

NOTICE OF ANNUAL GENERAL MEETING

Notice is given that the Annual General Meeting of Metals X Limited ABN 25 110 150 055 (“the Company”) will be held at 11.00am (WST) on Tuesday, 24 November 2009 in the Mosman Bay Room, Hyatt Regency Perth, 99 Adelaide Terrace, East Perth, Western Australia.

AGENDA

BUSINESS

The business of the meeting will consist of:

ORDINARY BUSINESS

1) **Financial statements and reports**

To receive and consider the financial statements and reports of the Directors and the Auditors for the year ended 30 June 2009.

2) **Resolution 1 – Remuneration Report**

To consider and, if thought fit, to pass the following resolution as an ordinary resolution:

“That the Remuneration Report for the year ended 30 June 2009 as disclosed in the 2009 Annual Report be adopted.”

Note: the vote on this resolution is advisory only and does not bind the Directors of the Company.

3) **Resolution 2 - Election of Director – Peter Gerard Cook**

To consider and, if thought fit, pass the following resolution as an ordinary resolution:

“That Peter Gerard Cook, a Director retiring from office by rotation, and in accordance with Rule 3.6 of the Constitution, being eligible, is re-elected as a Director of the Company.”

4) **Resolution 3 - Election of Director – Scott James Huffadine**

To consider and, if thought fit, pass the following resolution as an ordinary resolution:

“That Scott James Huffadine, a director retiring from office in accordance with Rule 3.3 of the Constitution, and being eligible, is re-elected as a Director of the Company.”

5) **Resolution 4 – Alteration of Non-Executive Directors’ Fees**

To consider and, if thought fit, pass the following resolution as an ordinary resolution:

“That, for the purposes of Listing Rule 10.17 of the Official Listing Rules of the Australian Securities Exchange Limited, Rule 10.2 of the Constitution and for all other purposes, the remuneration which may be paid by the Company to its Directors be altered from \$40,000 per annum to each Non-Executive Director to a maximum aggregate sum of \$200,000 per annum on the terms and conditions described in section 5 of the Explanatory Memorandum accompanying this Notice of Annual General Meeting.”

In relation to Resolution 4, pursuant to Listing Rule 10.17.1 of the Official Listing Rules of the Australian Securities Exchange Limited, the Company will disregard any votes cast by a Director of the Company or any of their associates. However the Company need not disregard a vote if it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

6) Resolution 5 – Authority for Issue of Options to Warren Shaye Hallam

To consider and, if thought fit, pass the following resolution as an ordinary resolution:

“That for the purposes of ASX Listing Rule 10.11, section 208 of the Corporations Act 2001 (Cth), and for all other purposes, the Directors be authorised to allot and issue up to a maximum of 1,500,000 options to acquire ordinary shares in the capital of the Company, for nil consideration, with an exercise price of 120% of the weighted average closing sale price of the Company’s fully paid ordinary shares on ASX over the 20 trading days immediately preceding the day on which the Board resolves to offer those options, and exercisable at any time prior to 30 November 2012, to Warren Shaye Hallam (or his nominees), and on the terms and conditions which are described in section 6 of the Explanatory Memorandum accompanying this Notice of Annual General Meeting.”

In relation to Resolution 11, pursuant to Listing Rule 10.13.6 of the Official Listing Rules of the Australian Securities Exchange Limited, the Company will disregard any votes cast by Warren Shaye Hallam (or his nominees) or any of his associates. However the Company need not disregard a vote if it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

7) Resolution 6 – Authority for Issue of Options to Scott James Huffadine

To consider and, if thought fit, pass the following resolution as an ordinary resolution:

“That for the purposes of ASX Listing Rule 10.11, section 208 of the Corporations Act 2001 (Cth), and for all other purposes, the Directors be authorised to allot and issue up to a maximum of 1,000,000 options to acquire ordinary shares in the capital of the Company, for nil consideration, with an exercise price of 120% of the weighted average closing sale price of the Company’s fully paid ordinary shares on ASX over the 20 trading days immediately preceding the day on which the Board resolves to offer those options, and exercisable at any time prior to 30 November 2012, to Scott James Huffadine (or his nominees), and on the terms and conditions which are described in section 6 of the Explanatory Memorandum accompanying this Notice of Annual General Meeting.”

In relation to Resolution 12, pursuant to Listing Rule 10.13.6 of the Official Listing Rules of the Australian Securities Exchange Limited, the Company will disregard any votes cast by Scott James Huffadine (or his nominees) or any of his associates. However the Company need not disregard a vote if it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

OTHER BUSINESS

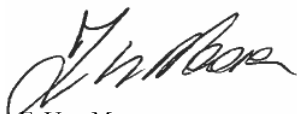
To transact any other business which may be brought forward in accordance with the Company’s Constitution.

VOTING ENTITLEMENT

For the purpose of determining an entitlement to vote at the Annual General Meeting, a person will be recognised as a member if that person is registered as a holder of Metals X Limited shares at **11.00 am on Sunday, 22nd November 2009 (48 hours before meeting)**.

Dated: 21 October 2009

For and on behalf of the Board



F. Van Maanen
Company Secretary

NOTES

- (a) A member who is entitled to attend and cast a vote at the meeting is entitled to appoint no more than two proxies (who need not be members of the Company) to attend and vote on a poll in the members place.
- (b) The appointment of two proxies will be of no effect unless each proxy is appointed to represent a specified proportion of the member’s voting rights. A single proxy exercises all voting rights.
- (c) The form of proxy must be signed by a member or the member’s attorney duly authorised in writing or if the member is a corporation under its corporate seal or in accordance with section 127 of the Corporations Act 2001 or by its duly authorised attorney or representative. If an attorney is to attend the meeting please submit the relevant power of attorney for noting and return.
- (d) The Company has determined in accordance with regulations pursuant to section 1074E of the Corporations Act 2001 that for the purpose of voting at the meeting, shares will be taken to be held by those persons recorded on the Company’s register as at 11.00 am on Sunday, 22nd November 2009.
- (e) A corporation may elect to appoint a representative in accordance with the Corporations Act 2001 in which case the Company will require written proof of the representative’s appointment which must be lodged with or presented to the Company before the meeting.
- (f) If you have any queries in relation to proxies please call the Company’s share registry, Security Transfer Registrars Pty Ltd, on (08) 9315 2333 during business hours.

EXPLANATORY MEMORANDUM

METALS X LIMITED

ABN 25 110 150 055

ORDINARY BUSINESS

1. Financial statements and reports

Distributed with Notice of Annual General Meeting and to be tabled and discussed.

2. Approval of the Remuneration Report (Resolution 1)

In accordance with section 250R(2) of the Corporations Act 2001 the Company is required to present to its shareholders for their consideration and adoption by way of a non-binding resolution the Company's Remuneration Report as disclosed in the Company's 2009 Annual Report.

3. Election of Director – Peter Gerard Cook (Resolution 2)

Mr Cook is a Geologist (BSc (Applied Geology)) and a Mineral Economist (MSc (Min. Econ), MAusIMM). In recent years he has been the Managing Director of Hill 50 Limited, the Chief Executive Officer of Harmony Gold Australia Pty Ltd and the Managing Director of Abelle Limited. He has considerable experience in the fields of exploration and project and corporate management of mining companies. He is also a director of Westgold Resources Limited and the Chairman of both Aragon Resources Limited and Chrome Corporation Limited.

4. Election of Director – Scott James Huffadine (Resolution 3)

Mr Huffadine is a Geologist (BSc (Hons)) with broad experience in the resources industry, specifically in geology and mining project management. For the past 2 years Mr Huffadine has been the Chief Operating Officer of the Company. Prior to joining the Company Mr Huffadine was employed by Harmony Gold Australia Pty Ltd as the General Manager of the Hill 50 Gold Project for 4 years. His previous roles include Chief Geologist for both Harmony and Hill 50 Gold (Mt Magnet Project). He has also held Underground, Open Pit and Exploration Geology positions with WMC Resources at Mt Magnet WA, Dominion Mining at Mt Morgan's WA and Werrie Gold NSW.

5. Alteration of Non-Executive Directors' Fees (Resolution 4)

Listing Rule 10.17 and rule 10.2 of the Company's Constitution provide that the maximum aggregate amount of the remuneration payable as directors' fees to Non-Executive Directors is to be determined by shareholders in a general meeting.

Executive Directors receive salary and other remuneration in accordance with the terms of their employment agreements, but do not receive directors' fees. The remuneration paid by the Company to Executive Directors is not included in the maximum aggregate amount of directors' fees for the purposes of this resolution.

The last determination of directors' fees was on the incorporation of the Company on 23 July 2004 and the remuneration was set at \$40,000 (excluding superannuation guarantee contributions) per annum for each Non-Executive Director.

This resolution seeks shareholder approval to alter this amount to an aggregate maximum amount of \$200,000 per annum payable to Non-Executive Directors (inclusive of superannuation guarantee contributions).

Since 2004 the nature of the Company's activities has expanded significantly. This has resulted in a corresponding increase in the nature of the Board's activities and the potential extent of liabilities and responsibilities assumed by the Directors.

The proposed increase will allow for increases in directors' fees and also permit appointment of additional director(s) if that is desirable in the circumstances.

6. Issue of Options to Directors (Resolutions 5 to 6)

Shareholder approval under resolutions 5 to 6 is sought for the issue of options to acquire shares to the named Directors of the Company (or to their nominees), for the purposes of:

- Chapter 2E of the *Corporations Act 2001 (Cth)* (“Corporation Act”), which governs the giving of financial benefits to related parties (such as directors of a company): and
- ASX Listing Rule 10.11, which requires the issue of securities to a director of a company to be approved by the shareholders of the company by way of ordinary resolution.

As a result of ASX Listing Rule 7.2 (Exception 14), approval of shareholders is not required under ASX Listing Rule 7.1 to the issue of options to the named Directors (or their nominees), if approval of shareholders is given under ASX Listing Rule 10.11.

For the purposes of ASX Listing Rule 10.13 (in relation to the issue of options to Directors, or their nominees):

- The options to be issued under resolutions 5 to 6 will be issued to the Directors named in those resolutions in the Notice of Meeting, being Messrs Hallam and Huffadine, or to their respective nominees;
- The maximum number of options to be issued is 1,500,000 to Mr Hallam and 1,000,000 to Mr Huffadine (or their respective nominees);
- The options to be issued under resolutions 5 to 6 will be issued no later than 1 month after the date of the Annual General Meeting;
- The options to be issued under resolutions 5 to 6 will be for nil consideration, and on the terms and conditions set out in Annexure A of this Explanatory Memorandum;
- No funds will be raised by the issue of options under resolutions 5 to 6, as they will be issued for nil consideration. Any funds raised from time to time due to the exercise of any of the options will be applied for such purposes of the Company as the Directors think fit; and
- A voting exclusion statement is contained in the notes to the resolutions 5 to 6 in the Notice of Annual General Meeting, in accordance with the ASX Listing Rules.

Chapter 2E of the Corporations Act

Chapter 2E of the Corporations Act prohibits the Company from giving a financial benefit, such as the issue of options, to a related party (including a Director) of the Company, unless either:

- The giving of the financial benefit falls within one of the nominated exceptions to the relevant provisions of the Corporations Act; or
- Prior shareholder approval is obtained to the giving of the financial benefit and the benefit is given within 15 months after the approval.

Each of Messrs Hallam and Huffadine as Directors are “related parties” of the Company for the purposes of Part 2E of the Corporations Act, and the issue of options to each of them (or their nominees) may constitute the giving of a “financial benefit” for this purpose.

In accordance with section 219 of the Corporations Act, the following information is provided to shareholders to allow them to assess whether or not it is in the Company’s best interests to pass resolutions 5 to 6:

- Each of Messrs Hallam and Huffadine are the related parties to whom the proposed resolutions would permit a financial benefit to be given. Each of them is a related party of the Company by virtue of section 228 of the Corporations Act.
- The nature of the financial benefit to be given to these related parties is the issue of the options on the terms set out in this Explanatory Memorandum.
- The financial benefit to be given to Messrs Hallam and Huffadine is to form part of their respective remuneration packages as assessed by the Company’s Remuneration Committee.
- Messrs Hallam and Huffadine decline to make a recommendation to shareholders in respect to resolutions 5 to 6 as they each have a material personal interest in the outcome of the resolutions to the extent that the resolutions provide for the issue of options to each of them.

6. Issue of Options to Directors (Resolutions 5 to 6) (Continued)

- Messrs Cook, Jefferies, Newton and Wei recommend that shareholders approve resolutions 5 to 6, for the reasons set out in this Explanatory Memorandum and on the basis that, in their opinion, the proposed participation in the issue of options to the named Directors, is fair and reasonable having regard to the terms of the options.
- Messrs Hallam and Huffadine have an interest on resolutions 5 to 6. Details of the potential benefits and costs to the Company are listed below.

Potential Benefits

If the options are issued to Messrs Hallam and Huffadine (or their nominees), pursuant to the proposed resolutions, the Company considers the following benefits arise:

- Each of Messrs Hallam and Huffadine will have a vested interest in the affairs of the Company. As options are a performance based incentive, Messrs Hallam and Huffadine will have a financial incentive to ensure the market price of the underlying shares of the Company increase to create value in the options, and this will benefit all shareholders.
- The issue of options is a non-cash form of remuneration, thus conserving liquid funds.

Potential Costs

The potential costs to the Company of the placement of an aggregate of 2,500,000 options to Messrs Hallam and Huffadine is that their will be a dilution of the issued share capital if the options are exercised. Based on 1,187,661,782 shares currently on issue:

- The exercise of the options would have a dilutionary effect of approximately 0.2%. There are currently the following options on issue in the Company:

Type	Number of Options	Exercise Price	Expiry Date
Unlisted	5,900,000	20 cents	12 February 2010
Unlisted	400,000	34 cents	30 April 2010
Unlisted	5,000,000	46 cents	30 November 2010
Unlisted Employee Options	1,025,000	22 cents	31 January 2010
Unlisted Employee Options	700,000	28 cents	31 January 2010
Unlisted Employee Options	2,800,000	40 cents	30 June 2011
Unlisted Employee Options	1,700,000	35 cents	31 August 2011
Unlisted Employee Options	825,000	36 cents	31 March 2012
Unlisted Employee Options	1,000,000	45 cents	31 July 2012
Unlisted Employee Options	500,000	13 cents	30 June 2013
Total	19,850,000		

If the options are exercised at a time when the market price of the Company's shares is greater than the exercise price of the options, there will be a detriment insofar as the Company will be required to issue shares at a price lower than it might otherwise have been able to, with the result that less funds will be raised.

Related Parties Existing Interests

Messrs Hallam and Huffadine presently have the following interests in shares and options of the Company:

Name	Ordinary Shares	Options exercisable at \$0.46 expiring 30 November 2011	Options exercisable at \$0.40 expiring 30 June 2011
Warren Shaye Hallam	6,350,000	1,000,000	-
Scott James Huffadine	-	-	1,000,000

6. Issue of Options to Directors (Resolutions 5 to 6)

Valuation

The valuation of the options is based on the terms and conditions as set out in Annexure A of this Explanatory Memorandum.

In determining the value of the options, the Company has made the following assumptions:

- (a) A share price of \$0.135 is used, based on the share price of the Company on 24 September 2009.
- (b) The exercise price of the option is \$0.16, being 120% of the assumed share price of \$0.135.
- (c) As a result of the market conditions experienced in the last quarter of 2008 due to the onset of the global financial crisis, the company has determined that the last 9 months volatility of the share price represents a realistic volatility of the Company's share price.
- (d) Price volatility of the Company's Shares is approximately 80% which is based on the Company's share trading on the ASX over the past 9 months.
- (e) The average current risk free rate is 4.55% (based on the 3 year RBA bond rate).
- (f) All options will be exercisable immediately. and
- (g) All options will expire if unexercised on 30 November 2012.

Based on these assumptions and using the Black and Scholes option valuation model, the Company estimates that the options to be issued to Messrs Hallam and Huffadine are valued at approximately \$0.062 each.

On that basis, the implied value of the options proposed to be issued to each Director (or his nominee) is as follows:

Name	Value \$
Warren Shaye Hallam	\$93,000
Scott James Huffadine	\$62,000

Directors' Emoluments

The relevant Directors' current salaries per annum (including superannuation) and the total financial benefit to be received by them when added to the implied value of the options to be received by each, the subject of resolutions 5 to 6 is as follows:

Name	Description	Amount per annum \$	Value of options to be issued \$	Total financial benefit \$
Warren Shaye Hallam	Salary	\$354,250	\$93,000	\$447,750
Scott James Huffadine	Salary	\$327,000	\$62,000	\$389,000

Trading History

At the time of preparing this Notice of Annual General Meeting, the closing price of the Company's shares on the ASX was \$0.13. The price of the Company's shares quoted on the ASX over the past 12 months has ranged from a high of \$0.265 on 24 September 2008 to a low of \$0.06 on 29 January 2009.

Other than the information set out in this Explanatory Memorandum, neither the Board nor the Company is aware of any additional information that would be reasonably required by Shareholders to enable them to make a decision whether or not it is in the Company's best interests to pass resolutions 5 to 6.

ANNEXURE A

TERMS AND CONDITIONS OF DIRECTOR OPTIONS

- (a) Each option will entitle the holder to subscribe for and be allotted one fully paid ordinary share in the Company;
- (b) The options will be exercisable at any time before 5pm on 30 November 2012, by notice in writing to the Company accompanied by payment of the exercise price of 120% of the weighted average closing sale price of the Company's fully paid ordinary shares on ASX over the 20 trading days immediately preceding the day on which the Board resolves to offer that Option for each option;
- (c) The options will be transferable;
- (d) Shares allotted and issued pursuant to the exercise of the options will be allotted and issued not more than 10 business days after receipt of a properly executed notice of exercise of the options and payment of the requisite application moneys;
- (e) Shares issued upon exercise of the options will rank pari passu in all respects with the Company's fully paid ordinary shares. Subject to ASX escrow restrictions the Company will apply for official quotation by the ASX (of all shares issued upon exercise of the options) within 10 business days after the date of allotment of those shares;
- (f) There are no participating rights or entitlements inherent in the options and holders will not be entitled to participate in new issues of capital or bonus issues offered or made to shareholders during the currency of the options. However, the Company will send a notice to each optionholder at least 20 business days before the record date, and this will give optionholders the opportunity to exercise their options prior to the date for determining entitlements to participate in any such issue;
- (g) In the event of a bonus issue to holders of ordinary shares prior to the expiry date, the number of shares over which an option is exercisable will be increased in accordance with ASX Listing Rule 6.22.3;
- (h) In the event of a pro rata issue to holders of ordinary shares prior to the expiry date, the exercise price of an option will be adjusted in accordance with ASX Listing Rule 6.22.2;
- (i) In the event of any reorganisation or reconstruction of the issued capital of the Company on or prior to the expiry date, the rights of an optionholder will be changed to the extent necessary to comply with the applicable ASX Listing Rules at the time of the reorganisation or reconstruction, and in all other respects the terms for the exercise of the options will remain unchanged;
- (j) The Company will, at least 20 business days before the expiry date, send notices to the optionholders stating the name of the optionholder, the number of options held and the number of securities to be issued on exercise of the options, the exercise price, the due date for payment and the consequences of non-payment.

PROXY FORM

METALS X LIMITED

ABN 25 110 150 055

MEMBER/S NAME/S AND ADDRESS (PLEASE COMPLETE, SIGN AND DATE)

Name/s:

Address/es:

I/we appoint as my/our proxy the person named below at the Annual General Meeting of the Company to be held at 11.00 am (WST) on 24 November 2009 in the Mosman Bay Room, Hyatt Regency Perth, 99 Adelaide Terrace, East Perth, Western Australia and at any adjournment thereof.

Appointment of Proxy (leave blank and refer below if 2 proxies are to be appointed)

Box A

I/we appoint

as my/our proxy or failing him/her the Chairman to exercise my/our votes for me/us on my/our behalf.

OR

Appointment of Chairman

Box B

I/we appoint the Chairman to exercise all of my/our votes for me/us on my/our behalf.

DIRECTING YOUR PROXY HOW TO VOTE

I/we direct my/our proxy to vote in the following manner:

	RESOLUTION	FOR	AGAINST	ABSTAIN
1	Approval of Remuneration Report			
2	Election of Peter Gerard Cook as a Director			
3	Election of Scott James Huffadine as a Director			
4	Alteration of Non-Executive Directors' Fees			
5	Authority for Issue of Options to Warren Shaye Hallam			
6	Authority for Issue of Options to Scott James Huffadine			

Box C

If the Chairman is to be your proxy and you have not directed your proxy how to vote, please place a mark in box C.

By marking this box, you acknowledge that the Chairman may exercise your proxy even if he has an interest in the outcome of the resolution and votes cast by him other than as proxy holder will be disregarded because of that interest. The Chairman intends to vote in favour of each of the resolutions with respect to all undirected proxies given to him.

APPOINTMENT OF 2 PROXIES

If you are entitled to cast 2 or more votes at the meeting, you may appoint 2 proxies instead of a single proxy (If you wish to appoint 2 proxies then complete below and note details for Appointment of Proxy on Proxy Form)

I/we appoint
(Insert name of 1st proxy)

to exercise (state number or proportion)
of my/our votes for me/us at the general meeting of the Company **AND**

I/we appoint
(Insert name of 2nd proxy)

to exercise (state number or proportion)
of my/our votes for me/us at the general meeting of the Company **OR**

failing one or both of my 1st and 2nd proxies, then the Chairman to exercise my/our votes for me/us in respect of the number or proportion of my/our shares allocated to the absent proxy/s, as set out above.

Note: *If you appoint 2 proxies and do not specify the number or proportion of votes each proxy may exercise, then each will be entitled to exercise half of your votes (with fractions being disregarded).*

Individual or Securityholder 1

Sole Director and Sole Company Secretary

Securityholder 2

Director

Securityholder 3

Director/Company Secretary

Contact Name: _____ Contact Daytime Telephone _____

DATED...../...../2009

NOTES FOR COMPLETION OF PROXY FORM

METALS X LIMITED
ABN 25 110 150 055

APPOINTMENT OF PROXY (*see Proxy form*)

- **To appoint a single proxy** - tick **BOX A**, complete name of proxy and sign Proxy Form; **OR**
- **To appoint the Chairman only** - tick **BOX B** and sign Proxy Form;
- If you do not wish to instruct the proxy how to vote then you may also tick **BOX C**.

A proxy appointed to attend and vote for a member has the same rights as the member to vote (to the extent allowed by this appointment) and to join in the demand for a poll. If you mark the abstention box for a particular item, you are directing your proxy not to vote on a show of hands or on a poll and your shares will not be counted in computing the required majority on a poll.

To appoint 2 proxies to exercise a specified proportion of your votes – instead complete the box on the previous page specifying each proxy and the number or proportion of votes for each.

HOW TO SIGN PROXY FORM

- The proxy form must be signed by the member or by the member's attorney. If a joint holding then either shareholder may sign.
- If the proxy is signed by a person who is not the registered shareholder, then the relevant authority or a certified copy should either have been provided previously to the Company or be enclosed with this proxy. If sent by facsimile then the authority must be certified.
- If the member is a corporation, the proxy form must be signed in accordance with its constitution and the Corporations Act 2001, or under the hand of an authorised officer or attorney who has not received any notice of revocation. A person intending to vote shares held in the name of a corporation **MUST** bring a properly executed authority from the corporation in favour of the person attending.

DEADLINE FOR RECEIPT OF PROXIES

Proxies will only be valid and accepted by the Company if they are signed and lodged (not later than 48 hours before the meeting) with the Company **before 11.00 am on 22 November 2009** by:

- mailing your proxy to the Company at its share registry, **Security Transfer Registrars Pty Ltd, PO Box 535, Applecross WA 6953; OR**
- depositing your proxy with the Company at its share registry, **Security Transfer Registrars Pty Ltd, 770 Canning Highway, Applecross WA 6953; OR**
- faxing your proxy to **08 9315 2233/08 9220 5757** (if within Australia) or **+61 8 9315 2233/+61 8 9220 5757** (if sent from overseas).

NB. Where a proxy form is faxed, the time of receipt will be determined by the receiving fax imprint and not the time as marked from the originating fax.