

NIFTY COPPER PRODUCTION UPDATE

Metals X Limited (**Metals X** or the **Company**) provides the following production update for its Nifty Copper Operations (**Nifty**) following the temporary suspension of operations during August 2017 to complete remedial repairs to the secondary escapeway in the underground mine (refer to ASX announcement 25 August 2017).

As a result of the temporary suspension of operations and subsequent delays in underground stoping since recommencement, production for the current quarter will be lower than planned. The Company now expects copper production to be within the range of 3,600 – 3,900 tonnes for the September 2017 quarter. Despite the short term delays, the Company remains on track to achieve its targeted ramp-up of production to 40,000 tonnes per annum (tpa) copper by the end of the financial year.

Over the past several months, significant progress has been made towards bringing three large stopes into production, which contain over 1.6 million tonnes of ore. In addition, production from a further three stopes is planned to commence during the December 2017 quarter. Collectively these mining areas are expected to provide sufficient mill feed and production flexibility to achieve the targeted production rate.

Since the recommencement of mining following repairs to the secondary escapeway, the Company has had to undertake extensive re-drilling of existing production holes in the first of the large stopes, resulting in further delays in bringing this stope into full production. An additional drill-rig has been redirected from the second large stope to accelerate production drilling, delaying the scheduled commencement of production from the second stope.

The first large stope is now expected to be in production within a week, followed by the second and third large stopes in mid-September and early October respectively. The remaining three stopes are expected to be in production by the end of the December 2017 quarter.

Managing Director, Mr Warren Hallam, commented:

“While this delay has been unfortunate, we are confident that we remain on track to deliver on our 40,000tpa copper production rate. When we acquired Nifty late last year, the mine had been planned for closure with development and drilling wound down several years earlier. Metals X’s objective has been to redevelop the mine as quickly as possible, with our target being the achievement of a production rate of 40,000tpa of copper by mid-2018.”

“The limited number of mining areas, combined with the variability in mining conditions associated with the ‘checkerboard’, have continued to impact upon production ramp-up during the current quarter. As we develop into new extensions of the deposit and increase the number of available stoping areas, we will be less exposed to unforeseen variations in production.”

ENQUIRIES

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