BELLZONE MINING LIMITED

NEWS LETTER

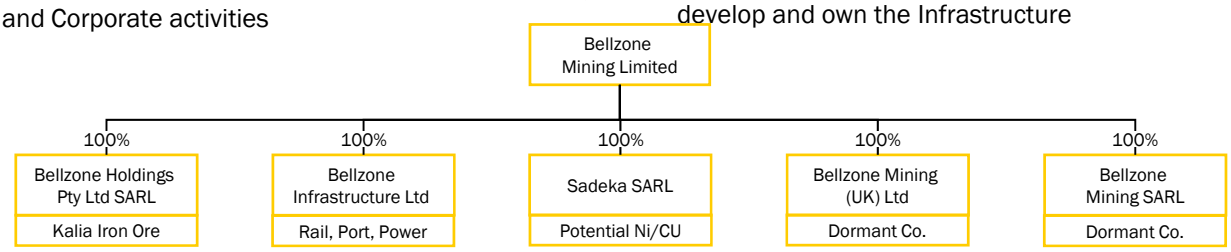
December 2009

Updates June 2009 – December 2009

- Completion of the restructuring process, BML has acquired 100% of Bellzone Holdings Pty Ltd Sarl and Sadeka Sarl, the license holders of the Kalia iron and the Albadariah polymetals tenements respectively.
- Maiden JORC resource of 2.4 billion tonnes (July 2009), with over 2 billion tonnes of primary magnetite, calculated on 4.3km of the known 39km strike length
- 7,447m of JORC extension drilling completed as at 12 December 2009
- A high quality (+68% Fe) concentrate achievable at a grind of P_{100} 70 microns, indicating low energy requirements for grinding
- Non-binding agreement reached in principle with a Chinese enterprise for the preparation of a definitive feasibility study on the infrastructure development plan, including railway line and port
- Employment of key personnel to further enhance the project development plans
- In process of raising funds to conduct the Feasibility study and accelerate the drilling programmes. Critical support and legal documentation have been completed . Cannacord Adams has been appointed to facilitate this.
- Relocation of the Perth office to 88 Colin Street, West Perth

Overview of Bellzone Mining Limited

- Bellzone Holding Pty Ltd Sarl, is a Guinean company and holds the prospecting permit for the Kalia Iron Project.
- Bellzone UK established to facilitate UK fund raising and Corporate activities
- Sadeka Sarl is a Guinean company and holds the prospecting permit for polymetals in the Albadariah area of Guinea
- *Bellzone Infrastructure Ltd (BIL)*, established to develop and own the Infrastructure



Kalia Iron Project Overview

- Bellzone Mining Limited ("BML") is developing a 50mtpa iron project in central south Guinea. The project is to be developed in two stages:

1. Production of 20mtpa haematite DSO (grade of ~60% Fe) and 10mtpa of magnetite concentrate (grade of 68.6% Fe) by 2014
2. Production will ramp up to 50mtpa, 30mtpa DSO and 20mtpa concentrate

- Kalia is located, via a bitumen road, 360km east of the capital of Conakry and 5km off the main highway
- Across the permit area, a comprehensive network of existing local tracks and developed roads is used to access individual prospects
- 286km of new rail and port to be built

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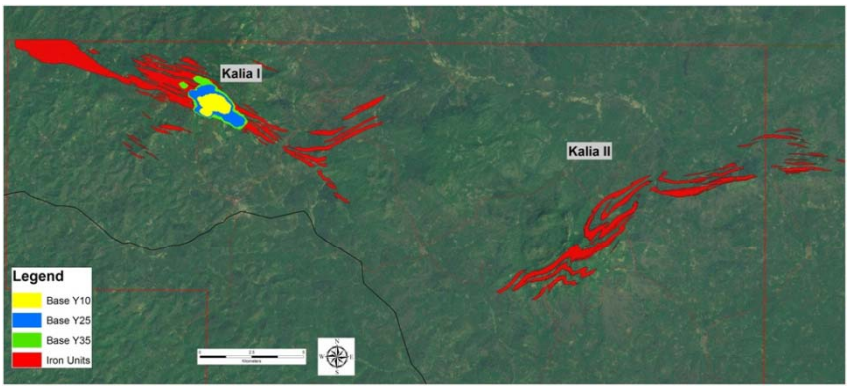
Resource

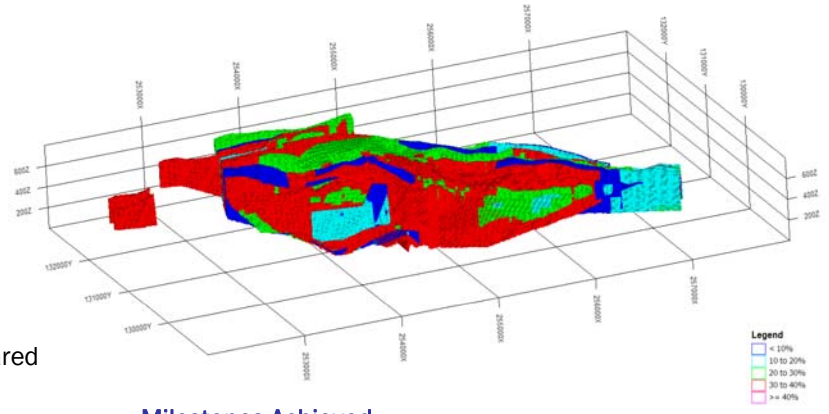
JORC RESOURCE CLASS	Magnetite Host Material	Billion Tonnes	Fe %	S %	SiO2 %	Al2O3 %	p %	LOI	In-situ Dry Bilk Density
INFERRED	BIF	2.06	29.8	0.8	45.2	2.1	0.07	0.8	3.4
INFERRED	Schist	0.33	8.9	0.1	47.0	7.7	0.04	8.4	2.9
TOTAL INFERRED		**2.39**	**26.9**	**0.7**	**45.5**	**2.9**	**0.07**	**1.9**	**3.3**
EXPLORATION POTENTIAL	**BIF+Schist**	**0.6 - 1.0**	**20 - 30**	**0.1 - 0.9**	**44 - 50**	**2 - 8**	**0.04 - 0.08**	**3 - 9**	**2.9 - 3.5**

- Kalia has an inferred resource base of 2.4 billion tonnes, with over 2 billion tonnes of primary magnetite, calculated on 4.3km of the known 39km strike length
- Work completed on the Kalia Iron Project has demonstrated that a large deposit exists with potential to significantly increase the current resource tonnage. Information based on recent drilling confirms that extensions to the resource do exist and that the resource tonnage will increase when a revision is undertaken
- BML has planned and commenced a drilling programme which should upgrade areas of the existing resource to a Measured and Indicated status in addition to increasing the limits and tonnage of the current resource

Whittle Kalia Magnetite Potential



Kalia I: Inferred Resource coloured by Fe%



Work Completed to Date

- 746km of magnetic survey routes cleared
- 146km^2 of ground magnetic mapping
- 838km of geological exploration routes mapped
- 150km of road access developed
- 30,235m of exploration drilling (28,448m diamond drilling) as at 12 December 09
- In-house pre-feasibility study completed
- Maiden inferred JORC Resource defined of 2.4 billion tonnes (July 2009)
- Metallurgical testwork

Milestones Achieved

- Nov '07 A$28 million raised at A$1.00 per share
- Feb '08 Site established and major equipment purchased
- Apr '08 Drilling fleet purchased
- May '08 Drilling started
- Jul '08 A$30 million raised at A$1.50 per share
- Jan '09 50 man camp and support services completed
- Jun '09 2.4 billion tonne JORC resource achieved
- Dec '09 7,447m JORC extension drilling completed

Geology

The geology of the Kalia permit is part of a greenstone belt formed by the rocks of the Cambui Supergroup, which includes the banded iron formation (BIF). In total within the Kalia permit the greenstone belt has a strike length of about 39km. The Kalia I BIF has been mapped over a strike of 19km, and the Kalia II BIF has been mapped over a strike length of 20km.

Kalia I:

The primary iron mineralisation consists of a number of bodies of banded iron (magnetite) , amphibole-magnetite schists and talc magnetite schists, which extend from northwest to southeast for a distance of 19km. The width of exposures in the surface of rocks of the greenstone association, including iron mineralisation bodies of magnetite and amphibole-magnetite quartzite, varies from 2 to 4.5 km.

Banded iron mineralisation bodies and interbedded rocks are characterized by general west-northwest strike (280-315º), and by a sub vertical dip (steeply dipping to south-southwest, 70-80º).

Kalia II:

The Kalia II deposit is situated within the eastern branch of the Cambui series greenstone belt, with a length of 20km. Geological mapping indicates the rocks are intensively faulted and folded.

The visible width of outcrop of the greenstone belt in the surface ranges from 2.5 to 2.75 km. An almost vertical dip (from 75º to 90º) is recorded along the whole length of the belt. The target zone consists of inter-bedded BIF, schists and amphibolites. The thickness of BIF horizons ranges from a few meters to 300m.

The Kalia I deposit has been the subject of recent resource development drilling activities and Mineral Resource Estimate ("MRE") activities. The Kalia II deposit has not been included in MRE studies.

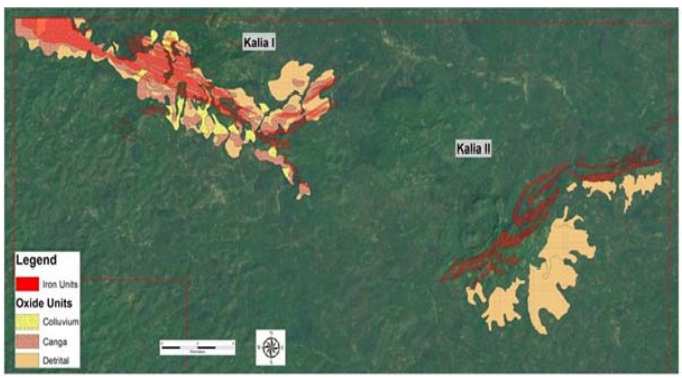
Oxide Mineralisation

A characteristic feature of the Kalia Iron Project is the wide distribution of a weathering crust, this crust forms on all rock types.

- **Oxide Type 1:**

  Massive Bedded Iron oxide haematite/goethite

  - Area of potential haematite/goethite estimated at 3.6km^2
  - Drilling completed has intersected zones of oxide mineralisation up to 10m thick
  - Limited drilling results – 18m at 57.08% Fe, calcined iron content of 61.4%
  - Potential to define up to 350 million tonnes of Bedded Iron Oxide



- **Oxide Type 2:**

  Canga Iron Mineralisation

  - Re-cemented, iron rich matrix producing a cap rock like product
  - Predominant on slopes of Kalia I and in the North West
  - Where intersected in drilling - thickness ranges from 3-18m

- **Oxide Type 3:**

  Detrital and Pisolite Iron mineralisation

  - Area of 22km^2 estimated from geological mapping and interpretation of satellite photography
  - Thickness between 3m and 20m
  - Potential to define up to 740 million tonnes assuming an average thickness of 12 metres

- Oxidised crust can be extracted with relatively low capital expenditure, providing early cash flow and route to market
- It is expected Type 1 ore will form quality DSO, while Type 2 and Type 3 ores will require upgrading

Infrastructure

BML has developed a fully partnered infrastructure proposal to support the export of the production from the Kalia mine site. Bellzone Infrastructure Limited ("BIL"), a separate entity to BML, has been set up to own and develop the infrastructure required for the project.

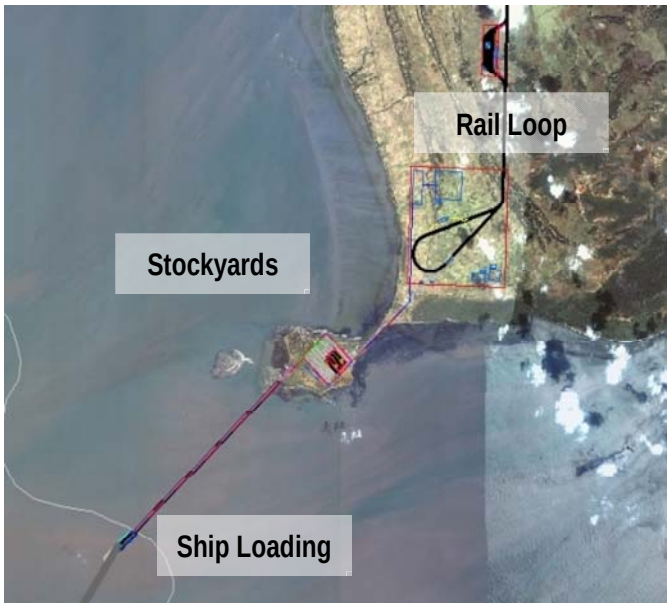
BML and BIL are in negotiation with Chinese enterprises with whom a non-binding agreement in principal has already been reached, in respect of a framework agreement that will formalise the development and infrastructure principals for the preparation of a definitive feasibility study on the infrastructure development. Thereafter, it is expected that Chinese enterprises will participate in the financing of the infrastructure development, including the railway line and port detailed below. BML expects to retain a non-dilutable free carry in BIL.

It is intended that BIL will be committed to transporting BML's product at arm's length rates benchmarked to international comparators.

A 286km rail line will link the mine site to the preferred port location of Matakang, located 43km south of Conakry. Trains carrying 20,000t of iron ore / concentrate will travel on heavy haulage, standard gauge rail lines and will dump their load via bottom dumping wagons at the port. The dumped material will be conveyed and stored in the stockyards proposed to be on the island of Matakang.

Stockpiled product will be reclaimed and conveyed to ship loading facilities, some 4.5km off-shore. A small man-made island will be constructed to act as both a breakwater and the foundations for the ship loading equipment and other required service facilities and crafts.

The port facilities will be self sufficient in power and other critical services and will allow for fuel bunkering. Fuel will be railed to the mine site.



The developed solution has been based on a number of third party infrastructure studies which have been undertaken in Guinea from 1976 to 2006.

Due to locality to Bauxite and other Iron Ore deposits in Guinea, the infrastructure project will have multi-user potential

In summary a simple, effective solution has been established to;

- Facilities loading 240,000DWT vessels
- Fuel handling and storage facilities
- Port expansion solution
- Multi-user potential, allowing additional revenue
- Hydro and LNG power solution to be investigated – thermal solution available

Capital costs

It is estimated that the capital costs for stage 1 and 2 of the project will be approximately US$4.45 billion. Stage 1 capital cost estimated at US$3.83 billion and stage 2, US$0.62 billion. Positive cashflow will be utilised in Stage 2 expansion. The infrastructure will be financed and developed by BIL.

The capital cost estimate includes all equipment and costs to become a self sustaining operation:

- Rail construction and fuel trains
- Marine service crafts and tugs; and
- EPCM costs to conduct the detail design, construction and commissioning

As part of project development and ongoing operations Bellzone is committed to supporting the local community to develop:

- Support roads;
- Schools and training centres for education;
- Social awareness campaigns to provide water and power to local communities; and
- Health facilities

Project Economics

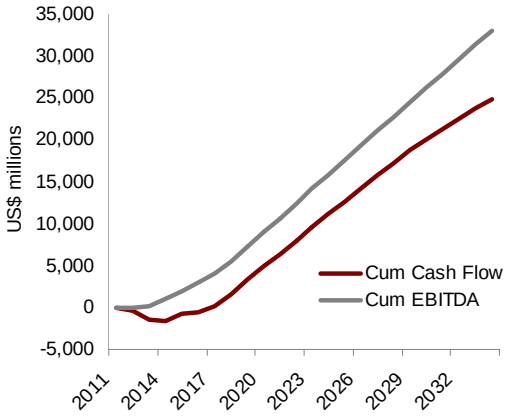
- Stage 1 – estimated annual cashflow increases to US$750m by 2015, based on long term lump pricing of US$68.50/t. Cash positive after 3 years of production
- Stage 2 – intended expansion to 30mtpa DSO and 20mtpa concentrate, increasing estimated annual cashflow to in excess of US$1,500m

Forecast Economics

Construction Capex	Av. EBITDA p.a. (2013 to 2034)
US$3,831m	US$1,438m

Source: All estimates and forecast economics are based on Company assumptions

Cumulative EBIT and Cashflow Forecast



New Appointments

Antony Gardner-Hillman, 53, Non Executive Director
Tony is a full-time independent non-executive director with varied appointments. His extensive experience of the legal and financial markets was gained as a partner for 16 years at Crills, the Jersey law firm, where he headed the Financial Services Business and Regulation team, and as a director for 21 years (latterly chairman) of Jersey Trust Company, which he co-founded in 1987. He is an English solicitor and has a first class honours degree in Jurisprudence from Oxford University.

Ross Glossop, 52, Chief Financial Officer
Ross is a qualified accountant with over 20 years experience in the mining industry. He was regional CFO for Barrick Australia / Africa till 2006 and held CFO positions at Oceana Gold Ltd and Paladin Energy Ltd before joining Bellzone. Ross is a CPA with a B.Comm, MBA and a Masters of Accounting.

Frederic Materne, 57, Project Manager
Frederic has over 35 years' management experience in turn key projects in heavy industry, including mine developments above and underground, process plants and infrastructure such as port, rail and road development. From 2006 to 2009, he was a construction manager for Rio Tinto in Guinea, Liberia and Australia (including the West Anglas and Marandoo iron ore mines).

2010 Work Plan

January 2010	**Continue ore body development**
March 2010	**Start Feasibility studies**
	Start socio-economic and environmental studies
	Apply for Mining Convention
	Complete capital raising
April 2010	**Submit application for the Mining Convention**
July 2010	**Achieve measured JORC magnetite resource and an increased Inferred JORC resource**
	Achieve Mining Convention Approval
August 2010	**Achieve inferred JORC oxide resource**
December 2010	**Complete socio-economic and environmental studies**
(April 2011	**Complete Feasibility Studies)**

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