



METALS FINANCE CORP
SPECIALISTS IN METAL RECOVERY



ANNUAL GENERAL MEETING 2008





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MFC Now

- **Metals Finance Corp. is well placed to weather the current economic storm.**
 - ✓ Substantial cash at bank
 - ✓ First project up and running
 - ✓ Four key projects under investigation
 - ✓ Focus on second project to be brought into production
- **The Company's current focus is on selection of the next potential project to bring into production. It is expected that the studies on which this decision will be based will be completed within the next two to three months.**



12-24 Month Strategy

- **The Board of Metals Finance Corp. has developed a short to medium term strategy which is aimed at continued development of the Company's business plan in the current economic climate, based around the following principles:**
 - Continue to pursue the project opportunities currently on hand with focus towards second project development.
 - Target low capital cost opportunities.
 - Conserve cash through maintaining low overheads and conducting technical studies wherever possible in house.
 - Develop strategic relationships, particularly with companies that have significant cash resources and currently profitable operations.
 - Remain flexible to corporate opportunities which may enhance shareholder value.



Palabora project

- **Bulk nickel sulphate sales commenced in November**
- **Favourably priced nickel sulphate sales contract in place**
- **Project is currently in 'ramp up' mode**
- **Production for November lower than forecast due to smelter and copper tank house maintenance shut downs**
- **Project currently cash flow positive**
- **Plant expected to reach design production level by end January 2009**
- **Revenue currently allocated to payment of operating costs through commissioning period**
- **Repayment of capital to Metals Finance expected to commence in January 2009**



Lucky Break Project

- Joint Venture project with Metallica Minerals Limited
- MFC has right to develop with preferential return of capital
- **Project development commenced in 2007**
- **Project was delayed earlier in 2008 due to dispute on acid supply**
- Significant time now spent on reformatting of the project with a view to assessing potential for increasing financial robustness under:
 - Smaller operation using defined higher grade ore
 - Simplification of proposed process flow sheet
 - Production of a higher value product
- **Internal study has now been completed**



Lucky Break Revised Project

- **Revised feasibility study projects positive NPV even at current low nickel and high reagent costs.**
- The study has enabled the Company to establish 'target' pricing for nickel, sulphuric acid and other consumables at which a decision to proceed with the development of the project would be warranted.
- The primary factors for this decision comprise:
 - Nickel price – around US\$7.00 per pound
 - Acid cost – at or less than \$100 per tonne
- **If these factors can be achieved the overall project as remodelled has a significant projected NPV (of greater than \$20 million) and high IRR (70+%)**
- The Company has a reasonable expectation that, as the world emerges from its current economic malaise, these factors will be achievable within 12 to 24 months.
- **The Company does not intend not commit to development of the Lucky Break Project until the above pricing criteria are achieved.**



ERGO Project

- **Target – large precious, base metals and iron tailings dump**
- Conceptual flow sheet developed for production of iron pigment and recovery of base and precious metals
- Off take agreement in place for iron pigment
- Recently completed scoping study indicates that the project is viable under the assumptions in the scoping study
- Projected capital cost in the scoping study is high - \$25-30 million
- **Given the current economic climate and the high indicated capex no early development of the project is planned**
- The Company will switch its focus to detailed investigation of a smaller iron pigment project using an alternate source of feed material (the South African pigment project) in order to obtain the benefit of the offtake agreement already in place for the product



Iron pigment project

- **Offtake agreement in place with major manufacturer and supplier in South Africa.**
- **Preliminary scoping study work based on Ergo project investigation indicates relatively low capital cost (\$3-5 million) and high internal rate of return.**
- Suitable source of iron rich material as feedstock available and identified to be suitable through laboratory test work
- Available location for production facility in the outskirts of Johannesburg including already established infrastructure and services
- Small scale piloting of flow sheet planned for first quarter 2009
- Feasibility study targeted for completion by mid 2009
- **Potential for rapid implementation thereafter**



Chambishi Project

- **Agreement in place to develop substantial tailings and waste material from a large copper-cobalt refinery in Zambia**
- Refinery records indicate 2 million tonnes of stored tailings and a further 200,000 production of similar waste material per annum
- Detailed assaying of the refinery waste over the period 2004 to 2008 indicate copper and cobalt content in the tailings and waste of 1.4% and 0.3% respectively
- **Preliminary scoping studies indicate viability at copper and cobalt prices around current levels.**
- Preliminary laboratory test work indicates high (70+%) recovery of copper and cobalt in low concentration acid leaching
- Concept flow sheet already developed for project
- **Detailed feasibility study targeted for completion by mid 2009**



Barnes Hill Project

- Joint venture with Proto Resources and Investments Limited (PRW)
- **Target >12 million tonnes JORC indicated laterite resource at 0.83% nickel and 0.07% cobalt**
- The project is well situated, close to major infrastructure and port facilities.
- **Metals Finance has the right to develop the project if warranted by feasibility studies and further resource drilling by PRW**
- **PRW have recently completed the first stage of their resource definition programme and are awaiting the results of that work prior to continuing grid drilling**
- Work by MFC pending completion of the resource definition programme to a suitable level to justify completion of feasibility studies



Bass Metals (BSM) Investment

- **A strategic investment in a small base metals producer which is considered by the board of MFC to be significantly undervalued.**
- Bass Metals (BSM) declared a profit for fiscal year 2007/08 (\$1.8 million)
- End of November 2008 BSM had \$7.8 million in cash reserves
- **BSM is projecting continued positive cash flow from its operations even at current metal prices**
- The company has built a significant portfolio of advance exploration projects in Tasmania with potential production towards end 2009
- Metals Finance representative elected to board of BSM
- MFC expects close relationship with BSM to lead to:
 - **Enhancement of the Company's balance sheet**
 - **MFC processing joint venture arrangements**
 - **Diversification of MFC's commodity base**
 - **Increase in potential deal flow in Australia**