COCKTAILS AND DRINKS TO FOLLOW AFTER THIS BRIEF UPDATE
High grade manganese mining, development and exploration in Zambia

August 2012
Introduction

- ASX listed exploration, development and mining company focused on manganese mining in Zambia
- Interests in 5 Large Scale Prospecting Licenses and 3 Small Scale Mining Licenses over 2,734 km²
- Focused on low cost, high quality, high grade exports of manganese ore to the Asian markets
- Work to date has confirmed manganese prospectivity across all the projects
- Sales confirmed high grade and high quality manganese ore
- Off-take agreement executed with Sinosteel
- Off-take agreement and up to US$10m debt funding arrangements executed with Noble Resources
- Resource definition work and mining studies ongoing
- Mining equipment purchased and plant design work completed
Board

- **Malenga Machel, Non-Executive Chairman**
  - Founding Director and Managing Director of Resources of Energy of Whatana Investments Group
  - Exceptional business and entrepreneurial skills and established network of relationships through Africa

- **Jason Brewer, Executive Director, M.Eng ARSM LLB**
  - 18 years international experience in the natural resources sector
  - Experience in successfully leading companies from exploration into production and raising finance internationally

- **Shannon Robinson, Non-Executive Director and Joint Company Secretary, LLB B.Com ACIS**
  - Corporate lawyer and advisor specialising in providing corporate advice in relation to mergers and acquisitions, capital raisings, due diligence reviews

- **Jane Flegg, Joint Company Secretary and Chief Financial Officer**
  - Over 20 years experience in finance and administration and corporate advisor to resource companies
Emmanuel Project

- 10km north-east of Kabwe and covers over 2,000 km²
- A region of known manganese occurrences
- Several neighbouring open pit manganese operations
- Granted mining lease and two exploration licenses
- Ground, aeromagnetic and gravity surveys completed and ongoing
- Drill targets generated and broader understanding of the structural geology
- Exploration and resource definition drilling
- Testing for extensions from the Chowa Open Pit Mine
- Brunely Project 12km northeast of Chowa
- Mineralisation consists of multiple reefs that appear to sit on a structural flexure where thickening occurs
Chowa Open Pit
Emmanuel Project

GEOLOGICAL MAPPING Trench 1 Chowa Mine Zambia

Date 29 June 2012

Mn stringer intruding into Schist
Foliation

Minor Mn clasts
Weathered qtz clast

20 cm large Mn infusion
Faults with alteration tails

< 10 cm wide Mn stringer intruding along dip and then following fault plane and again continuing along foliation plane

Intruding Mn stringer (<1 cm wide Mn stringer intruding into foliation plane)

Undifferentiated granitic gneiss

Swarms of Mn-rich veins

Mn reef - 60 cm thick, Dip = 42 to SE
(44.78% Mn) and striking 124/328.

Locality: 35L 666418
8401379
Peco Project

- 65 km east-northeast of Mansa
- 2 small scale mining licenses incorporated with one large scale exploration licence.
- Ground and airborne magnetic, radiometric and gravity surveys completed and ongoing
- Surveys identified a number of follow up targets and exposed old exploration trenches and artisanal workings
- Exploration and resource definition
- 26km access road completed
- Mine site buildings and housing under construction
- Current small-scale mining recovering high grade manganese oxide from a massive reef approx. 3m wide
- Structure appears to split to the southeast and evidence of abundant mineralsiation
Peco Project
Peco Project
Peco Project

Planned trench positions - Peco Mn Mine Manza

**Legend**
- Roads & tracks
- Mn outcrop
- Tree cover
- Mn rich laterite
- Agricultural fields
- Expected strike of Mn reef
- Planned trenches
- Linear feature

**Scale**
- 25m
- 50m
- 0m
- 100m

**Open Pit**

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Peco Project
Kanona/Vaz Project

- 80km from Serenje, 5km from the Tazara Railway line and close to the Great Northern Highway
- Large exploration license and logistically most attractive
- Mapping and survey work
- Limited exploration work to date has identified that manganese mineralisation occurs in several veins extending for several hundred metres in strike length
- Local workings are shallow and discontinuous
- Main working area has exposed wide manganese reef of +4m and it appears there may be more than one mineralised trend
- Main trend identified in measured locations over a strike distance of approx. 8km
- Further work to continue throughout 2012/2013
Kanona/Vaz Project
Confirmed High Grade Manganese Ore

No. 315005647
Date: 2012年02月23日

委托单位: 厦门国贸集团股份有限公司

样品规格: 金属

样品状态及标识: 39950012011866

抽样及样日期: 2012年02月23日

检测结果:

委外委托方申请，本中心于2012年02月23日委派厦门国贸集团股份有限公司申请对检验报告（编号：315005647）中的样品进行检测。样品由厦门国贸集团股份有限公司提供，样品为金属样品，重量为3.9950012011866千克。

检验结果如下：

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<thead>
<tr>
<th>检验项目</th>
<th>检验结果</th>
<th>检测方法</th>
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<tbody>
<tr>
<td>Fe (千分之)</td>
<td>3.46</td>
<td>GB/T 14545-1994</td>
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<tr>
<td>Mn (千分之)</td>
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<td>F (千分之)</td>
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<td>Si (千分之)</td>
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备注：上述检验结果仅对样品负责。

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Noble Debt Financing and Off-take

- Loan documentation executed for staged US$10m Secured Prepayment Debt Facility with Noble Resources Limited, part of the Hong Kong based Noble Group Limited

- 10 year binding Manganese Ore Off-take Agreement executed for delivery of high grade manganese ore from the Company’s Zambian Projects

- Prepayment Debt Facility to be used by the Company to fund further exploration and development of the Company’s Zambian Manganese Projects through to full-scale production

- Noble is a wholly owned subsidiary of Noble Group Limited, Asia’s largest diversified natural resources supply chain manager of agricultural and energy products and metals, minerals and ores.

- Transaction is a major step forward for the Company

- Proceeds of the US$10m Prepayment Facility to be used to complete further exploration and to advance its Zambian Manganese Projects towards full-scale commercial production of a high grade and high quality export manganese ore product
Noble Debt Financing and Off-take

**US$10m Prepayment Facility**

- To be advanced in three tranches and upon satisfaction of a number of conditions precedent:
  - US$0.5m already drawn
  - US$5.5m to be drawn down later this Quarter, and upon satisfaction of a number of conditions precedent including, amongst other things, execution of documentation in respect to the transportation and exports
  - US$4.0m upon delivery of 105,000 tonnes of manganese ore under the Off-take Agreement

**10 Year Manganese Ore Off-take Agreement**

- Binding 10 Year Manganese Ore Off-take Agreement.
- Delivery of approx. 180,000 DMT per year of a minimum 48% manganese lump ore initial 10 year term
- The total amount of manganese ore to be delivered to be no less than 1,680,000 DMT of manganese ore
- Manganese ore sold under the Off-take Agreement will be priced based on the BHP reference price (expressed in US$ DMTU (per dry metric ton unit Mn content)), CIF China basis
Sinosteel Off-take Agreement

- Strategic off-take agreement with Sinosteel
- Exports of high quality, high grade lump manganese ore to China.
- Sinosteel is a subsidiary of Sinosteel Corporation, one of China’s largest State-owned enterprises
- Sinosteel Corporation is China’s current leading importer of manganese ore and a significant importer of iron ore and chrome ore.
- Execution of the off-take agreement in March 2012 followed the successful trial shipment of 510 tonnes of manganese ore delivered to Sinosteel and another major Chinese steel manufacturer
- Total shipments of 180,000 tonnes planned
- Manganese ore specifications – Mn grade 57% basis/48% min; Fe 3% max, SiO₂ 10% max
- Pricing based on BHP’s Reference Price in US$ DMTU (per dry metric ton unit Mn content)), CIF China
Key Milestones and Timetable

- Exploration activities to continue throughout 2012 and 2013
- Satisfaction of conditions precedent for debt funding
- Delivery into Noble and Sinosteel off-take agreements
- Exploration and drilling results throughout 2012 and 2013
- Maiden resource statement
- Ramp up of manganese production and exports from the Emmanuel Project and Peco Project
- Consolidation of additional manganese opportunities in Zambia
Summary

- Aiming to be a major long-term and low cost producer of high quality, high grade exports of lump manganese
- Exploration upside with highly prospective manganese projects in well established mining environment
- Resource definition advancing and further exploration underway
- Focused on delivering projects into production
- Strengthening in-country management team and Board
- Initial sales have confirmed high grade and excellent qualities and low impurities of manganese
- Two off-take agreements with major industry partners
- Debt financing executed to advance project development and broader exploration
THE BAR IS NOW OPEN