

Metallon Corporation
Q3 2015 Production and Corporate Update

Metallon Corporation, a gold mining company with producing assets in Zimbabwe and exploration assets in Tanzania and DRC, announces its production update for Q3 2015 and an update on corporate activities.

Q3 2015 Production Highlights:

Mine	July production (oz)	August production (oz)	September production (oz)	Q3 2015 production (oz)	YTD production (oz)
How	4,173	4,273	4,333	12,780	39,100
Shamva	1,890	2,463	2,339	6,692	19,428
Mazowe	752	805	671	2,229	8,083
Arcturus	770	805	723	2,298	5,530
TOTAL	7,586	8,346	8,067	23,999	72,142
Group C1 costs (\$/oz)	857	736	776	788	787
Group AISC (\$/oz)	1,182	1,047	1,259	1,161	1,097

- The Group gold production for Q3 2015 was 23,999 ounces (Q2 2015: 23,759). Gold production was less than the same period last year, (Q3 2014: 25,882), due to the following:
 - Equipment breakdowns at Shamva, Mazowe and Arcturus Mines. Key equipment has been replaced over the period but this has resulted in greater capacity restoration CAPEX.
 - Increased power interruptions impacting both underground production and plant processes. Metallon is looking at possible solutions in order to supplement grid power supply.
 - Grade challenges at Arcturus and Mazowe Mines. Measures are being taken to address these challenges and improvements to grade and tonnage are expected in the coming months.



- In 2015 year-to-date gold production was 72,142 ounces. Gold production is 1% higher than the same period in 2014, which was 71,406 ounces.
- Due to the reasons outlined above and power supply interruptions continuing to affect production across all operations, Group production guidance of 150,000 ounces for 2015 is therefore reduced by approximately 30%.
- The Group C1 costs and all-in-sustaining costs (AISC) for Q3 2015 were US\$788 and US\$1,161 per ounce respectively. The AISC includes capital expenditure across all mining operations.

New Projects Update

Reopening of Redwing Mine

- Redwing Mine has successfully resumed operations after de-watering the mine to 7 level and development work being carried out on 6 level for six months. The first gold production in eight years from underground mining is expected during November. De-watering will continue to open up more reserves in the lower levels of the mine.
- The reopening of Redwing Mine since discontinuing operations in 2008 will bring many major social and economic benefits to the local region and the country. Employment is one of these benefits, with the mine employing over 500 staff at opening and over 700 employees once the mine reaches installed capacity in H2 2016. Redwing Mine will also contribute to the national economy through royalties, taxes and investment.

Sands Retreatment Project, Mazowe Mine

- Construction on the Mazowe Mine Sands Retreatment Project is almost complete. However there have been some unforeseen equipment delays and target commissioning is now expected in early January 2016.

New Tailing Facilities, Mazowe and Shamva Mines

- Work on the New Tailing Facilities at both Mazowe and Shamva Mine is progressing as planned and, barring any unforeseen disruption expected from the wet season, the facilities should be ready for use in early 2016.

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

“Despite a challenging quarter and unexpected power interruptions, Metallon has achieved substantial gold production and made good progress on our New Projects. The last twelve months have been pivotal as we have made significant upgrades and investments into the



business with an equipment replacement programme and improved operational efficiencies. Notably we are extremely pleased with the re-opening of Redwing Mine. Resuming operations has involved a great deal of work and I would like to congratulate our team for their efforts and dedication. Redwing Mine will contribute significantly in terms of social and economic benefits and furthermore demonstrates our commitment to investing in Zimbabwe.

“In Q4 2015, Metallon is also focused on the commissioning of the Mazowe Sands Retreatment Plant and the Mazowe and Shamva Tailings Facilities. Successful completion of these projects will continue to demonstrate our ability to deliver as we target our long term growth objectives.”

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