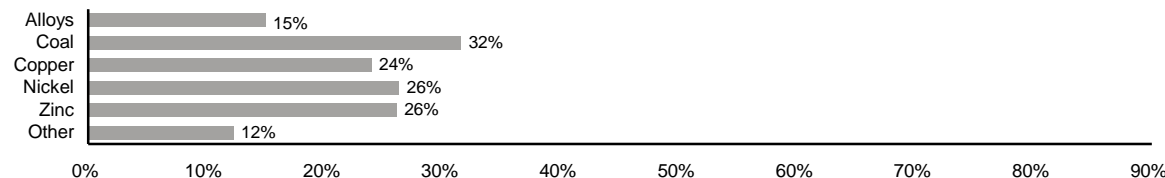
VALE



ANGLO AMERICAN



xstrata



Zanaga
IRON ORE

PRESENTATION TO PROACTIVE

www.zanagairon.com













Zanaga Project continues to show world class potential

Large Resource

6.8Bt

Large operation

30 Mt

Long life

30 yrs

High Quality Product

68% Fe

Low Cost

\$23/t

Supportive
Government



- ✓ Strategic partnership
- ✓ Funding FS



- ✓ High standards



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