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Interviews & News!

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First Metals Is A One Year Old Company On The Verge Of Going Into Production With A Vision Of Replicating This Success Over The Coming Years



**Production
Mining/Metals
(RMA-TSX)**

**First Metals Inc.
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**Richard Williams
Chief Executive Officer**

Company Profile:

First Metals Inc. (FMA-T) is a newly formed public company, created to capitalize on favorable upward trends in metals prices. The First Metals management team brings a combination of mining expertise and entrepreneurial and professional experience designed to effectively and efficiently advance the development to production of two identified copper-zinc deposits.

The location of the Fabie Bay/ Magusi River Deposits and their advanced stage of development are key components in making the project successful.

The deposits are located in Quebec, a mining friendly jurisdiction, in the heart of the Abitibi Region, which boasts a long history of mining and possibly the best mining workforce in the world. Hydro, water, and equipment are readily available. Permitting is well understood, which has allowed for a systematic, 'normal course,' roll-out.

The Fabie Bay/ Magusi River Deposits were first identified 35 years ago. Since then, extensive prospecting, drilling and sampling have been carried out. Juniors and seniors have worked and advanced the project over the years. Included in the work are the important phases of bulk sampling and test milling, with favorable results on both grades and recoveries. Most of the requisite elements were in place to advance to production. With the recent increases in copper and zinc demand and the corresponding price increases, the remaining elements can now be completed.

**Interview conducted by:
Lynn Fosse, Senior Editor**

CEOCFO: Mr. Williams, what is your vision for the company?

Mr. Williams: "Our mission is to quickly advance projects that we have to production in order to ensure that we capture the cycle for copper, which is currently yielding very attractive prices."

CEOCFO: Please tell us about your properties.

Mr. Williams: "We have two deposits in Quebec that were first discovered in the 1970's. They were not advanced then

because the price of copper at the time was about .80 cents and that was the cost of putting them into production. At current prices, we have a nice opportunity to make some money very quickly. For the last year we have been going forward advancing rapidly and expect to be in production in the coming weeks."

CEOCFO: What have you had to do to get them ready, and what still needs to be done?

Mr. Williams: "We bought the property last March, incorporated the company in February and we listed the company in September on the Toronto Stock Exchange, the senior board. We raised \$10 million at that time. Since then, we borrowed \$20 million and we spent about 26 of the total 33 that we have raised. Most of the money went into development work. We have applied for and received all the permits that are required; there are 28 permits total. We built a power line to the deposits, it is over 31 kilometers, so we have the power stations on the property, and we have built all the buildings. We have staffed up and have over sixty miners and administration, so we are ready to go in that regard. We have bought all the equipment that we need in order to get into production. In addition, we have a off-take agreement and a custom milling agreement with Xstrata. We are currently spending \$5 million refurbishing the mill, and that is expected to be completed in the next two weeks."

CEOCFO: Do you need to add additional people to the management team or are you set to go?

Mr. Williams: "We are set to go. The first hire that we did was our mine manager; the next hire was our superintendent and then the electrician. In terms of the management team, everyone on the

board has experience in mining. We have brought in over 35 mines and we have a fairly big board with over 200 years of experience. I think we have a good staff in place and we are ready to go in that regard.”

CEOCFO: Are there new techniques that you are able to take advantage of at this point in time?

Mr. Williams: “Not really, the mining methodology is known. The metallurgy and deposit, 100 thousand tons have already been extracted and put through the mill, so we know all of its features. We know what the expected recovery rate should be. The mill is old but it is tried and true and continues to work very well. There is no new technology and we are dealing with a known entity.”

CEOCFO: How did you find the Fabie Bay Deposit opportunity?

Mr. Williams: “It was scooped up by a company that I have been working with for the last ten years. It is a very interesting company that is also on the Toronto Stock Exchange called Globex. They have an interesting model. They have been acquiring properties that were out of favor and now with the cycle being in full swing they are farming them out, so their model has become that of a royalty company. This is their most advanced property and they were willing to farm it out; we thought the cycle would continue, so we took the financial risk. We took on the headaches of hiring, all the permitting, and acquisition of equipment. They will become a shareholder, they have a royalty-that suits their needs and suits our needs, and hopefully both will be successful.”

CEOCFO: Looking at the First Metals website I see ‘innovation, profits and experience,’ please tell us about the innovation side.

Mr. Williams: “The innovation side is our ability to assemble a team that is able to bring in mines in short order. There are about 6000 exploration companies out there and there are some major companies that have a lot of development teams and operations teams. However, the small teams that have the experience to bring in mines in rapid order are very scarce; to go from start to production within a little over a year is quite difficult to do and almost unheard of now with all of the regulatory elements that are being brought to bear. We are facing quite a bit of competition for personnel and the organizational requirements of acquiring equipment because there are shortages. To organize all of this within a year is quite an accomplishment so that is where

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- Richard Williams

the innovation comes in, in the methodology that we put in place to get this all done.”

CEOCFO: Why should potential investors pick First Metals?

Mr. Williams: “We have made a conscious effort not to market the company, but to focus on operations; this is a “show me” story. We have made the decision that we had four major hurdles to cross after we went public; we had to get all the permits, the power, the off-take, and the capital in order to put this into production. We made the decision not to go to investors and tell them the story and say if and when we cross these hurdles we will then be an interesting story. Let it

mature and let us show that we can do what we intend to do and then once it is done, we will gain the recognition and tell the story at that juncture. We are now at that time, there are no more hurdles, we should be in operation in a few weeks as soon as the mill is ready, and we are ready to ship now. We will be an exciting story at current prices.”

CEOCFO: Where do you see the metals cycle and how does that work for you?

Mr. Williams: “I just read another article on the developments in China, so we have 10% migration to cities. That is about 350 million people moving to the cities every year. Just in terms of the amount of raw materials that are needed and if you live in the city on the fifth floor it is harder to be without base metals than living out in the country and living in a grass hut. You are going to need pipes, sink, a bicycle, radio and television. Consumer demand is developing a middle class, which is equal to the population of North America. Every few years you have that in China, a similar growth in India, Indonesia, and Brazil. Notwithstanding the housing issues in the US, I continue to

see the demands for raw materials growing around the world. I think the price is sustainable for the foreseeable future.”

CEOCFO: What should people remember about First Metals?

Mr. Williams: “First Metals is a one-year-old company on the verge of going into production. It should make a fair bit of revenue and profit and it should be cash generating very shortly. In addition, we will be able to replicate this over the coming years. That makes us a bit different.”

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