

**Proposed acquisition of  
Zamanco Holdings Ltd  
by Atticus Resources Limited  
(to be renamed Zamanco Minerals Limited)**

A new manganese development opportunity in Zambia, November 2011



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# Transforming Atticus



- Atticus has executed a conditional Agreement with the vendors of Zamanco Holdings Ltd for Atticus to acquire 100% of the issued capital of Zamanco.
- Atticus will acquire Zamanco for \$1.03m by the issue of 5.15m Atticus shares.
- Zamanco vendors may also receive deferred consideration of up to 46.35m Atticus shares associated with the development of the Serenje Manganese Project.
- The transaction aims to transform Atticus into a manganese exploration and development company.
- Atticus Directors unanimously recommend that Atticus shareholders vote in favour of the Zamanco Acquisition.
- Proposed name change to 'Zamanco Minerals Limited' and ASX code ZAM.

# Strategic Rationale for the Transaction



1

## **Strategic Commodity Mix**

The Company will be focusing on the development and acquisition of manganese and chrome projects, both used in the steelmaking industry. Demand for manganese is increasing as demand for steel and stainless steel increases.

2

## **Right People**

The Zamanco management team (based in Africa) has extensive experience in mining and processing in southern Africa.

3

## **Favourable Locations**

Zambia is a pro-investment stable democracy. The fiscal and tenement title regime provides certainty and significant benefits for companies developing new projects.

4

## **Scalability**

The Zamanco development model allows for increased scale or project duplication. The development model is able to be replicated in other countries or other commodities such as chrome.

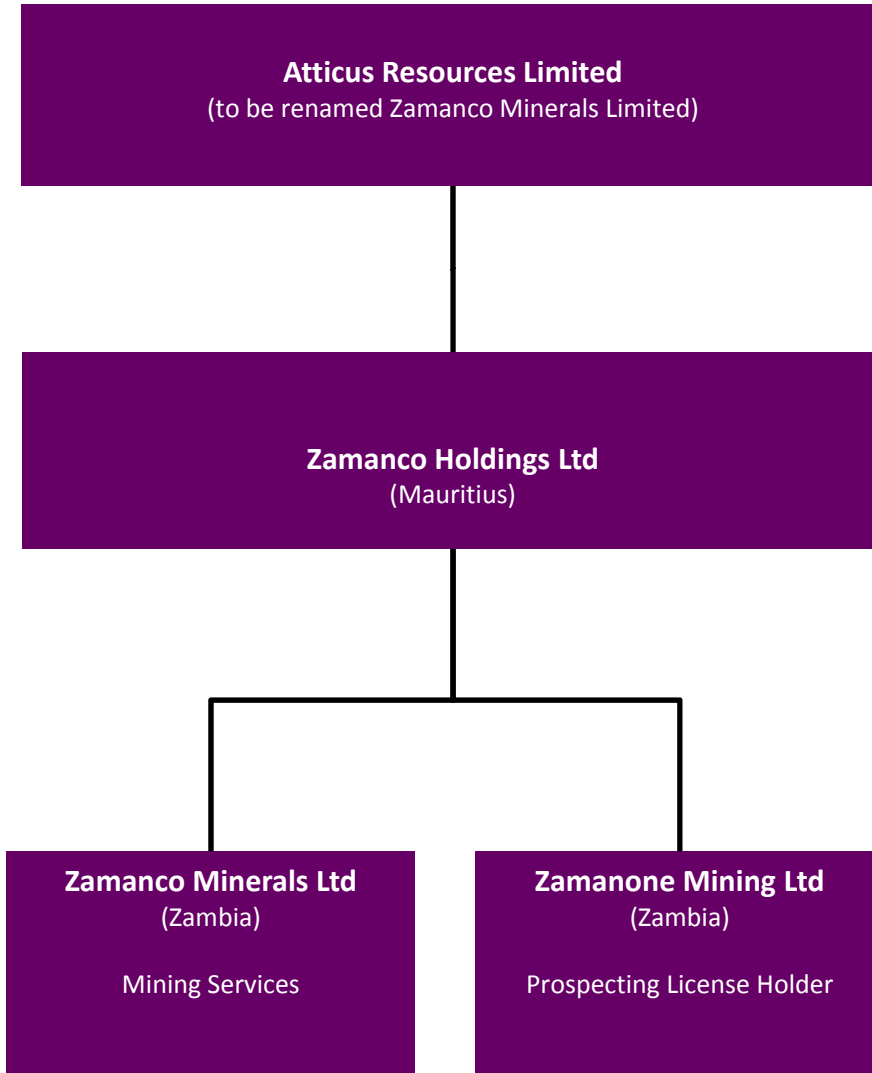
**The vision is to develop the Company into a mid-cap resources entity through the staged development of ferro-alloys projects in southern Africa.**

# Approvals Process – Chapter 11



- The acquisition of Zamanco constitutes a change to the nature and scale of the Company's activities.
- As part of satisfying its requirements with Chapter 11 of the Listing Rules, the Acquisition must be approved by the Company's Shareholders at a general meeting.
- ASIC has approved the Atticus 2011 Annual General meeting to be extended until Friday 16<sup>th</sup> December 2011 so that the resolutions relating to the Zamanco acquisition can be considered at the same time.
- Completion of the Acquisition will be no later than 31 December 2011 (subject to shareholder approval)

# Corporate Structure



# Why Zambia?

Reasons for investing in Zambian projects, include:

- Known areas for manganese mineralisation.
- Political stability since attaining independence in 1964
- Recent incident free elections
- 100% repatriation of net profits
- Banking, financial, legal and insurance services of an international standard.
- Double taxation agreements with a number of countries.
- English speaking, with high literacy rate.
- Educational establishments to University level.
- Tax incentives to investors.
- Road and rail access to African ports.



# Why Zambia?

The Central and Luapula provinces of Zambia have areas where high grade manganese is found.

**Mansa** 45% to 63% MnO<sub>2</sub> content.

**Kapumba** 38% to 61% MnO<sub>2</sub> content.

Zambia is linked to ports along the African coast that have the potential to make the export of manganese metal and ferromanganese a viable business.





# Proposed Serenje Manganese Project



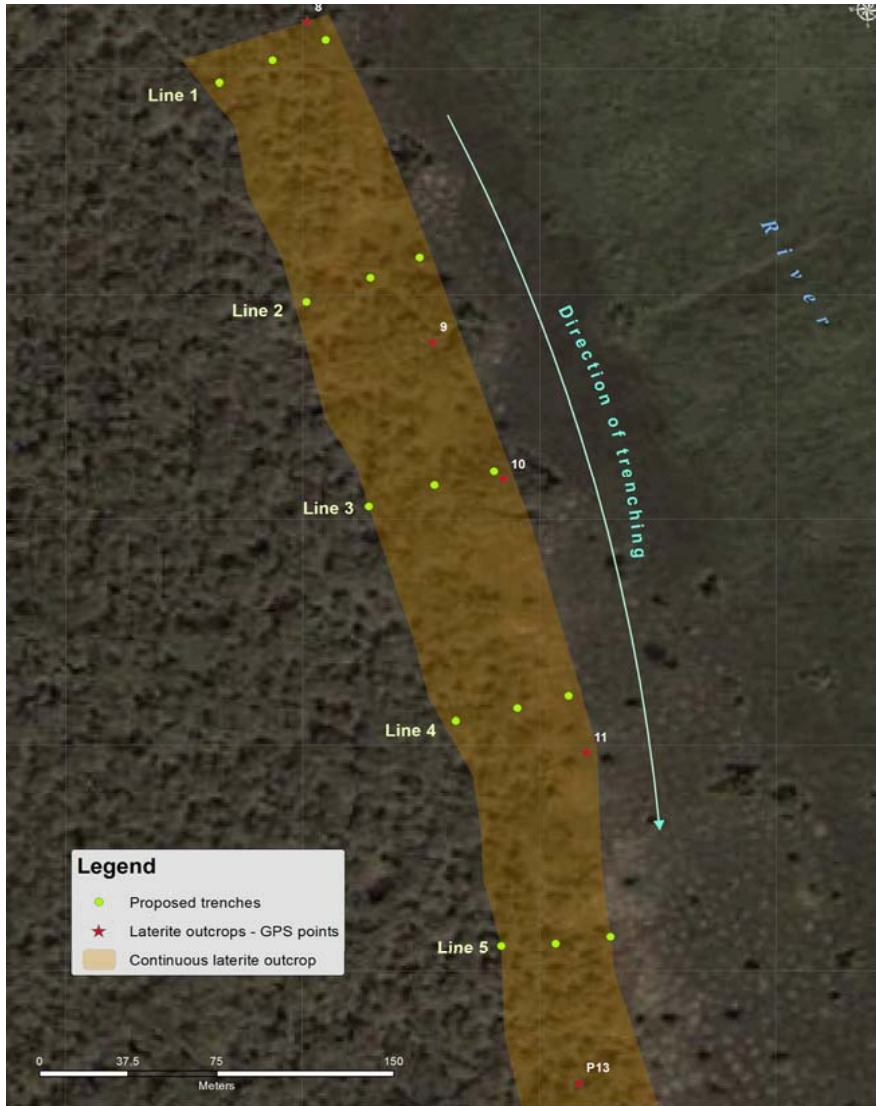
- Internal Scoping Study completed by Zamanco management for the development of a ferromanganese and manganese metal project in Zambia.
- Scoping Study parameters based on known available power to determine potential project scale.
- Study indicated that a 60kt per annum high carbon ferromanganese plant and 12kt per annum manganese metal plant could be developed based on available power.
- Development of these production levels would require ~180kt per annum of manganese ore grading ~50% Mn.
- Developments as a result of Scoping Study:
  - MoU signed with Zesco for provision of power;
  - Land secured at Pensulo, near Serenje, sufficient for proposed processing plant location;
  - Two joint ventures entered into on tenements between Serenje and Mansa;
  - Trenching and drilling to be completed in 2012.

# Exploration & Acquisition Strategy



- Joint Ventures signed over two tenement areas between Serenje and Mansa
  - Zamanco to have 80% equity in Mining Licenses
  - JV partners to be paid via royalty (~\$7.50/t) from ore production
  - No upfront payments to vendors
  - Tenement areas 775km<sup>2</sup> and 906km<sup>2</sup>
- Initial program of trenching and geophysics to be followed up by drilling
- JORC resource targeted to be confirmed in 2012
- Company is also assessing the opportunity to acquire lump material and discarded fines from mine-gate suppliers in Mansa

# Phase 1 Trenching



# Proposed Serenje Manganese Project



## Proposed Mining / Ore Purchase

Estimated Ore Requirement:  
180,000t at 50% MnO<sub>2</sub> pa

Estimated Capex: US\$12-14m  
(if mine established)

Ore trucked to Serenje



## Proposed Ferromanganese Smelter

Estimated Capex: US\$34-38m

Potential Life: 10 yrs+



## Proposed Manganese Metal Plant

Estimated Capex: US\$3-5m

Potential Life: 10 yrs+



## Potential Production from the Plant:

up to 60,000t HCFeMn pa



## Potential Production from the Plant:

12,000t Mn metal pa

Based on Zamanco internal scoping study estimates and conditional on Zamanco sourcing sufficient manganese to construct & supply the smelter/plant.

# Logistics and Infrastructure

Zamanco proposes to use available infrastructure:

- Focusing on exporting manganese metal and alloys.
- Hauling full loads in both directions.

## Export

- High value alloys.
- Relatively small port capacity required.
- Use Port of Beira.
  - Crossing single border to Mozambique.
  - Road passes through Tete.
- Alternative export through Dar-Es-Salaam
  - Rail line passes through Pensulo (near Serenje)

## Imports

- Full loads returned to Zambia.
  - Aluminium imported through Beira for Aluminothermic process.
  - Coking Coal hauled from Tete in Mozambique for arc furnace process.

## Mine Gate Sales

- Also investigating the sale of product into the domestic African market.



# Manganese Sector

**“You can’t make Steel without Manganese and if you can’t make Steel, the world stops”**

*Brian Gilbertson, CEO, Pallinghurst Resources Ltd*

New Golden Age for steel production will last at least the next 20 - 25 years.

China, once a net exporter of manganese alloy, became a net importer of manganese alloy in August 2009.

From 2008 level, steel consumption in China is expected to double by 2020 due to continued urbanisation.

Indian Steel consumption growth potential is immense.

The U.S. relies entirely on manganese imports.

Demand for manganese alloy steel is increasing at a faster rate than ordinary low carbon steel.

**Manganese Consumption Based on Historical Data**

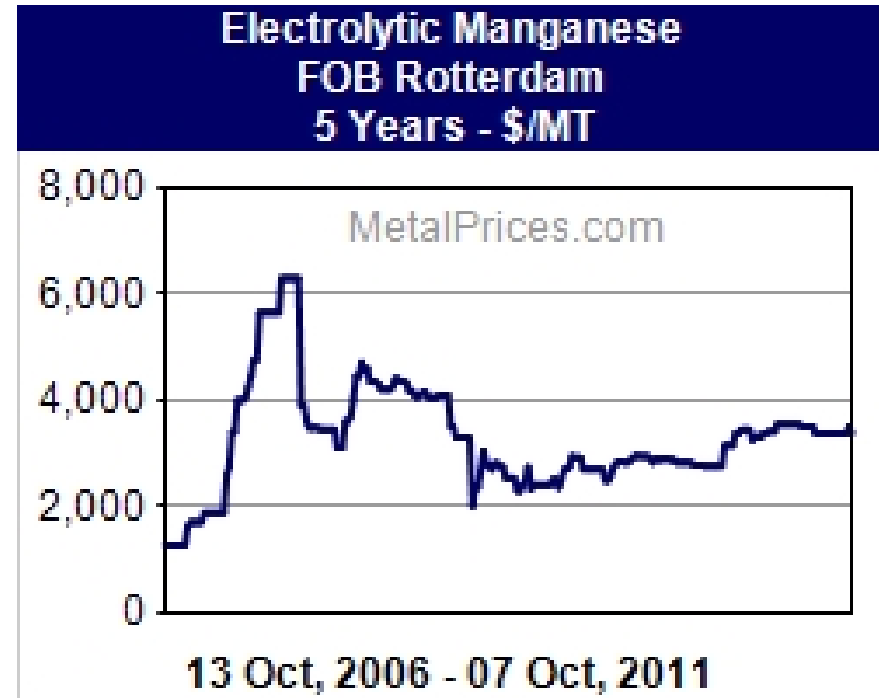
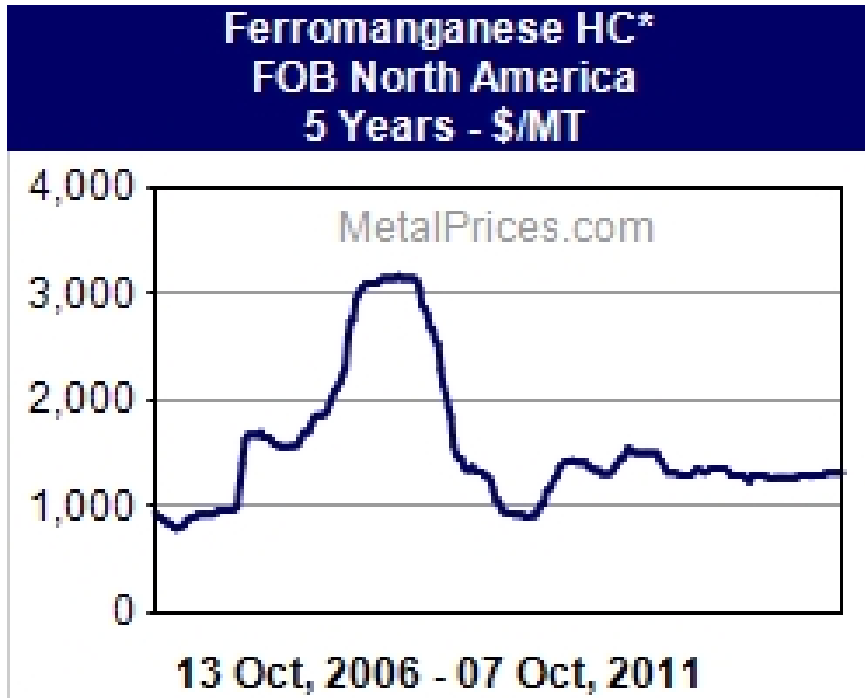
	Steel		Manganese Alloys	
	Growth (%)	Production (Mmtpa)	Growth (%)	Total Requirement (Mmtpa)
2000		848.93	9.0%	7.66
2001	0.3%	851.07	9.1%	7.76
2002	6.2%	904.17	9.3%	8.39
2003	7.3%	969.92	9.4%	9.10
2004	10.5%	1071.47	9.6%	10.23
2005	6.8%	1144.14	9.8%	11.25
2006	9.0%	1247.26	9.7%	12.13
2007	7.9%	1345.82	9.5%	12.78
2008	-1.4%	1326.45	9.9%	13.14
2009	-8.0%	1219.72	10.2%	12.49
<b>2010F</b>	<b>13.2%</b>	<b>1381.00</b>	<b>10.0%</b>	<b>13.81</b>

Source: Imnl Report 2008, Ideas 1<sup>st</sup> Research

# Major Manganese Producers

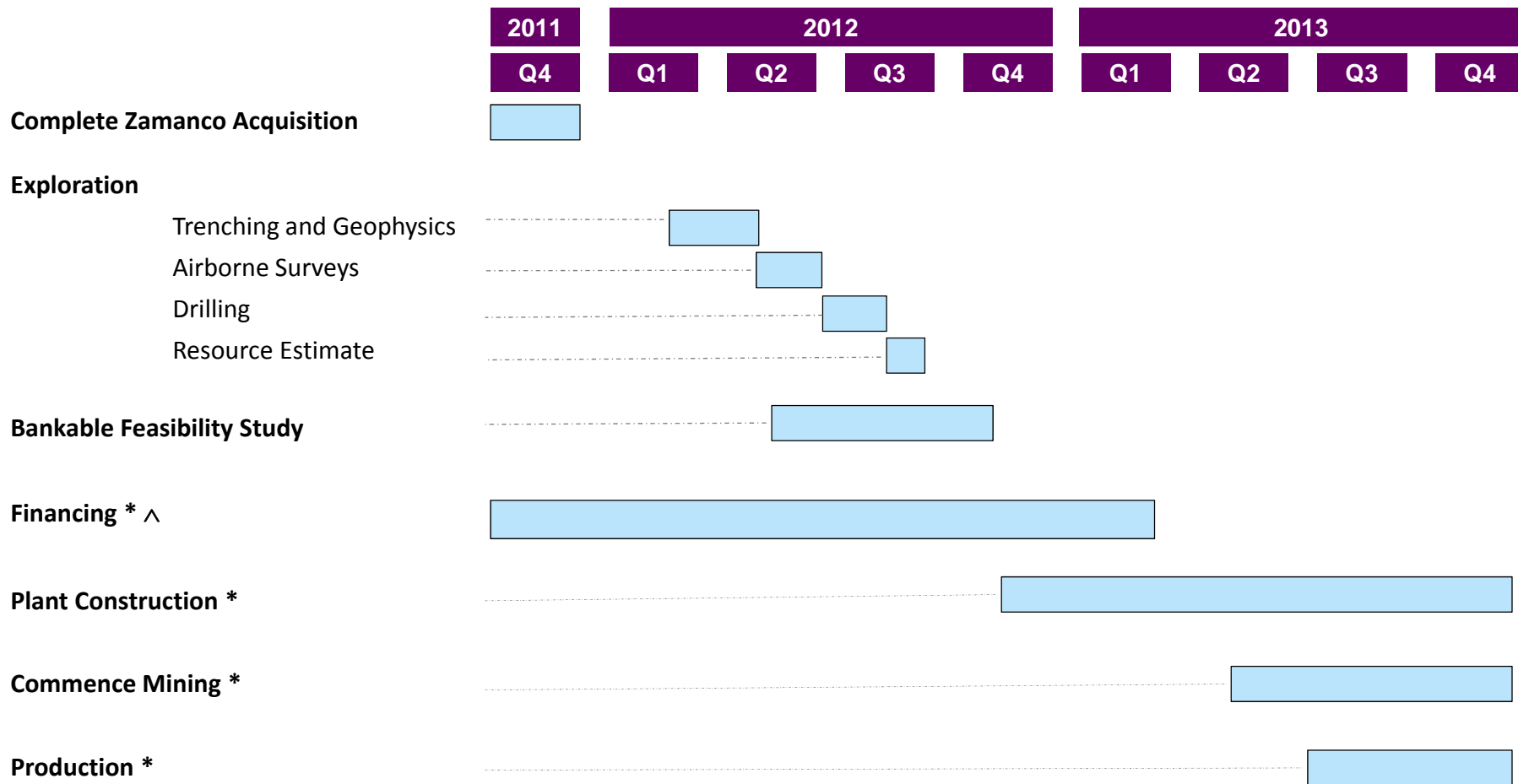


# Manganese Price Trends





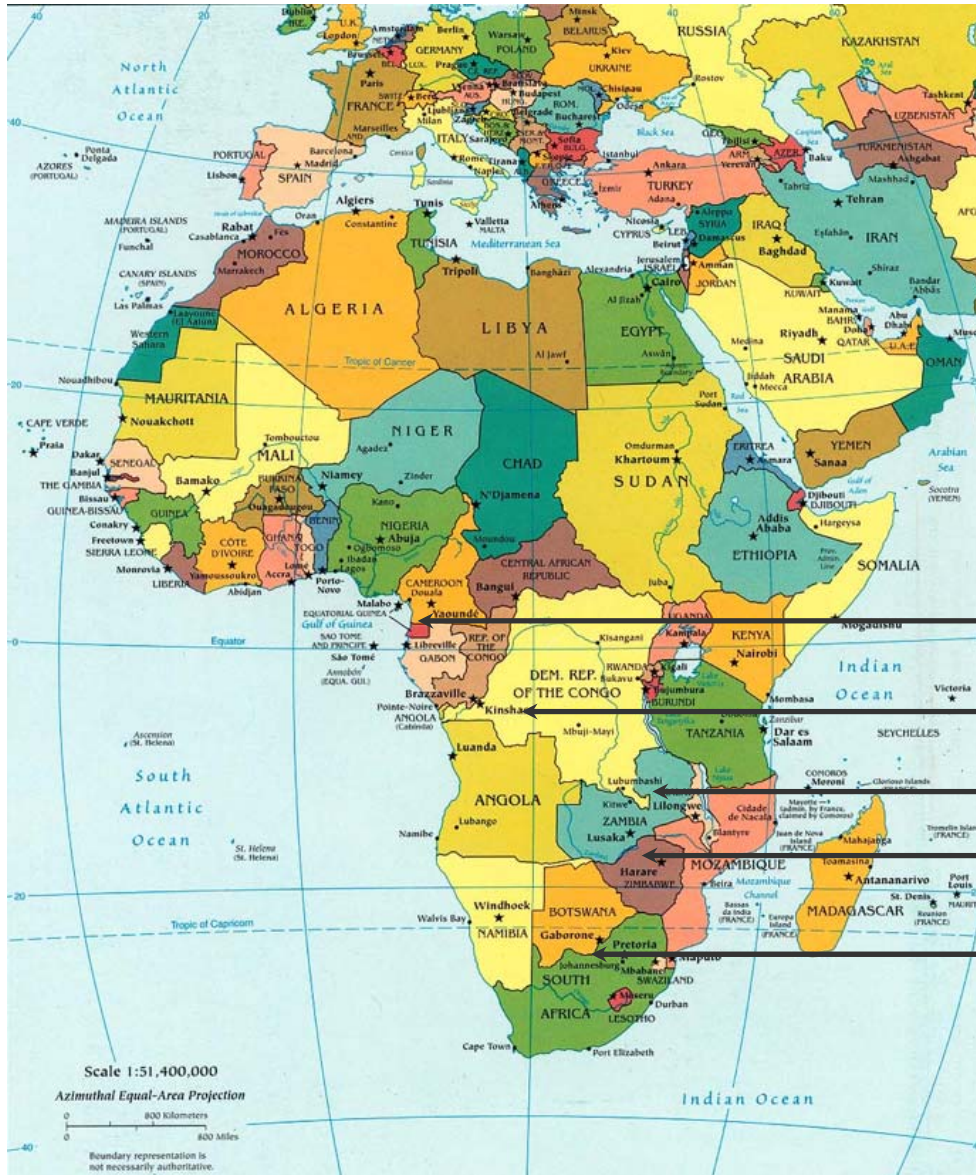
# Proposed Serenje Development Timetable



\* Based on a positive Bankable Feasibility Study and regulatory and corporate approvals being received

^ Discussions with potential offtake partners and project finance groups has already commenced

# Future Opportunities



Zamanco believes that further project opportunities may exist within Africa for manganese and chrome projects based on favourable geology:

Gabon	Mn, FeMn
DRC	Mn, FeMn
South Africa	Mn, FeMn
Zimbabwe	Cr, FeCr

Gabon, High Grade Manganese

DRC, High Grade Manganese

Current Zambian project

Zimbabwe, High Grade Chrome

South Africa, High Grade Manganese

# ASX Comparables

Company	Code	Enterprise Value	Status	Projects	Resources
<b>Level 1 - Early Stage Exploration, pre Resource</b>					
Western Manganese	WMN	3.85	Exploration	West Timor (Indon)	No resources
Bligh Resources		5.89	Exploration	Australia	No resources
Northern Manganese (frmly Groote Resources)	NTM	6.80	Exploration	Northern Territory	No resources
Segue Resources	SEG	12.68	Exploration	South Africa	No resources
<b>Level 2 - Early Stage Exploration, Low-grade Resource</b>					
Spitfire Resources	SPI	12.88	Exploration	South Woodie Woodie	2.94Mt @ 7.07% Mn
Montezuma Mining	MZM	32.46	Exploration	Pilbara (Aust)	64.7Mt @ 11.2% Mn
<b>Level 3 - Small scale trial mining with no resources</b>					
Ethan Minerals	ETH (susp)	0.20	Trial Mining	Zambia	No resources
Uran Limited	URA	6.17	Trial Mining	Zambia	No resources
<b>Level 4 - BFS Stage</b>					
Shaw River Resources	SRR	52.13	Advanced exploration	Australia, Namibia - DSO	6.8Mt @ 23.1% Mn
<b>Level 5 - Pre-Production or Production Stage</b>					
OM Holdings	OMH	240.80	Producer	Bootu Creek (Aust)	32Mt at 22% Mn
Jupiter Mines	JMS	416.89	Construction	South Africa	163Mt at 37% Mn

# Zamanco Transaction Details



Atticus Resources Limited (**ACZ**) has signed a conditional Agreement to acquire all of the issued capital of Zamanco Holdings Ltd (**ZAM**) for the following consideration:

## Initial Consideration:

5.15 million ordinary ACZ shares

## Deferred Consideration:

<b>Milestone 1:</b> Definition of a JORC resource of >1Mt at 40% Mn	5.15 million ordinary ACZ shares
<b>Milestone 2:</b> Completion of BFS and Decision to Proceed	15.45 million ordinary ACZ shares
<b>Milestone 3:</b> Continuous production for 12 months from 1 <sup>st</sup> smelter	25.75 million ordinary ACZ shares

**Total Potential Consideration: 51.5m ordinary ACZ shares**

# Atticus Capital Structure



<b>Existing ACZ Shares on Issue</b>	<b>30,000,000</b>
<b>Initial Consideration</b>	<b><u>5,150,000</u></b>
	<b>35,150,000</b>

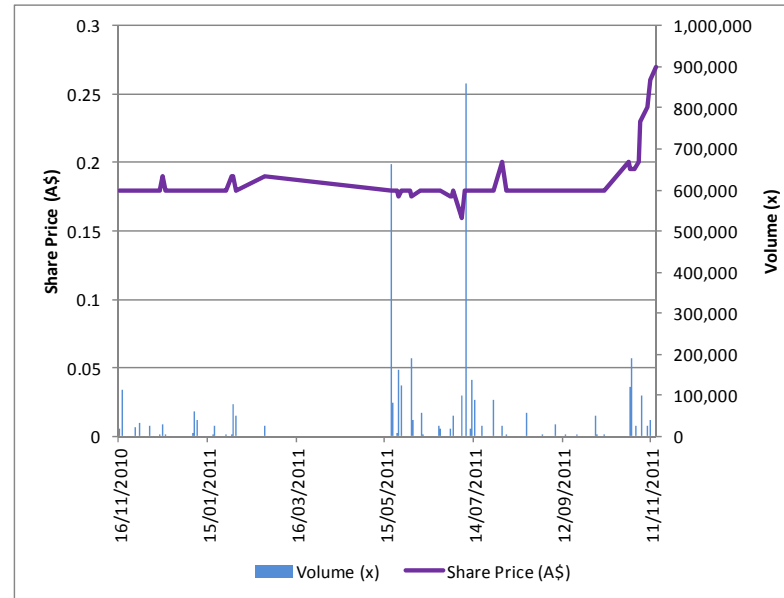
## Shares Yet To Be Issued

<b>Existing ACZ Options on Issue</b> (20c exercise, Sept 2012)	<b>29,400,000</b>
<b>Deferred Consideration 1</b>	<b>5,150,000</b>
<b>Deferred Consideration 2</b>	<b>15,450,000</b>
<b>Deferred Consideration 3</b>	<b><u>25,750,000</u></b>
<b>TOTAL</b>	<b>110,900,000</b>

# Corporate – Post-Acquisition

## Zamanco Minerals Limited

ASX Code:	ZAM
Fully Paid Shares on Issue:	35.15m
Options:	29.4m
Share Price:	\$0.25
Range (12 months)	\$0.15-0.27
Market Capitalisation:	\$8.79m
Monthly Volume (Shares):	~0.4m
Cash (31 October 2011)	\$2.64m
Debt (current):	nil



## Directors

Geoff Donohue	Chairman
Jacques Badenhorst	Managing Director
Thomas Hill	Executive Director
Peter McIntyre	Non-Executive Director
Peter Ironside	Non-Exec Director/Company Secretary

## Substantial Shareholders

Geoff Donohue (indirect)	16.79%
Peter Ironside(indirect)	15.11%
Peter McIntyre (indirect)	8.89%
Jacques Badenhorst (indirect)	3.56%
Thomas Hill (indirect)	3.56%

# Proposed Board of Directors

## **Geoff Donohue (52) – Non-Executive Chairman (Australia)**

Mr Geoff Donohue has over 27 years experience at both board and senior management level within public companies and the securities industry. Mr Donohue holds a Bachelor of Commerce from James Cook University of North Queensland, Graduate Diploma in Financial Analysis from the Securities Institute of Australia and is a Certified Practicing Accountant.

## **Jacques Badenhorst (38) – Proposed Managing Director (Africa)**

Mr Jacques Badenhorst is an Extractive Metallurgical Engineer, who studied at the University of Johannesburg and has 14 years hands on experience. Jacques was responsible for the design and operational management of various operations, including, platinum, copper, vanadium, diamond, gold and ferrochrome recovery plants in Southern Africa. Jacques held senior management positions with companies including Grinaker LTA and Anglo Gold. He is a member of SAIMM (South African Institute for Mining and Metallurgy) and MMMA (Mine Metallurgical Managers Association). Member of the Institute of Directors (IOD) of South Africa.

## **Thomas Hill (49) – Proposed Executive Director (Africa)**

Mr Thomas Hill has spent the past 10 years, since 2000 as a director of companies listed on the Johannesburg Stock Exchange (JSE). His involvement was with the initial listing of these companies, funding and management. He holds an Engineering (electronics) degree from the University of Pretoria and a Masters degree in Business Leadership from the University of South Africa, (their MBA program). Thomas has built his experience around the listing, funding and running of listed companies and has over the past 18 months focused extensively on the minerals and mining industry in Southern Africa where he works with well established mining companies and practitioners to bring mining and mineral processing projects to the market.

## **Peter McIntyre (55) – Non-Executive Director (Australia)**

Mr Peter McIntyre has been involved in the mining industry for nearly 27 years, which included 15 years with WMC Ltd in various senior management positions. He has been involved with the development of major projects including St Ives Gold and Mt Keith Nickel, as well as Central Norseman Gold Operations. He was previously the Managing Director of Extract Resources, which owns one of the largest undeveloped uranium projects in the world. Mr McIntyre is a chartered Civil Engineer and a Fellow of the Institution of Engineers, Australia. He also completed an MBA program at the Massachusetts Institute of Technology in Boston.

## **Peter Ironside (56) – Non-Executive Director and Company Secretary (Australia)**

Mr Peter Ironside is a Chartered Accountant and business consultant with over twenty years experience in the exploration and mining industry. He has been a Director and/or Company Secretary of several ASX listed companies. Mr Ironside brings a significant level of accounting, compliance and corporate governance experience to the Board, together with support in the areas of initiatives and capital raising.

# Contacts

## Geoff Donohue

Chairman

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## Jacques Badenhorst

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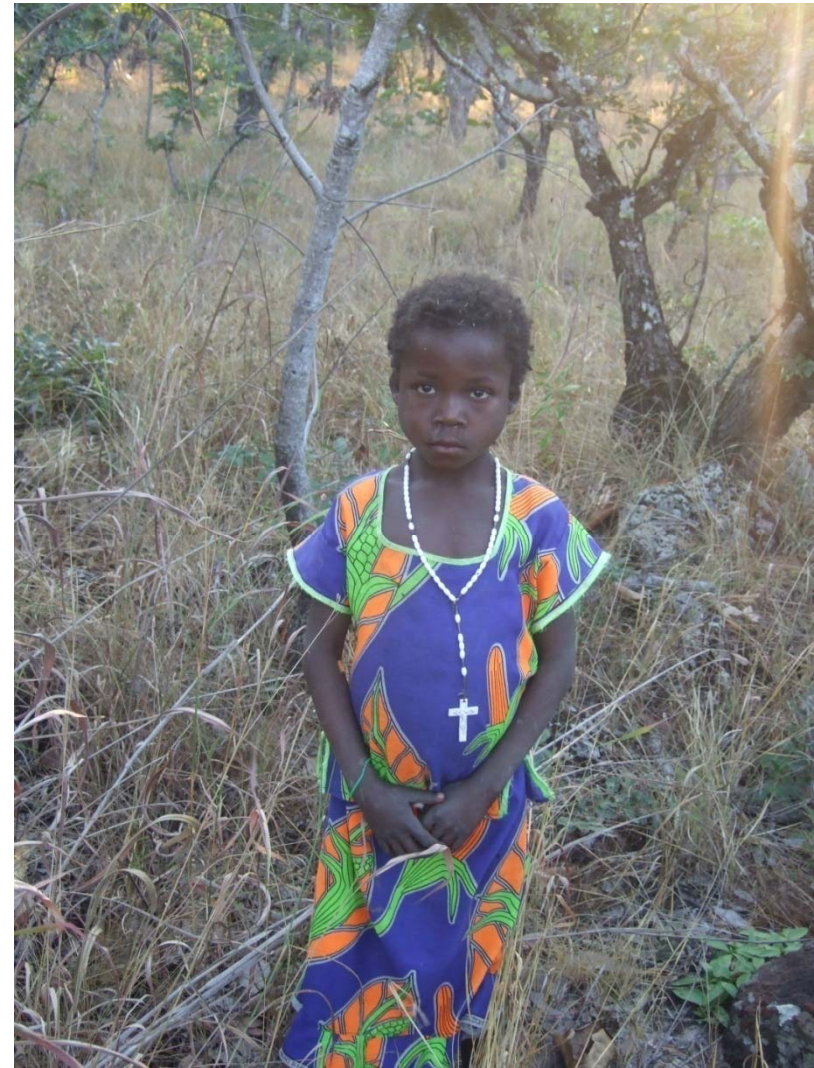
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## Thomas Hill

Zamanco Holdings Ltd

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# Corporate Directory

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## Company Secretary

Peter Ironside

## ASX Code

ACZ (changing to ZAM)

## Website

[www.atticusres.com.au](http://www.atticusres.com.au)

## Solicitors

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PERTH WA 6000

## Share Registry

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## Auditors

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## Bankers

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