

AGREEMENT FOR SALE AND SPIN OUT OF NICKEL ASSETS

Further to the announcement made on 23 September 2021, Metals X Limited (**Metals X** or **the Company**) is pleased to announce that it has signed the formal share sale and subscription agreement with NICO Resources Limited (**NICO**) in relation to the sale and spin out of its Nickel asset portfolio (**SSA**), which includes the Wingellina Nickel-Cobalt Project located in Western Australia and the Claude Hills Project located in South Australia (**Nickel Assets**).

As foreshadowed by the binding Terms Sheet signed with NICO (**Terms Sheet**), the SSA provides for the sale of all of the shares in Metals Exploration Pty Ltd, currently a 100% owned subsidiary of Metals X, to NICO with eligible Metals X shareholders to receive an In-specie Distribution of NICO shares, subject to Shareholder approval and any necessary approval from the Foreign Investment Review Board (**FIRB**), among other standard conditions, so as to spin out the Nickel Assets from Metals X and conduct an initial public offering (**IPO**) of NICO's shares (the **Transaction**).

The SSA is on substantially similar material terms to the Terms Sheet as detailed in the Company's announcements of 25 May 2021 and 23 September 2021.

As previously disclosed, the Transaction is subject to a number of conditions precedent, one of which is obtaining any necessary approval from the FIRB. As noted in the Company's announcement of 23 September 2021, the notification and approval processes associated with FIRB have been subject to delays, however the Company presently expects that FIRB should reach a decision around mid to late November.

The In-specie Distribution and capital reduction under the Transaction is also subject to approval of the Company's shareholders (**Shareholder Approval**). The Company proposes to hold a general meeting in order to obtain the Shareholder Approval in mid December 2021. The Company also presently expects NICO to lodge its prospectus for its IPO in mid November 2021.

Further updates and details of the intended timing for the progress of the spin out of the Nickel Assets will be provided once available, which will include a detailed indicative timetable with respect to the Transaction, including the date of the proposed Company shareholder meeting, and anticipated listing date of NICO on ASX, will be provided in the near term by separate announcement.

Metals X Executive Director, Mr Brett Smith, commented:

"The execution of the formal share sale agreement and progress of the sale and spin-out of the Company's Nickel Assets edges Metals X shareholders closer to securing a direct holding in a listed vehicle with the Nickel Assets as its cornerstone, while allowing Metals X shareholders to simultaneously remain part of a listed company that will continue to focus on the production and development of its Tin Portfolio."

This announcement has been authorised by the Board of Directors of Metals X Limited.

ENQUIRIES

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