

QUARTERLY REPORT

FOR THE QUARTER ENDING
30 SEPTEMBER 2021



Metals X Limited (**Metals X** or the **Company**) presents its activities report for the quarter ended 30 September 2021.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE

- Bluestone Mines Tasmania JV Renison Tin Operation (**Renison**) reported no Recordable Injuries during the quarter.
- The 12-month rolling Total Recordable Injury Frequency Rate (**TRIFR**) for Renison decreased from 18.7 to 16.7 at the end of the quarter and reflects the continued emphasis placed on quality safety interactions, and the identification, control, and management of hazards with particular attention on supervisors understanding and implementation of risk management procedures.
- The Company had no reportable incidents at its Wingellina operations and maintains a TRIFR of zero.
- A number of engineering initiatives are underway at Renison to sustain environmental performance including updating the Rentals Feasibility Study to consider a number of alternative fuels, including the use of Hydrogen.
- The Company donated a vehicle to the widow of our indigenous liaison officer who passed away during the quarter.
- The JV is commencing an update of the rehabilitation plan for the Mt Bischoff operations. This includes an evaluation as to reopening the mine to recover the remaining ore in parallel to implementing a progressive rehabilitation of the area. Discussions have been held with the relevant government authorities as to the final scope of required rehabilitation.

COVID-19

- There have been no cases of COVID-19 within the Metals X or Renison workforce, nor any significant disruption to operations or critical supplies.
- In support of the nationwide vaccine rollout, the Company has offered financial support to all employees who wish to get fully vaccinated.
- On 3 August 2021, the Company announced that it had received confirmation that the Malaysian Smelter Corporation (**MSC**) has recommenced operations following the Malaysian Government imposed lockdown.¹

CORPORATE HIGHLIGHTS

- During the quarter, the Thailand Smelting and Refining Co. Ltd (**Thiasarco**) agreed to accept additional shipments and agreements for the sale of tin were executed with Yunnan Tin China (**YTC**) for August, September, and October 2021.
- By quarter end, the MSC had materially paid for all outstanding shipments and as a result, the Company recommenced new shipments of tin concentrate on 30 September 2021.
- On 8 July 2021, the Company announced it had received payment of \$11.0 million as settlement of the Conditional Copper Price Payment pursuant to the Mt Gordon Sale Agreement.²
- The loan facility with Asia Cheer Trading Limited (**ACT**) paid in full during the quarter.
- Closing cash for the quarter increased by \$8.2 million to \$21.6 million.
- The Company has continued to advance the sale and spin out of its Nickel asset portfolio, including the Wingellina Nickel-Cobalt Project in Western Australia and the Clause Hills Project located in South Australia.

¹ Refer ASX Announcement: 3 August 2021, Renison Tin Concentrate Update.

² Refer ASX Announcement: 8 July 2021, Mt Gordon Copper Payment.

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OPERATIONS REVIEW

RENISON TIN OPERATION

Metals X owns a 50% equity interest in Renison through its 50% stake in the Bluestone Mines Tasmania Joint Venture (BMTJV). All data in this report is 100% of Renison unless stated as 'MLX 50% share'.

The Renison strategy is focused on continuing to convert ongoing significant in-mine exploration success into a substantial long-life mining operation, to deliver higher cash margins through an increased mining rate, grade, and recovery, whilst continuing to seek productivity improvements and reduce costs.

TABLE 1 – RENISON TIN OPERATION PRODUCTION AND COSTS (100% BASIS) – SEPTEMBER 2021 QUARTER

		Sep 2021 Quarter	Jun 2021 Quarter	Rolling 12-months
Physical and Revenue Summary				
Ore mined	t ore	237,007	206,192	831,679
Grade of ore mined	% Sn	1.50	1.39	1.29
Ore milled (after sorter upgrade)	t ore	177,098	165,227	665,524
Grade of ore processed	% Sn	1.75	1.66	1.56
Recovery ¹	%	79.5	77.9	77.6
Tin produced	t Sn	2,471	2,136	8,092
Tin sold	t Sn	2,381	1,530	7,526
Realised tin price (net of TC/RC)	\$/t Sn	\$43,999	\$36,530	\$33,739
C1 Cash Cost	\$/t Sn	\$14,403	\$15,404	\$15,769
All-in Sustaining Costs (AISC)	\$/t Sn	\$21,088	\$19,939	\$21,214
All-in Cost (AIC) ²	\$/t Sn	\$22,140	\$23,425	\$23,987
Imputed Revenue (net of TC/RC) ³		\$M	\$M	\$M
C1 Cash Cost	\$M	35.59	32.90	127.60
All-in Sustaining Costs (AISC) ²	\$M	52.10	42.59	171.66
All-in Cost (AIC) ²	\$M	54.70	50.04	194.09
Imputed Net Cashflow ³	\$M	54.01	27.99	78.91
EBITDA	\$M	70.32	41.43	134.68

¹ Recovery is expressed as overall recovery, taking account of losses of tin through the ore sorter and the concentrator

² AIC includes AISC plus project and exploration costs

³ Imputed Revenue assumes 100% of tin produced is sold. Imputed net cashflow assumes no change to receivables or inventory. Metals X share of imputed net cashflow is A\$27.0 million

Production and Costs

- Multiple production records were achieved during the quarter for ore mined, tin metal treated, tin metal produced, and overall recovery.
- Mine planning improvements created opportunities with additional stoping areas and broken stocks.
- Equipment availability was on or above target.
- Production of 2,471 tonnes of tin-in-concentrate for the quarter represents a 16% increase against the previous quarter.
- All-in-sustaining cost (AISC) of \$21,088/tonne of tin.
- Imputed EBITDA of \$70 million (MLX 50% share - \$35 million) and imputed net cash flow of \$54 million (MLX 50% share - \$27 million).
- Production guidance for FY22 is 8,500 – 9,000 tonnes of tin-in-concentrate at an AISC cost of \$21,000 - \$25,000/tonne tin.
- The Thermal Upgrade Project Scoping Study was completed with a decision, as previously announced, to proceed with an update of the Rentails Definitive Feasibility Study (**Rentails DFS Update**), to enable a Final Investment Decision for development of the full Rentails Project to be made in CY2023.

The market outlook for tin remains strong and is expected to continue for the remainder of 2021 – 2022.

AREA 5 PROJECT UPDATE

The Area 5 upgrade has progressed significantly over the period, key activities included;

- **HV Power Upgrade**
 - Works have progressed well, design ~ 92% complete.
- **Ventilation Upgrade**
 - Raise bore Leg #1 complete.
 - Raise bore Leg #2 pilot hold on hold whilst mining in the area.
 - Fan construction slightly delayed but no impact to overall schedule.
- **Backfill Facility and Infrastructure**
 - Paste plant EPC contract negotiated.
 - New plant required as used plant is no longer available.
 - Water treatment plant design progressing.
 - Paste hole drilling:
 - One-hole complete and other in progress.
 - One-hole intercepted area of significant water flow technical solutions being evaluated

Total Area 5 forecast costs are now \$59.2 million with approximately 4.2 million of contingency remaining (June forecast \$56.6 million) . The cost increases are due to the move to a new paste plant, additional scope in the water treatment, and electrical upgrade.

MINE RESOURCE DRILLING PROGRAM

During the quarter, 14,281 metres of underground and 867 metres of surface drilling was completed which included grade control drilling in Leatherwood and Resource development drilling in Huon North, Leatherwood and South Basset areas.

As announced on 15 July 2021³, a new mineralised area, the Hastings Area, has been identified in a footwall area immediately adjacent to and below the currently identified Leatherwood mining area. The Hastings area currently has an extent of approximately 375m horizontally and 145m vertically. The Hastings area interpretation is currently based on 16 diamond drill holes; 13 of which contain significant tin intersections with the mineralised zone open to the north and at depth. Further follow-up infill drilling is planned to commence towards the end of CY 2021. Since the initial discovery hole in February 2021, ongoing follow-up drill testing of the Hastings area has now reported multiple high grade tin intersections of very significant widths, with the most significant reported below.

Hole	True Width (metres)	% Tin	Downhole (metres)
U8220	35.0	1.87	237
U8227	17.0	3.52	385
U8223	9.3	3.65	261
U8221	2.3	10.72	320
U8222	14.0	1.61	305
U8218	24.0	0.87	298
U8230	0.8	24.77	165
U8232	6.1	2.83	174

³ Refer ASX Announcement: 15 July 2021, Significant Intersections at Recently Defined Renison Mine Hastings Area.

METALLURGICAL IMPROVEMENT PROGRAM

The Metallurgical Improvement Program progressed over the period with record tin recoveries attributable to work completed. Key Metallurgical Improvement Program workstreams progressed during the quarter were:

- HP power upgrade 92% complete.
- Fine Spirals Replacement – Commissioned September 2021.
- Table Feed box upgrades – Complete.
- Key ongoing activities include:
 - Complete remaining HP power upgrade.
 - Gravity Concentrate Pumping Improvements Commissioning late November 2021.
 - CMC mixing and dosing system (for Talc management) Commissioning December 2021.
 - Primary Grinding/Sulphide Feed Stability Commissioning November 2021.
 - 50' Thickener Removal Target final decommissioning Q1 2022.
 - “Table Vision” trial (table monitoring/control system) Equipment fabrication/delivery in December & January.
 - Sulphide Re grind Stability commissioning March 2022.
 - Leach circuit de-bottle necking EPC contract executed, Q1 2022 commissioning.

THERMAL UPGRADE PROJECT AND RENTAILS PROJECT

Work on the updated Rentails Definitive fixability study continued over the period key activities included:

- The JV steering committee approved the funding for the first phase of the upgraded feasibility study.
- A project manager for the study has been hired and the owners team defined.
- The work breakdown structure for the study has been prepared and preliminary discussion with engineers and contractors has commenced.

NEAR MINE EXPLORATION

The Company announced on it had committed to an exploration program consisting of a regional soil sampling and geochemistry campaign across the Renison mine lease and a diamond drilling program targeting a recent electromagnetic survey.⁴ These programs signal a renewed commitment to targeted regional exploration by the JV and will both commence in the final quarter of 2021.

LIFE OF MINE UPDATE

Work has commenced on an update of the life of mine plan (**LOMP**) taking into account updated tin price forecasts, and new development areas such as Leatherwood and updated metallurgical recoveries. The updated LOMP is scheduled to be presented to the JV in December 2021 and will include updates of the capital and operating costs over the updated plan

CORPORATE

UPDATE ON THE SPIN OUT OF NICKEL - COBALT ASSETS

The Company has previously announced the execution of a binding terms sheet with NICO Resources Limited (**NICO**) for the sale and spin out of its Nickel asset portfolio, including the Wingellina Nickel-Cobalt Project located in Western Australia and the Claude Hills Project located in South Australia (the **Terms Sheet**).

The parties have completed the draft Prospectus and Share Sale Agreement. Under the Terms Sheet, the Conditions Precedent were to be satisfied by 21 September 2021, being 120 days after the date of the Terms Sheet. Both parties are in the process of extending the date for completion of the Conditions Precedent which have resulted from procedural delays in obtaining the necessary approval from the Foreign Investment Review Board (**FIRB**).

⁴ Refer ASX Announcement: 14 October 2021, Near Mine Exploration Program to Commence at the Renison Tin Mine.

Updates on the completion of the Conditions Precedent will be announced in due course.

MT GORDON COPPER PAYMENT UPDATE

On 8 July 2021, the Company received \$11.0 million from Capricorn Copper Holdings Pty Ltd comprising the first and second instalments of \$5.0 million each, plus the agreed extension fee of \$0.25 million and interest due.

TIN CONCENTRATE SHIPMENT UPDATE

During the previous quarter, the Malaysian government instigated a nationwide lockdown of economic activities which impacted the operations of the Kuala Lumpur Tin Market (**KLTM**) which sets tin pricing for the Company's tin concentrate to MSC. The lockdown resulted in the MSC declaring Force Majeure on all concentrate contracts, including those associated with the Company.

During the quarter, the Thailand Smelting and Refining Co. Ltd (**Thiasarco**) agreed to take additional shipments and an agreement was executed for the sale of tin concentrate to Yunnan Tin China (**YTC**) to mitigate the Company's risk related to any potential long-term disruptions of the smelter operations in Malaysia.

On 30 September 2021, the Company resumed shipments of tin concentrate to MSC having materially received payment for all shipments previously subject to Force Majeure and the extended payment terms.

INVESTMENTS – CONVERTIBLE NOTES AND OPTIONS

The Company continues to hold \$36.0 million in aggregate in convertible notes and 40.6 million options issued by Cyprium Metals Limited (CYM).⁵

Further details on the activities of CYM are available from their ASX releases.

UNSECURED LOAN FACILITY WITH ACT

On 13 July 2021, the Company announced it had repaid \$7.75 million, comprising 50% of the outstanding principal amount of \$15.50 million to Asia Cheer Trading Limited (**ACT**).⁶

On 27 July 2021, the Company announced it had agreed to extend the Loan Facility Termination Date from 31 July 2021 to 31 January 2022, with all other terms and conditions remaining unchanged.

On 30 September 2021, the Company made a final payment of \$7.76 million, comprising \$7.75 million remaining principal plus interest, to ACT. The Company has now repaid the ACT loan facility in full.

⁵ Refer 30 June 2021 Annual Report for further details.

⁶ Refer ASX Announcement: 13 July 2021, Part Repayment of Loan Facility.

CASH GENERATION

At the end of the quarter, Metals X had \$21.6 million in the bank (30 June 2021: \$13.4 million), tin metal receivables of \$16.9 million (30 June 2021: \$9.2 million), tin metal inventory of \$16.1 million (30 June 2021: \$14.4 million) and payables of \$10.5 million (30 June 2021: \$7.6 million).

Metals X share of imputed net revenue from Renison operations is \$27.0 million for the quarter (Q4: \$14.0 million) and the Company's cash balance increased by \$8.2 million during the quarter (30 June 2021: decreased by \$16.4 million).

The following table reconciles opening cash plus imputed net cashflows to actual closing cash at quarter end.

Movement in cash balance	A\$(m)
Opening cash at bank	13.4
Add Metals X share of imputed net cashflows from Renison	27.0
Unadjusted closing cash position	40.4
<i>Less</i>	
Timing difference between imputed and actual revenue	(19.1)
ACT final loan repayment	(15.5)
Change in working capital	(2.9)
<i>Add</i>	
Increase in tin metal receivables	7.7
Mt Gordon copper payment	11.0
Closing cash at bank	21.6

This quarterly report has been authorised by the board of directors of Metals X Limited

ENQUIRIES

Mr Brett Smith - Executive Director
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Competent Person's Statements

The information in this report that relates to historic Exploration Results is based on, and fairly represents, information that has been compiled by Bluestone Mines Tasmania Joint Venture Pty Ltd technical employees under the supervision of Mr Colin Carter B.Sc. (Hons), M.Sc. (Econ. Geol), AusIMM. Mr Carter is a full-time employee of the Bluestone Mines Tasmania Joint Venture Pty Ltd and has sufficient experience which is relevant to the style of mineralisation and types of deposit under consideration and to the activities which he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". The Company confirms it is not aware of any new information of data that materially affects the Exploration Results and the form and context in which the Competent Person's finding have been presented has not been materially modified from the original announcement as noted.