

PRESS RELEASE

18 JUNE 2013

METALS X LIMITED TO SUSPEND WINGELLINA DFS WORKS

The Board of Metals X Limited (“Metals X” or “the Company”) advise that they have moved to postpone engineering works on the Definitive Feasibility Study (“DFS”) on its 100% owned Wingellina Nickel-Cobalt Project.

Metals X CEO and Executive Director, Peter Cook said *“After due consideration of the current depressed equity and resource market and cyclical low in nickel prices, the Board has concluded that a deferral of expenditure is prudent. Wingellina remains as one of the largest economically viable undeveloped nickel limonite projects in the world today and a short deferral of expenditure and/or feasibility works does not change this fact, nor will it impact the reflected valuation of the asset by the market for our shareholders”*.

The Board has reviewed all aspects of the proposed study and the current market and believes that the previous Pre-feasibility Study completed in 2008 to a deemed +/- 25% confidence level remains sufficient to continue with the progression of the Wingellina Project in the interim.

Metals X is in a strong position with a healthy balance sheet (over \$85M in cash and working capital and no debt) with positive cash flow from its Tasmanian tin operations. Mr Cook said *“At this time it is prudent to preserve existing cash and build on the strong operating position the Company has with its tin business. Previous studies on Wingellina remain valid and show a robust long-term project with a projected 40,000t of nickel metal and 3,000t of cobalt metal production per annum for an initial 40 years. A short delay in the current down cycle of the market really makes no difference. The project is of state and federal significance and even though the nickel price is currently depressed, this is a world class asset that will create significant value for our shareholders in the future”*.

Whilst Metals X will suspend the large cash outlay components of the works, it will continue to progress other elements of the project. Metals X will use its internal resources to complete other long lead-time studies required for the completion of the DFS including various Government approvals including infrastructure, roads, rail and ports, and completion of the Public Environmental Review (“PER”) documentation which is required for final EPA approvals.



METALS X LIMITED

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

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ABOUT THE WINGELLINA NICKEL-COBALT PROJECT

The Wingellina ore body is located in the Central Musgrave Ranges in Western Australia and is a massive nickel-cobalt limonite deposit hosting a resource of over 1.8Mt of contained nickel and 139Kt of contained cobalt metal. The Total Mineral Resource estimate at Wingellina is 183.2Mt at 0.98% Ni, 0.08% Co and 47% Fe₂O₃ and the Total Ore Reserve is 167.5Mt at the same grades.

Metals X completed a feasibility study (+/-25%) in 2008 using industry experts that concluded a robust project development with a minimum 40 year mine life at an average annual production rate of 40,000t of nickel and 3,000t of cobalt at a production cost estimate of US\$3.34/lb after cobalt credits. The capital cost estimate for the project was \$2.3 Billion.

Since the completion of the 2008 study, Metals X has focused on the delivery of approvals to enable the project to be developed and is currently finalising its submissions for environmental approval.

In July 2010, the Company gained mining rights and approvals through an agreement with the Native Title Holders and their representative bodies allowing Metals X to develop a mining operation at Wingellina.

In September 2012, Metals X reached an agreement with Samsung to work together to bring the massive Wingellina Ni-Co Project into production. Under the MOU, Metals X will complete a new DFS with the assistance of Samsung C&T, updating and reviewing the previous development proposal study completed in 2008. Samsung C&T will provide its technical expertise in engineering, feasibility studies and construction and will use its financial reputation and capacity to assist Metals X with the financing and development proposals for the Project.

The objectives of the MOU are for Metals X to retain a 30% interest in the project free carried to production and that Samsung C&T will be awarded the Engineering, Procurement and Construction ("EPC") contract for the project on normal and competitive commercial terms. Under the terms of the MOU, Samsung C&T can, depending on the outcomes of the DFS, purchase equity in the project and provide project delivery.

The Wingellina ore body is hosted in a significantly different geological setting to the nickel laterite deposits that have been developed in the eastern goldfields of Western Australia and displays extremely favourable metallurgical characteristics most suitable for High Pressure Acid Leach ("HPAL") processing. The deposit is best described as a Limonite or "Pure Oxide Tropical Laterite" which is very similar to that of various successful nickel oxide developers which have used HPAL technology, including Moa Bay in Cuba, where Sherritt developed and has successfully operated HPAL for over 50 years, the Coral Bay operations in the Philippines and the newly developed and one of the world's largest nickel laterite projects, Ambatovy in Madagascar.

COMPETENT PERSON'S STATEMENT

The information in this report that relates to exploration results, mineral resources and ore reserves has been compiled by technical employees of Metals X Limited under the supervision and guidance of Mr Peter Cook BSc (App. Geol), MSc (Min Econ), MAusIMM (111072). Mr. Cook is a full time employee and CEO of the Company and has sufficient experience, which is relevant to the styles of mineralization, type of deposit and activities undertaken to qualify as a Competent Person as defined in the 2004 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves" ("the JORC Code"). Mr Cook consents to the inclusion in this report of the matters based on his information in the form and context in which it appears.

ENQUIRIES

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