

**Metallon Corporation**  
**2014 Production Update and 2015 Outlook**

Metallon Corporation, a gold mining company with producing assets in Zimbabwe and exploration assets in Zimbabwe, Tanzania and DRC, announces its production update for 2014 and its production outlook for 2015.

**2014 Production Highlights:**

| Mine         | Actual December production (oz) | 2014 production (oz) |
|--------------|---------------------------------|----------------------|
| How          | 6,008                           | 55,008               |
| Shamva       | 2,135                           | 24,056               |
| Mazowe       | 1,266                           | 11,380               |
| Arcturus     | 833                             | 8,318                |
| <b>TOTAL</b> | <b>10,242</b>                   | <b>98,864 ***</b>    |

\*\*\* The total of 98,864 ounces is inclusive of 102 ounces recovered at Redwing Mine before the suspension of sands retreatment.

- The Group gold production for December 2014 was 10,242 ounces. This was 4% above budget and the highest monthly production for the year and since the Group resumed operations after the mines closure in 2008. This result was on the back of strong performances from How and Mazowe Mines, which both exceeded their respective forecast targets.
- The Group achieved gold production of 98,864 ounces in 2014 - 99% of the target forecast of 100,000 ounces. This is a 20.6% increase year-on-year on 2013 Group production of 82,000 ounces.
- The 1% shortfall against forecast was mostly due to:
  - Power failure at all the mines due to power lines falling as a result of incessant rains.
  - Five days lost production at Shamva Mine due to collapse of the penstock at the slimes dam (also due to heavy rains).
  - Crusher breakdowns at Shamva and Arcturus Mines due to aged equipment.

**2015 Production Outlook:**



- The Group gold production guidance for 2015 is approximately 150,000 ounces. Of this approximately 130,000 ounces will be achieved by ensuring full operating capacity for all our mines and resuming operations at Redwing mine during the second half of 2015. The additional 20,000 ounces of production will be from the tailings re-treatment plant at Mazowe mine. The plant is currently being constructed and is expected to be commissioned by August 2015.

Mzi Khumalo, Chief Executive and Deputy Chairman, Metallon Corporation, commented;

*“2014 has proved to be a highly successful year for Metallon, largely owing to the hard work, dedication and professionalism of our staff. Despite some challenges, we have focused on delivering on production whilst maintaining low costs. We look to continue these efforts in 2015 as we reach production capacity at our operating mines and commence production from Redwing Mine and the tailings re-treatment plant at Mazowe mine.”*

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