

NOTICE OF ANNUAL GENERAL MEETING

Notice is given that the Annual General Meeting of Metals X Limited ABN 25 110 150 055 ("Metals X" or "the Company") will be held at 10.30am (WST) on Friday, 23 November 2012 in the Traders Lounge, 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 the Financial Statements, Directors' Report and Auditor's Report for the year ended 30 June 2012.

Note: There is no requirement for shareholders to approve these reports.

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 2012 as disclosed in the 2012 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 – Andrew Charles Ferguson

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

"That Andrew Charles Ferguson, 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 - Election of Director – Xie Penggen

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

"That Xie Penggen, 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."

6) Resolution 5 – Increase in Non-Executive Directors' Fees

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

"That, pursuant to and in accordance with Listing Rule 10.17 of the Australian Securities Exchange, Rule 10.2 of the Constitution and for all other purposes, the maximum aggregate directors' fees payable to Non-Executive Directors be increased from \$200,000 per annum to \$300,000 per annum."

<p>In relation to Resolution 5, 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.</p>

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 **10.30 am on Wednesday, 21 November 2012 (48 hours before meeting)**.

Dated: 22 October 2012

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 10.30 am on Wednesday, 21 November 2012.
- (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

The Corporations Act requires the Financial Statements, Directors' Report and Auditor's Report of the Company for the year ended 30 June 2012 to be tabled at the Annual General Meeting ("AGM").

Shareholders will be given an opportunity to ask questions of the Directors and the Company's Auditors in relation to the accounts of the Company at the Annual General Meeting.

2. Approval of the Remuneration Report (Resolution 1)

The Annual Report for the year ended 30 June 2012 contains a Remuneration Report which sets out the remuneration policy for the Company and reports the remuneration arrangements in place for the Directors and Executives during the financial year. A copy of the report is set out in the Directors' Report within the Annual Report and can be found on the Company's website at www.metalsx.com.au.

The Chairman of the meeting will allow a reasonable opportunity for shareholders to ask questions about, or make comments on, the Remuneration Report at the meeting. In addition, shareholders will be asked to vote on the Remuneration Report.

The resolution is advisory only and does not bind the Company or its Directors. The Board will consider the outcome of the vote and comments made by shareholders on the Remuneration Report at the meeting when reviewing the Company's remuneration policies. Under the Corporations Act 2001, if 25% or more of votes that are cast are voted against the adoption of the Remuneration Report at two consecutive AGMs, shareholders will be required to vote at the second of those AGMs on a resolution (a "spill resolution") that another meeting be held within 90 days at which all of the Company's Directors (other than the Managing Director) must go up for re-election. Metals X encourages all shareholders to cast their votes on Resolution 1.

Any undirected proxies held by the Chairman of the meeting, other Directors or other key management personnel or any of their closely related parties will not be voted on Resolution 1. Key management personnel of Metals X are the Directors of Metals X and those other persons having authority and responsibility for planning, directing and controlling the activities of Metals X, directly or indirectly. The Remuneration Report identifies Metals X's key management personnel for the financial year to 30 June 2012. Their closely related parties are defined in the Corporations Act 2001, and include certain of their family members, dependants and companies they control.

If you choose to appoint a proxy, you are encouraged to direct your proxy how to vote on Resolution 1 by marking either "For", "Against" or "Abstain" on the Proxy Form for that item of business. You should specifically note that if you indicate on the Proxy Form that you do not wish to specify how your proxy should vote on Resolution 1, you will be deemed to have expressly directed the Chairman to cast your votes **in favour of** Resolution 1. **If you wish to appoint the Chairman as your proxy but do not want your votes to be cast in favour of Resolution 1, you must indicate your voting intention by marking either "against" or "abstain" against Resolution 1 in the Proxy Form.**

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

Resolution 2 seeks approval for the re-election of Mr Peter Cook as a Director with effect from the end of the Meeting.

Clause 3.6 of the Constitution provides that at each Annual General Meeting one-third of the Directors (other than the Managing Director or any alternate Director) for the time being, or, if their number is not a multiple of three, then such number as is appropriate to ensure that no Director holds office for more than three years, must retire. Directors who retire by reason of clause 3.6 of the Constitution are those Directors who have been in office the longest since their last election. A retiring Director is eligible for re-election.

Mr Cook retires from office in accordance with this requirement and submits himself for re-election.

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

Mr Cook has been a director of the Company since its incorporation in 2004.

Directors' recommendation

The non-candidate Directors unanimously support the re-election of Mr Cook.

4. Election of Director – Andrew Charles Ferguson (Resolution 3)

Pursuant to clause 3.3 of the Company's Constitution, the Directors may appoint any person to be a Director, either as an addition to the existing Directors or to fill a casual vacancy. However under clause 3.3 of the Company's Constitution any such appointment concludes at the next annual general meeting following the appointment. The Director is then eligible for election but shall not be taken into account in determining the Directors who are to retire by rotation (if any) at that meeting.

Resolution 3 is an ordinary resolution and provides for the confirmation of the appointment of Mr Ferguson to the Board pursuant to the Company's Constitution.

The Board appointed Mr Ferguson on 10 May 2012.

Mr Ferguson is an Executive Director and the Chief Executive Officer of APAC Resources Limited. Mr Ferguson holds a Bachelor of Science Degree in Natural Resource Development and worked as a mining engineer in Western Australia in the mid 90's. In 2003, Mr Ferguson co-founded New City Investment Managers in the United Kingdom. He has a proven track record in fund management and was the former co-fund manager of City Natural Resources High Yield Trust, which was awarded 'Best UK Investment Trust' in 2006. In addition, he managed New City High Yield Trust Ltd. and Geiger Counter Ltd. He worked as Chief Investment Officer for New City Investment Managers CQS Hong Kong, a financial institution providing investment management services to a variety of investors. He has 14 years of experience in the finance industry specialising in global natural resources. Mr Ferguson also serves on the Company's Audit and Remuneration Committees.

Directors' recommendation

The non-candidate Directors unanimously support the election of Mr Ferguson.

5. Election of Director – Xie Penggen (Resolution 4)

Pursuant to clause 3.3 of the Company's Constitution, the Directors may appoint any person to be a Director, either as an addition to the existing Directors or to fill a casual vacancy. However under clause 3.3 of the Company's Constitution any such appointment concludes at the next annual general meeting following the appointment. The Director is then eligible for election but shall not be taken into account in determining the Directors who are to retire by rotation (if any) at that meeting.

Resolution 4 is an ordinary resolution and provides for the confirmation of the appointment of Mr Xie to the Board pursuant to the Company's Constitution.

The Board appointed Mr Xie on 9 February 2012.

Mr Xie is a minerals processing engineer with over 24 years of experience in the mining industry. Mr Xie commenced his career within the Jinchuan Group where he has undertaken various operational, technical and management roles. He is currently an executive in Jinchuan's global investment group which is responsible for the Group's international investments.

Directors' recommendation

The non-candidate Directors unanimously support the election of Mr Xie.

6. Increase in Non-Executive Director Fees (Resolution 5)

Resolution 5 seeks shareholder approval for the purposes of Listing Rule 10.17, Rule 10.2 of the Constitution and for all other purposes, for the Company to be authorised to increase the aggregate amount of fees available to be paid to Non-Executive Directors by \$100,000 from \$200,000 per annum to an aggregate amount of \$300,000 per annum.

The Board considers that it is reasonable and appropriate at this time to seek an increase in the remuneration pool for Non-Executive Directors for the following reasons:

- a) expected growth of the Company and increased responsibilities for Non-Executive Directors;
- b) Non-Executive Directors fees may in the future need to be increased to retain Directors;
- c) to attract new Non-Executive Directors of a calibre required to effectively guide and monitor the business of the Company; and
- d) to remunerate Non-Executive Directors appropriately for the expectations placed upon them both by the Company and the regulatory environment in which it operates.

The maximum aggregate fees payable to Directors has not been increased since 2009.

It is not intended to fully utilise the increased aggregate fees in the immediate future.

The remuneration of each Director for the year ended 30 June 2012 is detailed in the Company's 2012 Annual Report.

Directors' recommendation

The Directors recommend that shareholders vote in favour of this resolution. All Directors and their associates are excluded from voting on the resolution.

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