

13 JUNE 2014

METALS X LOCKS UP APPROVAL TO ACQUIRE MURCHISON ASSETS AFTER INCREASING ITS OFFER TO \$10M

Further to our previous announcement of 14 May 2014, the Board of Metals X is pleased to advise that the creditors of GMK Exploration Pty Ltd (GMKE in Administration) have today agreed to the sale of its assets to Big Bell Gold Operations Pty Ltd (BBGO), a wholly owned subsidiary of Metals X Limited. In addition, Metals X has received FIRB approval and is now proceeding toward settlement.

At the creditors meeting yesterday, the administrator (Ferrier Hodgson) revealed an additional 'five-minutes-to-midnight' offer. The administrator advised at the meeting that he had been legally silenced on exposing the name of the offeror, advising that the offer was genuine and the party was well funded and financially capable of completion. Another competing offer, fully disclosed but conditional upon obtaining funding was also presented to the meeting.

Metals X increased its offer at the meeting to a matching amount and the creditors voted in favour of the deal in a poll. The total acquisition price agreed by Metals X is \$9.4M in cash and 24 million shares in Reed Resources Limited.

Metals X's Managing Director, Peter Cook commented:

"We were extremely surprised that a conditional offer from an undisclosed party was put forward at the last minute to potentially scuttle a fully funded, disclosed and agreed purchase by Metals X. The offer only materialised after announcement to the ASX of the agreement Metals X reached with the administrator. Metals X undertook thorough due diligence before entering into the purchase process with the administrators and finds it scurrilous and unconscionable that an unnamed party decided to take advantage of this work at such a late stage.

However we are pleased to have won the support of the creditors and now to have a clear path to completion and development of our combined Murchison Region gold assets.

Even with a slightly higher purchase price, this remains a great acquisition for Metals X and a major step forward for our plans to bring our Central Murchison Gold Project to fruition. It also adds 3.5 million ounces to our existing 5.0 million ounces of Total Mineral Resource at the CMGP, leaving us a massive long term option on the gold price. The purchase price remains astounding value when compared with the \$120M in capital expenditure we would require to build a new plant for our own ores."



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, a top 10 gold producer and holds a pipeline of assets from exploration to development including the world class Wingellina Nickel Project.

CORPORATE DIRECTORY

ASX Code: **MLX**

OTCQX Code: **MTXXY**

Level 3, 18-32 Parliament Place
West Perth WA 6005
Australia

PO Box 1959
West Perth WA 6872
Australia

t: +61 8 9220 5700

f: +61 8 9220 5757

reception@metalsx.com.au

www.metalsx.com.au

As was previously announced, the assets to be acquired include:

- The fully refurbished Bluebird CIP Process Plant (nominal 2.5 Mtpa capacity).
- A 200 person fully refurbished camp.
- Extensive infrastructure, service vehicles, equipment and inventory.
- A total mineral resource inventory of 3.55 million ounces (63 Mt @ 1.75 g/t Au) as previously announced by Reed as of 30 June 2012.
- A Total Ore Reserve (when operating) of 752,000 ounces (11.1 Mt @ 2.1 g/t Au) as previously announced by Reed as of 30 June 2012.

The consolidated asset profile of the merged projects are summarised as:

- 8.5 million ounce Total Mineral Resource (126 Mt @ 2.10 g/t).
- 1.89 million ounce Total Ore Reserve (26.7 Mt @ 2.20 g/t Au).
- 2.5 Mtpa CIP process plant (fully refurbished).
- 200 person accommodation village (fully refurbished).
- Substantial surface infrastructure.

ENQUIRIES

Peter Cook
Executive Director & CEO
e: peter.cook@metalsx.com.au

Warren Hallam
Executive Director
e: warren.hallam@metalsx.com.au

COMPETENT PERSONS STATEMENT

The information in this report that relates to Exploration Targets, Exploration Results, Mineral Resources and Ore Reserves is based on information compiled by Mr Peter Cook BSc (App. Geol.), MSc (Min. Econ.) MAusIMM (11072) who has sufficient experience that is relevant to the styles of mineralisation, the types of deposits under consideration and the activity being undertaken to qualify as a Competent Person as defined in the 2012 Edition of the Australasian Code for the Reporting of Exploration Results, Mineral Resources and Ore Reserves. Mr Cook is the CEO and an Executive Director and a full time employee of Metals X Limited and consents to the inclusion in the reports of the matters based on his information in the form and context in which it appears. Mr Cook is a shareholder of Metals X and is entitled to participate in Metals X's short term and long term incentive plans details of which are included in Metals X's Remuneration Report in the Annual Report.