

23 June 2011 – 7:00 am

**Bellzone Mining plc**  
("Bellzone" or the "Company")

**Kalia Magnetite Tonnage Increase**

- **Estimated Kalia I magnetite tonnage increases 71% to 6.4 billion tonnes**
- **JORC measured and indicated upgrade on track for Q3 2011**
- **10,000 metre resource extension programme underway for completion by year end, JORC resource expansion expected Q1 2012**
- **Infill drilling programme on schedule**

A drilling programme at Bellzone Mining plc's (AIM:BZM) Kalia Mine in the Republic of Guinea, West Africa, has indicated a 71% increase in the Company's estimate of the magnetite tonnage available from 3.74 billion tonnes to 6.4 billion tonnes, placing Kalia amongst the largest iron ore deposits of its kind in the world.

An 18,000m diamond drilling ("DD") infill programme commenced in Q3 2010 to increase the existing 690 million tonne measured and indicated ("M&I") component of the 3.74 billion tonne magnetite JORC resource. The Company is pleased to announce that the work is proceeding to schedule and the programme is on track to deliver an increased M&I JORC magnetite resource in Q3 2011.

The infill DD programme has defined an extension and thickening of the known magnetite mineralisation to the south and north of the central section of the Kalia I magnetite JORC.

The 22,000m reverse circulation ("RC") drilling programme for the oxide JORC resource (the initial results of which were announced on 9 May 2011) revealed additional magnetite mineralisation and extensions to depths of 400m north west of the existing Kalia I magnetite JORC resource. This additional delineation of magnetite material along strike extends the previously delineated 6km Kalia I magnetite JORC resource by 1km.

Based on a Bellzone's internal geological analysis and modelling of this latest data, the Company has estimated a magnetite tonnage increase from 3.74 billion tonnes to 6.4 billion tonnes, along approximately 7km of the 19km Kalia I strike. The criteria used to complete this estimation followed the process used by our independent consultants, CSA Global, in previous JORC compliant resource estimates. The Bellzone geological model will be provided to CSA Global and will form the basis of the Q3 2011 JORC magnetite update.

During H2 2011, Bellzone will continue with a 10,000m magnetite resource extension DD programme, which will add approximately a further 1km to the currently projected 7km Kalia I magnetite strike length and will extend the forecast tonnage depths to the mine plan pit bottom at approximately the 100m relative level depth.

A Company estimation of the proposed H2 extension programme has indicated potential to increase the Kalia I magnetite resource to more than 7 billion tonnes. The JORC statement on the H2 extension drilling programme is expected to be announced in Q1 2012.

Nik Zuks, Chief Executive Officer, commented:

*“Magnetite ore is most suitable for processing into iron ore pellets for use in the production of premium quality, low impurity steel and currently accounts for approximately 50% of global iron ore production. Magnetite concentrate generally earns a premium price from steel mills because of the high iron content and low impurities compared to benchmark DSO hematite products.”*

*“It is well known within the industry that hematite grades are declining and impurity levels are rising while the demand for quality, premium steel from China and India is continuing to increase which we believe will mean that a high grade magnetite concentrate such as ours will become an increasingly sought after product.”*

*“The quantity and quality of the Kalia magnetite places Kalia amongst the largest iron ore deposits of its kind in the world and ensures that Bellzone is in a position to supply the market for many years to come.”*

The tonnage estimation information disclosed in this announcement has been reviewed by Bellzone’s Exploration Manager, Bernhard Neehoff BSc. Post Grad Dip Sc.; a member of the Australasian Institute of Mining and Metallurgy. He has sufficient experience relevant to the style of mineralisation and type of deposit under consideration and to the activity which is being undertaken, to qualify as a Competent Person for the purposes of this announcement.

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## **Bellzone Mining Plc**

Bellzone Mining plc is the iron ore and nickel/copper company developing the Kalia Mine Project, the Forécariah JV and the Sadeka nickel/copper project in the Republic of Guinea, West Africa.

### *Kalia Mine*

The Company's flagship project, the Kalia Mine Project, has a magnetite JORC resource of 3.74 billion tonnes, located on the Kalia I prospect and an initial oxide JORC resource producing 43 million tonnes of 58% product from just 4.3% of the 55km<sup>2</sup> of the mapped surface oxides on the Kalia permit. Drilling results and internal estimates indicate that the Kalia Mine Project has the potential to host more than 10 billion tonnes of magnetite and 2 billion tonnes of oxide.

Bellzone plans to develop the Kalia Mine Project in two stages;

- commencing with a 20mtpa oxide production facility in 2014 and a 10mtpa magnetite concentrator in 2015,
- stage two increases oxide output to 30mtpa in 2017 and doubles the concentrate output to 20mtpa in 2018.

### *CIF – Project, Financing & Infrastructure Partner*

Bellzone has a Definitive Agreement ("the Agreement") with China International Fund Limited ("CIF"). The Agreement gives CIF right of first refusal to purchase the Kalia Mine Project's production at market rates and CIF commits to providing Bellzone commercially related funding for the development of the Kalia Mine Project.

The Agreement contains CIF's commitment to fund and build a commercially operated rail and port infrastructure that will enable Bellzone to export production from Kalia Mine Project. The infrastructure is being developed by Kalia Horizon Minerals Pte Limited that is 90% owned by CIF with Bellzone having a 10% carried interest. The Agreement provides for Bellzone to be the lowest cost user with permanent priority access.

### *Forécariah JV*

In addition to the Kalia Mine Project, Bellzone and CIF have fully funded a joint venture to undertake the accelerated exploration and development programme at CIF's Forécariah iron permits that lie between 30 and 80 kms from the Guinea coast.

Production will start in Q1 2012 and will target an initial production rate of 3-4 mtpa of oxide ore ramping to a rate of 10 mtpa in 2013.