



TSX-V: MMI

A Leading Explorer of Zinc-Lead Deposits  
in Atlantic Canada



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# Zinc Market and Messina Business Strategy in Newfoundland, Canada

*“Zinc is Our Focus”*



Peter Tallman, President  
New Orleans Investment - October, 2011

# Outline

## Zinc Market (Why Zinc?):

- Structural Supply Deficit by 2013
- Chinese demand (Zn-fertilizer, Galvanized steel) may exacerbate shortage

## Messina Principal Asset Base:

- 2 Million tonnes NI43-101 of 10% Zn-Pb resources identified at (TS) Boomerang.
- >5 Mt expansion potential for additional resources ready for drilling.

## Messina Near-Term Additions to Mineral Resources 2010 - 2012:

- (LL) Main Zone – **resource estimate in progress**
- (TS) “B” Zone, (TS) “A” Zone, (TS) Hurricane
- Exploration Infill Drilling Programs

## Messina Value Drivers 2010 – 2012 (Why Messina?):

- Undervalued relative to peer group; undervalued relative to future EV/lb
- Zinc commodity shortage; price increases
- Messina mineral resource additions; consolidator in Newfoundland
- Teck (Duck Pond) within trucking distance; needs mill feed by 2014.



## Why are new Zinc Supplies needed?

### Major Mine Closures '000 tpy contained zinc

Mine	Owner	Country	Production	When
Galmoy	Lundin Mining	Ireland	55	2009
Brunswick	Xstrata Ag	Canada	240	2011/12
Perseverance	Xstrata Ag	Canada	125	2014
Century	MMG	Australia	500	2014
Lisheen	Anglo American	Ireland	170	2014/15
<i>Source : Reuters</i>		<b>TOTAL</b>	<b>1,090</b>	

### By Comparision

Duck Pond    Teck                      Canada                      25

**10 'Duck Pond' ore bodies are needed to replace Brunswick**



# Zinc in Soil Fertilizers: Structural Zn Deficit



Add:  
4 – 5 lbs Zn per  
hectare



>40% yield increase  
White rice

> 20% yield increase  
Brown rice

China: 2010

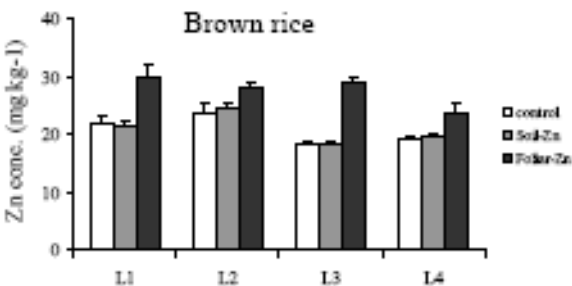
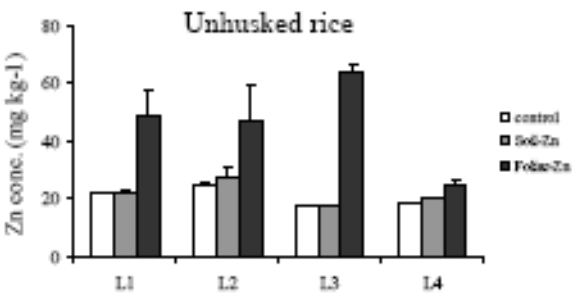
- 60% of arable land
- 75,000,000 hectares
- (180 million acres):

**2010 ZN CONSUMPTION:**

**150,000 t Zn**

BRIC? USA?: 1 G t Zn

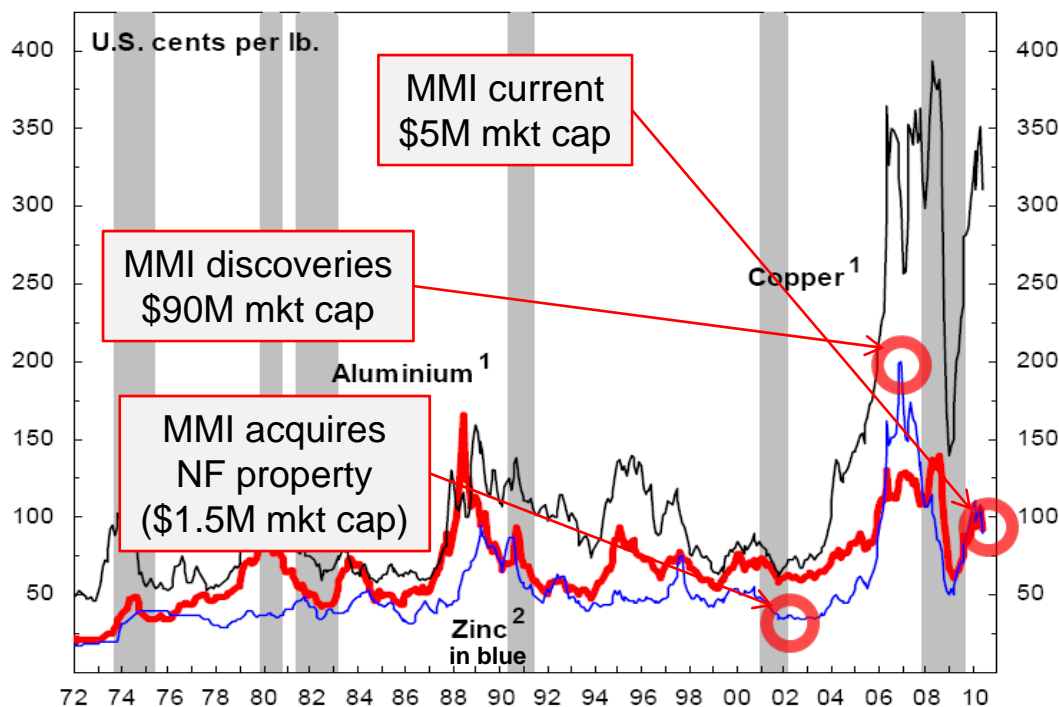
Increases nutritional  
value





# Zinc Market: Price Chart 1972 to 2010

Selected Industrial Metal Prices



1. LME cash copper and aluminium.

2. U.S. producers' price zinc to August 1990; LME price thereafter.

- Shaded areas represent U.S. recession periods.

## Zinc Price Timeline Peak to Peak

1974 (\$0.35) to 1980 (\$0.40): **6 yrs**

1980 (\$0.40) to 1989 (\$1.00): **9 yrs**

1989 (\$1.00) to 2001 (\$0.50): **12 yrs**

2001 (\$0.50) to 2007 (\$2.05): **6 yrs**

**Peak zinc price preceded onset of recessions in 1990, 2008 by 1-2 years.**

**Upward zinc price begins 3 to 4.5 years following peak price.**

**Peak of last zinc cycle: 2007**

**Zinc price movement: 2011-2012**



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## Messina in Newfoundland: Positioned for Sustaining Growth

**2001 – 2010**

**Acquisition**  
400+ sq km

**Exploration**  
\$21 million expenditures

**Discovery**  
2+ Mt at 10% Zn-Pb

**2011+**

**Resource Expansion**

**Engineering/Economics**

.....

**Acquisition**

**Exploration**

**Discovery**

## Exploration Spending

- \$21 million 2002-2010
- 430 square km lands
- Claims good to 2019

## Mineral Resource Areas

- Boomerang-Domino

1.4 M tonnes Indicated

7.1% Zn, 3.0% Pb, 0.5% Cu

0.6 M tonnes Inferred

7.0% Zn, 2.9% Pb, 0.5% Cu

- Long Lake

0.5 M tonnes historic  
(NI43-101 estimate in progress)

- Tulks East

175,000 tonnes historic  
6.7% Zn, 0.9% Pb, 0.6% Cu

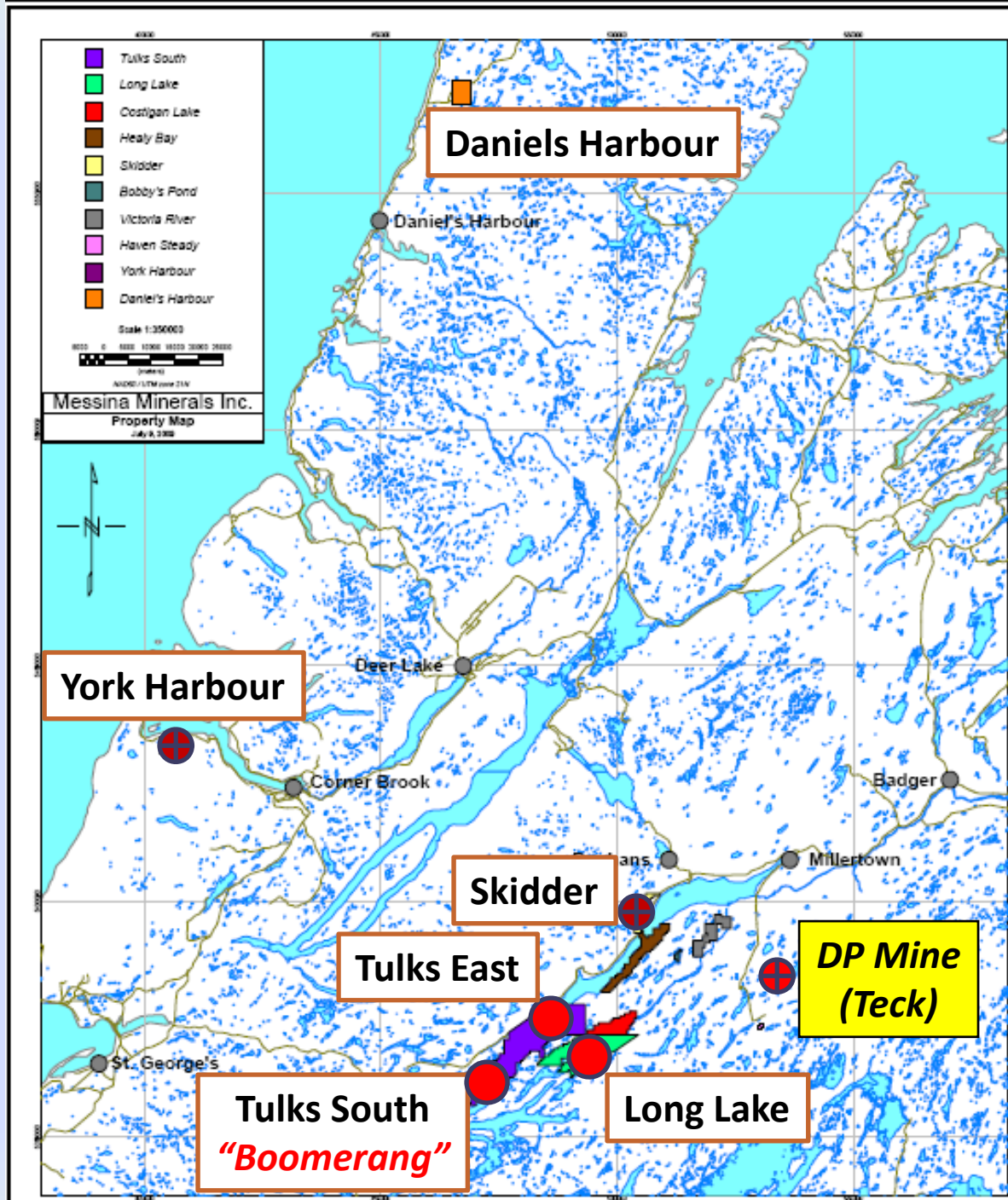
- York Harbour

0.2 M tonnes Cu-Zn Historic  
Some "direct shipping" Cu ore

- Skidder

1.0 M tonnes Historic  
2% Cu, 2% Zn

\*refer to our website "Resources"





## Mineral Resource Growth Objectives (2010–2011)

	Zn M Lbs	Pb M Lbs	Cu M Lbs	Ag M oz's	Au K oz's	M Tonnes
NI43-101 May 2010	312	133	21	7.6	103	2
NI43-101 Dec 2011*	500	170	60	9.0	130	3
% Resource Growth*	60%	28%	185%	18%	26%	50%

\* Based on projections and non NI43-101 estimates; not to be relied upon.

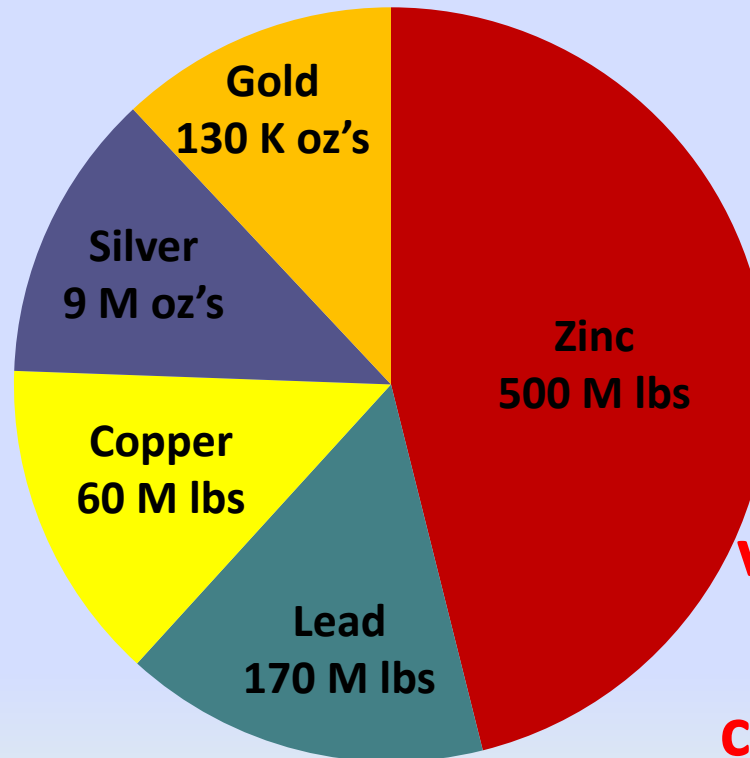
**SRK resource estimate in progress; due Nov-Dec 2011.**

**Ultimate Objective: 5 Mt of >10% Zinc-Lead by 2013**



## Messina Newfoundland Mineral Resources by Proportionate Contribution of Gross Metal Inventory

*2011 Objective*



### Resources and Target:

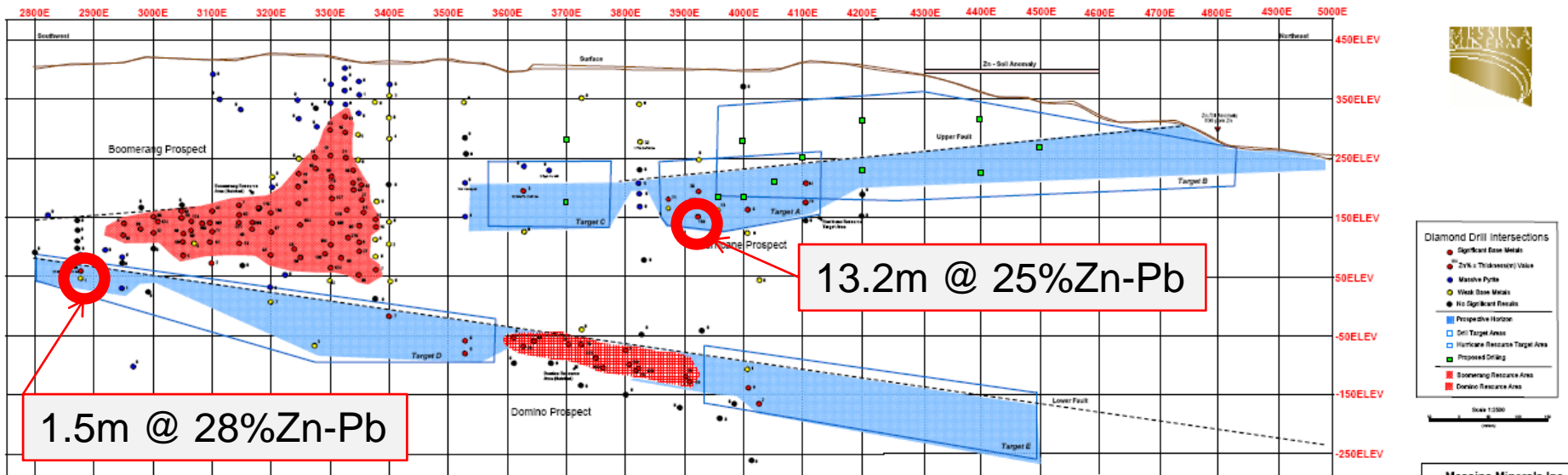
Boomerang  
Domino  
Hurricane  
Long Lake Main  
Tulks East B

**Increasing share  
valuation based on  
increasing zinc lbs  
contained resources**



# Mineral Resource Growth Objectives (2010 –2012)

**Boomerang Vertical Longitudinal  
2.1 Mt @ 7.0% Zn, 2.9% Pb, 0.5% Cu, 100 g/t Ag, 1.0 g/t Au (red)  
Drill Target Areas (blue): room for expansion**



**Boomerang Resource** (Snowden, 2007: N43-101)  
Indicated - 1,384,800 tonnes @ 7.09% Zn, 3.00% Pb, 0.61% Cu, 110.43 g/t Ag & 1.98 g/t Au  
Inferred - 278,100 tonnes @ 6.72% Zn, 2.88% Pb, 0.64% Cu, 98.65 g/t Ag & 1.29 g/t Au  
**Domino Resource** (Snowden, 2007: N43-101)  
Inferred - 411,200 tonnes @ 6.3% Zn, 2.8% Pb, 0.4% Cu, 84.0 g/t Ag & 0.6 g/t Au

- Diamond Drill Intersections**
- Significant Base Metals
  - Zn (% x Thickness) Value
  - Massive Pyrite
  - Weak Base Metals
  - No Significant Results
- Resource and Target Areas**
- Prospective Horizon
  - Drill Target Areas
  - Historical Resource Target Area
  - Proposed Drilling
  - Boomerang Resource Area
  - Domino Resource Area

Scale 1:2500

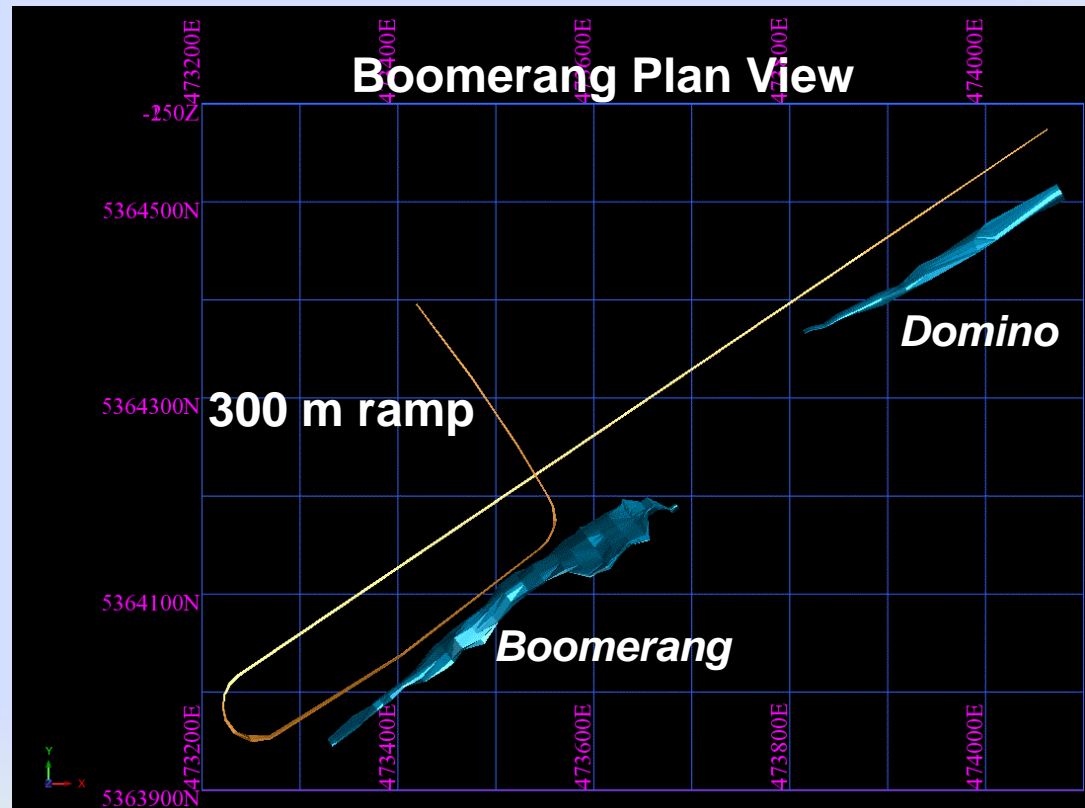


## Mineral Resource Growth Objectives (2010 –2012)

### PRELIMINARY ENGINEERING ANALYSES:

MAY 2005 / JANUARY 2008 / Review in Progress

- 300m ramp access
- 5 – 7 development levels
- 5 to 20 m true thickness
- Near-vertical dip
- Excellent grade continuity
- U/G ramp + bulk sample

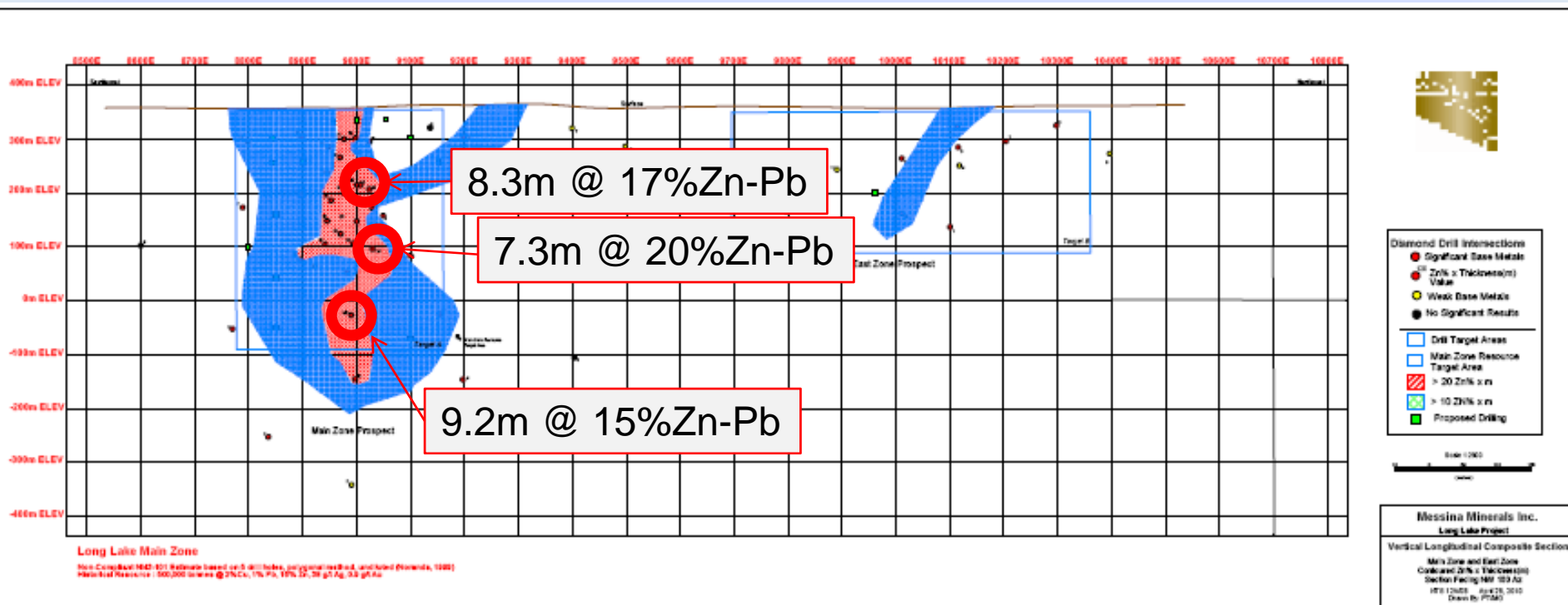




# Mineral Resource Growth Objectives (2010 -2012)

(LL) Main Zone Vertical Longitudinal and Drill Target Areas (blue)

*Mineral resource estimate expected by March 2011*





# Timing of Depletion of Teck (Duck Pond Operations) (2013-2015)

Fig 38: Copper Equivalent Production (kt)

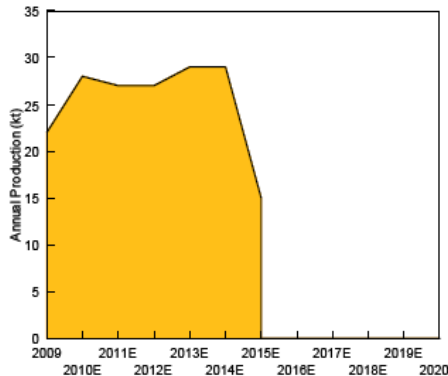


Fig 42: EBITDA & Capex Estimates (C\$M)

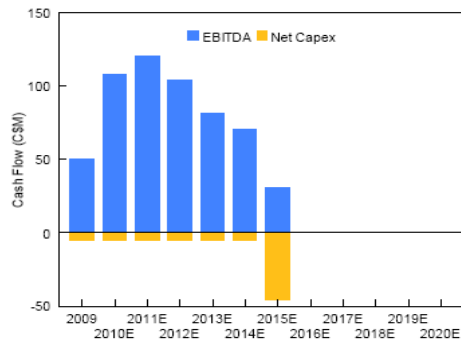
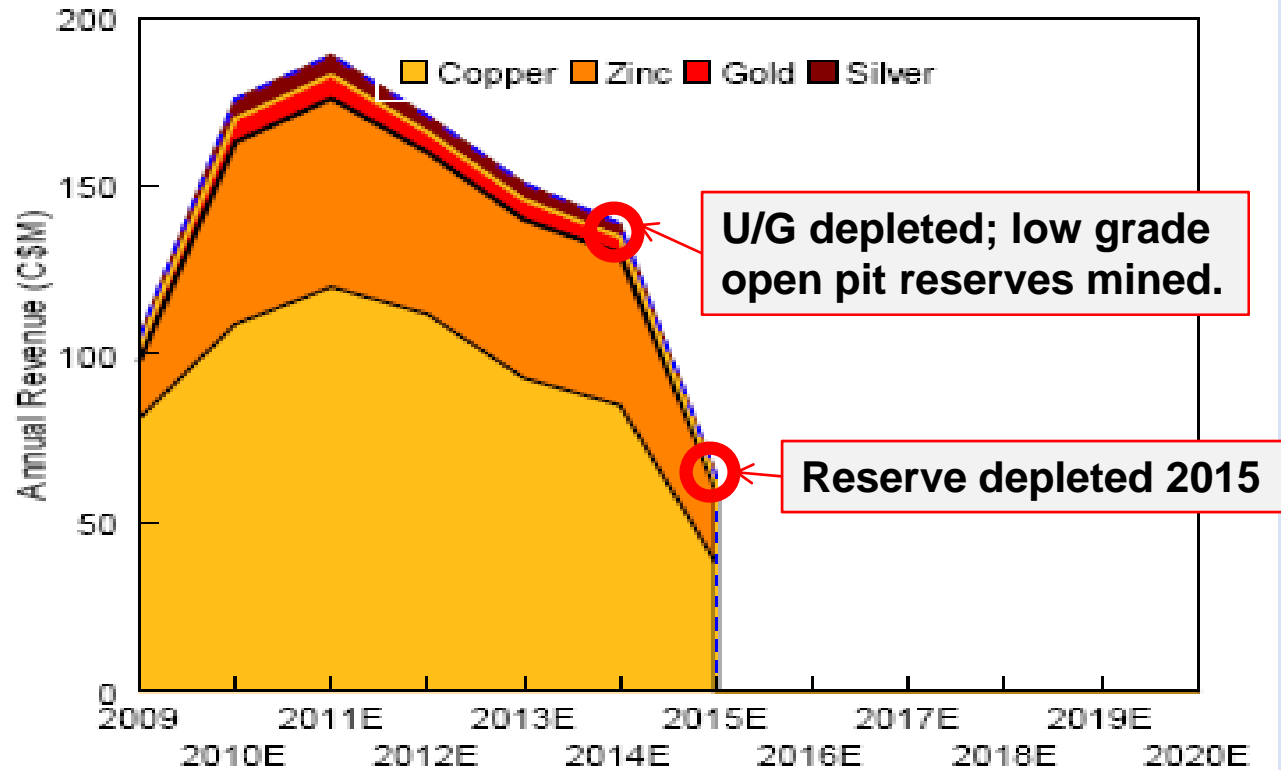


Fig 41: Annual Revenue (C\$M)





## Zinc Peer Group:

CANACCORD Genuity

Junior Mining Weekly 10 August 2010

Figure 36: Zinc-related companies' metal value estimations

Company	Symbol	Attrib. Cu M lbs	Attrib. Zn M lbs	Attrib. Pb M lbs	Attrib. Ag M oz	Gross metal value US\$/tonne	Netback value US\$/tonne	Company Netback in situ value US\$M
<b>Messina</b>	T-CZN	105	3,031	2,671	68.5	<b>\$295.68</b>	<b>\$156.71</b>	\$3,156
Paralim Resources Inc.	T-FAN	306	2,101	382	32.4	\$184.08	\$107.98	\$2,558
Breakwater Resources	T-BWR	378	5,634	653	54.2	\$231.25	\$125.48	\$4,275
Zazu Metals Corp.	T-ZAZ	0	2,312	755	20.8	\$218.82	\$118.11	\$1,485
Aquila Resources Inc.	T-AQA	101	1,165	67	9.9	\$210.83	\$116.59	\$1,127
Lundin Mining Corp.	T-LUN	11,488	32,184	9,353	207.1	\$180.08	\$97.60	\$38,450
Iberian Minerals Corp.	V-IZN	1,954	2,891	816	55.5	\$166.31	\$95.80	\$5,105
Sabina Gold and Silver Corp.	T-SBB	421	5,236	720	237.5	\$169.19	\$94.54	\$5,636
Zincore Metals Inc.	T-ZNC	0	2,288	1,322	0.0	\$163.69	\$89.79	\$1,502
Canada Zinc Metals Corp.	V-CZX	0	3,953	780	9.9	\$168.95	\$88.47	\$2,088
Lithic Resources Inc.	V-LTH	91	1,743	0	0.0	\$171.42	\$87.86	\$865
Metalline Mining	A-MMG	0	6,437	0	151.3	\$161.62	\$85.78	\$4,188
Capstone Mining Inc.	T-CS	1,838	1,007	76	113.1	\$128.54	\$75.87	\$4,965
Selwyn Resources Ltd.	V-SWN	0	41,641	13,608	0.0	\$112.12	\$59.57	\$23,141
Acadian Mining Corp.	T-ADA	0	804	437	0.0	\$86.80	\$50.71	\$1,857
Trevali Resources Corp.	V-TV	0	713	173	7.8	\$71.23	\$38.21	\$447
Baja Mining Corp.	T-BAJ	4,264	4,341	0	0.0	\$59.68	\$31.57	\$9,382
Globestar Mining Corp.	V-GMI	831	267	1	9.7	\$52.55	\$31.11	\$1,622
<b>Average</b>	<b>18 companies</b>					<b>\$172.74</b>	<b>\$95.43</b>	<b>\$6,214</b>

**2<sup>nd</sup> highest Netback value / tonne in peer group**



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## Confluence of Timing (2012 - 2013)

### Zinc Market to 2013:

- Structural Supply Deficit by 2013
- Increasing zinc commodity price

### Messina Additions to Mineral Resources through 2012:

- Anticipated 50-60% increase in zinc resource by ongoing resource estimates
- >5 Mt expansion potential for additional resources ready for drilling.

### Teck (Duck Pond) Operations to 2013:

- Depletion of high grade by 2013; mining of open pit low-grade reserves.
- Speculative interest in continued operations through toll milling or takeover?

### Valuations Relative to Peers and Market:

- Messina undervalued 3x relative to peers now
- Rising markets lift EV/Zn lbs for peer group
- Increasing Messina Zn NI43-101 resources lifts EV/Zn