

**Metallon Corporation**  
**Q3 2016 Production and Corporate Update**

Metallon Corporation, the gold mining, development and exploration company with producing assets in Zimbabwe and exploration assets in Tanzania and DRC, announces its production results for Q3 2016 and an update on corporate activities. These results are unaudited and are therefore subject to final adjustment.

**Q3 2016 Production Highlights:**

Mine	July production (oz)	Aug production (oz)	Sept production (oz)	<b>Q3 2016 production (oz)</b>	Q2 2016 production (oz)
How	5,771	5,332	4,694	15,797	12,731
Shamva	1,566	1,869	1,312	4,748	4,928
Mazowe	1,055	1,125	1,147	3,327	2,540
Redwing	872	952	926	2,750	2,366
<b>TOTAL</b>	<b>9,265</b>	<b>9,278</b>	<b>8,079</b>	<b>26,622</b>	<b>22,565</b>
Group C1 costs (\$/oz)	679	747	794	<b>737</b>	764
Group AISC (\$/oz)	865	952	1,081	<b>960</b>	971

- Group gold production for Q3 2016 was 26,622 ounces, an 18% improvement on the previous quarter (Q2 2016: 22,565).
- Production for the year to date is 69,680 ounces. The positive increase in gold production in Q3 2016 was due to improvements in performance at How, Mazowe and Redwing Mines.
- The Group C1 costs were US\$737 per ounce and all-in-sustaining costs ('AISC') were US\$960 per ounce for Q3 2016. This is an improvement of 4% and 1% respectively when compared to Q2 2016 (Q2 2016: C1 cost US\$764 and US\$971). C1 costs improved due to increased production and cost efficiencies as a result of new equipment and increased capacity. AISC were impacted by major repair and renewal work at



Shamva Mine as well as expenditure on Group Expansion Projects, which will significantly increase future gold production.

- In Q3 2016 development metres drilled were 4,494, a 14% increase on 3,871 metres drilled in Q2 2016.
- Group production forecast for 2016 is expected to be approximately 102,000 ounces due to delays in the construction of the New Processing Plant at Mazowe Mine and ramp up at Redwing Mine.

#### **Group Expansion Projects Update:**

- **How Mine**

As previously reported, work relating to the deepening of the 16N7 Shaft at How Mine has commenced. The shaft deepening from 28L to 34L is to access ore below 28 Level which will increase future production. Commissioning of the deepened shaft is expected in Q1 2019.

- **Shamva Mine**

The new Tailing Storage Facilities ('TSF') at Shamva Mine is to be commissioned in Q4 2016. Following the appointment of contract miners at Shamva Mine in Q2 2016, major repair and renewal work on surface plant and equipment is taking place. This work will improve surface equipment availability and utilisation in order to maximise gold recoveries following increased ore production from underground. This work will be completed by the end of October 2016. Future plans are underway to refurbish the Processing Plant at Shamva Mine to 70,000 tonnes per month capacity.

- **Mazowe Mine**

Construction on the new Processing Plant and TSF at Mazowe is almost complete and commissioning scheduled for Q4 2016. The new Processing Plant at Mazowe will significantly increase capacity at the mine to 70,000 tonnes per month.

- **Redwing Mine**

Redwing Mine continues to improve production following the resumption of operations in November 2015. Increased production to over 22,000 tonnes per month is now scheduled for Q1 2017. Future expansion plans, which will increase production to 50,000 tonnes per month, will commence in the second half of 2017.

- **Group Exploration**

Metallon's latest Mineral Resource Group statement as at 30 June 2016 will be available in Q4 2016 and will include additional resources at Redwing Mine following the resumption of mining. Exploration drilling has commenced at Amatolla at Mazowe Mine and drill results will be published in Q4 2016.

Ken Mekani, Chief Executive Officer, Metallon Corporation, commented;



*“Metallon delivered an impressive performance in Q3 2016 with gold production increasing 18% and C1 costs reducing 4% compared to the previous quarter. These exceptional results are due to improved production across our mines and the result of increased investment in our operations over the last year. This achievement demonstrates the future potential of our assets in Zimbabwe. Metallon is now commissioning the New Processing Plant at Mazowe in the last quarter of this year and will be focused on improving production at Shamva and Redwing Mines. Future expansion plans are now underway across the Group which will deliver increased growth in 2017 and beyond.”*

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**Notes to Editors:**

Metallon Corporation Limited is the leading gold mining company in Zimbabwe. Metallon owns and operates four gold mining operations and has a world class gold resource of over 8.3Moz. How Mine, near Bulawayo, is the flagship operation and produces over 55% of production. Shamva and Mazowe Mines, both located near Harare, each produce approximately 20% and Redwing Mine, near Mutare, reopened in November 2015 and is currently ramping up production. Gold production in 2015 was 97,000 ounces and the budget for 2016 is 102,000 ounces. Metallon is focused on increasing gold production significantly by improving current mining operations and through ambitious expansion across all operations, with a target to be a 500,000 ounce per annum producer in the next five years. Metallon, founded by its Chairman, Mzi Khumalo, is committed to investing in Zimbabwe and working responsibly in relation to our people, the environment and the communities in which we operate.