



METALS X LIMITED

Metals X Limited is a diversified group exploring and developing minerals and metals in Australia. It is Australia's largest tin producer and holds a pipeline of assets from exploration to development, including the world-class Wingellina Nickel Project.

CORPORATE DIRECTORY

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PRESS RELEASE

SAMSUNG C&T TO JOIN METALS X AND PROGRESS WINGELLINA

PERTH, 4 SEPTEMBER 2012

The board of Metals X is pleased to advise that it has signed a Memorandum of Understanding ("MOU") with Samsung C&T Corporation which will see the parties collaborate to complete an updated Detailed Feasibility Study (DFS) and move the Wingellina Nickel-Cobalt project into production.

Under the MOU, which is non-binding on the parties, Samsung C&T will provide its technical expertise in engineering, feasibility studies and construction to assist Metals X in completing the study.

Further, Samsung C&T has agreed to use its financial reputation and capacity to assist Metals X with the financing and development proposals for the Project.

The objectives of the Collaboration agreement are that Metals X will retain a 30% interest in the project free carried to production and that Samsung C&T will be awarded the Engineering, Procurement and Construction contract for the project on normal and competitive commercial terms. Under the terms of the MOU, Samsung C&T has agreed to partner with Metals X. Samsung C&T will participate in management of the definitive feasibility study and depending on the outcome of the DFS, can acquire direct equity in Wingellina and provide project delivery.

The Wingellina Project is a world class Nickel-Cobalt deposit which hosts a total global resource of 183.2Mt at 0.98% Ni 0.08% Co and 47% Fe₂O₃ including a mining reserve of 167Mt at 0.98% Ni, 0.08% Co and 47.3% Fe₂O₃. A project development feasibility study completed in 2008 concluded a robust project for the construction of a nickel and cobalt operation producing approximately 40,000 tpa of nickel and 3,000 tpa of cobalt for an initial mine life of 40 years at an operating cost of US\$3.34 per pound of nickel after cobalt credits.

Samsung C&T is the original company of the Samsung Group, which is South Korea's largest conglomerate. The company is best known for its advanced technological expertise and construction experience in building, civil infrastructure, plant, and housing/development projects. Samsung C&T is also well known for having erected the world's highest skyscraper, Burj Khalifa in Dubai.

Metals X Managing Director, Warren Hallam said, “This is a major step forward for the Company and all stakeholders in the project. Samsung C&T is one of the world’s largest and most respected companies and their agreement to join with us, and to assist Metals X technically and financially in bringing the Wingellina project into production is very exciting. Wingellina is one of the world’s largest undeveloped nickel-cobalt projects and is capable of being a major nickel producer for over 40 years. If we retain a 30% interest free carried to production, it will be of major value to the Company”

The phase 1 – feasibility study completed in 2008 concluded a robust development scenario. The key outcomes of that study were:

Process Methodology	High Pressure Acid Leach (HPAL)
Product	Mixed Nickel-Cobalt Hydroxide
Optimal Process Rate	4.34 million ore tonnes per annum
Average mining grades:	
Year 1 -2	1.33% Ni, 0.12% Co
Year 3-5	1.17% Ni, 0.09% Co
Year 6-10	1.09% Ni, 0.08% Co
Year 11-20	1.02% Ni, 0.08% Co
Year 20+	0.87% Ni, 0.07% Co
Metal Price Assumptions	
Nickel	US \$20,000 per tonne
Cobalt	US \$45,000 per tonne
Metal Recoveries (Nickel, Cobalt)	92.1%, 89.1%
Exchange Rate Assumption (AUD:USD)	US\$0.85

	39 Year Mine Life	20 Year Mine Life
Average Annualised Production		
Nickel (tonnes)	38,200	41,600
Cobalt (tonnes)	2,900	3,250
Capital Cost	US \$ 1.882 Billion (AU \$ 2.214 Billion)	US \$ 1.882 Billion (AU \$ 2.214 Billion)
Average Capital Cost (US\$/pound Ni equiv.)	US \$ 0.57/lb	US \$1.02/lb
Operating Cost - average per annum	US \$ 411M	US \$ 414M
Average Operating Cash Cost per tonne Ni	US \$ 10,300/t	US \$ 9,950/t
Average Operating Cash Cost after Cu credits	US \$ 7,370/t (US \$ 3.34/lb)	US \$ 7,180/t (US \$ 2.92/lb)
Total Production Cost US\$/t Ni	US \$ 12,040/t	US \$ 12,210/t
Total Production Cost after Cu credits	US \$ 8,680/t (US \$ 3.91/lb)	US \$ 8,880/t (US \$ 3.94/lb)
Est. Average EBITDA per annum	US \$ 483 Million (AU \$ 568 Million)	US \$ 565 Million (AU \$ 665 Million)
Est. Average EBIT per annum	US \$ 434 Million (AU \$ 511 Million)	US \$ 470 Million (AU \$ 553 Million)

ENQUIRIES

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