

Chairman's Address to Shareholders at the Annual General Meeting

23 November 2012 (Perth, WA)

Good Morning

I am Peter Cook, the Chairman of Metals X Limited and of today's meeting.

It is my pleasure to welcome you as shareholders, stakeholders, guests and/or observers to the Annual General Meeting of Metals X Limited.

The 2012 year has been one of consolidation by the Company but also one that has challenged the resolve of our management and shareholders. Over the year we have seen our share price fall from the mid 20's to mid-teens. Investor interest in small cap mining stocks has waned to levels of unprecedented disinterest and disparity against fair value. This flowed through to our bottom line where, after booking a profit of \$62.8M in 2011, our headline profit was impacted by mark to market reductions in the value of our investments in Westgold, Independence and to a lesser extent MRC and Aziana, which also suffered from the dismal market conditions. The headline loss for the year was \$43.7M.

Whilst this was not a good result, I am pleased to advise that the outlook is far rosier and this headline number does not reflect the significant value that has been added to all assets of the group during the year. I am sure the Managing Director will update us in his presentation. However, in summary the milestones are:

1. Establishing production from the North Renison decline. You may recall that the northern section of the Renison underground mine was flooded and production was constrained to just the South Renison decline and lodes. The job of dewatering, ground rehabilitation, refurbishment and re-fitting the North Renison decline has been a difficult one, which has seen us endure many unexpected delays and complications. However, it is now complete and for the first time since our ownership of the mine, we now have the whole mine, and our full mining reserve and mineral resource available for production. Production started from the northern lodes late in the financial year and since then we have seen quarter on quarter improvements in productivity and now costs. We continue to see improvements in our productivity and I am pleased to advise we remain on track for our forecast production of 7,500 tonnes of tin in concentrate at approximately \$13,000 per tonne for the full year.
2. The MOU signed with Samsung C&T in which they agree to assist with a revised feasibility and construction plan for the massive Wingellina Nickel – Cobalt Project. Under this MOU, subject to positive feasibility outcomes, Samsung C&T will use its financial capacity and reputation to assist with financing, construction and delivery of the project. The objectives outlined in the MOU are that Metals X will retain a 30% interest in the project free carried to production and that Samsung C&T will have EPC contract to deliver the project. I cannot over emphasise the potential benefits of this deal to Metals X. Based on the 2008 feasibility estimates, of the capital cost and free cash flows of the

Project if we can finalise and complete the Project, this will be like a \$750M contribution to the company as well as generating a 30% share of the estimated annual free cash flow from the Project of around US\$483M per annum, that is US\$145M for Metals X, for the initial 40-year life.

3. The consolidation of our gold interests was a focus of the year. In recent weeks Westgold has become a wholly owned subsidiary of Metals X. Our new gold division has a total mineral resource of 3.9 million ounces of gold in two projects. The Central Murchison Gold Project, which contains 2.7 million ounces and the Rover 1 Project, a gold-copper project that has 1.2 million ounces of gold equivalence. Like you, I look forward to the year ahead when the group's gold strategy will unfold. I can assure you that our management teams are working hard to determine the best development and funding options for these projects.

So, it is with much enthusiasm and excitement that I look to the year, and in fact, the years ahead. I draw your attention to the recent Scheme Booklet for our merger with Westgold, which not only espoused the merits of consolidation but also necessarily involved a process of assessment of fair market values of our mineral assets. I am pleased to advise that the highly regarded international group, Behre Dolbear valued the combined mineral assets of Westgold and Metals X in the range of \$390M - \$740M with a most likely case of \$563M or 34 cents per share, excluding the 6 cps in cash and liquids held at the time.

This is a strong indication that your Board is on the right track in the creation of value. However, it also serves as a timely reminder that your Board needs to work much harder to have that reflected in our share price.

The Company is in a financially strong position. As well as the mineral asset values, the Company has approximately \$90M of cash and liquid assets and carries no debt.

In times such as these, companies with this sort of strength are exceptionally well placed to take advantage of the many opportunities that are sure to arise.

On behalf of your Board and management, we thank you, our shareholders for your continued belief and support for the Company.

Peter Cook
Chairman

Enquiries

Peter Cook
Chairman

Warren Hallam
Managing Director

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