

PRESS RELEASE

4 AUGUST 2014

METALS X TO MINE THE CANNON RESOURCE WITH SOUTHERN GOLD

The Board of Metals X is pleased to advise that it has reached agreement with Southern Gold on the terms of a mining and profit share agreement to enable Southern's Cannon Gold Resource to be mined and processed at its Jubilee Plant.

Under the proposed agreement, Metals X will provide funding and its technical experience and expertise in both open pit and underground mining to mine the resource.

The revenues from the project will be first allocated to reimbursement of costs incurred by Metals X. Surplus funds will be shared 50:50.

In addition to the profit share agreement, Metals X will provide a secured loan to Southern of \$500,000 to enable it to complete preparations for mining. These loan funds are interest bearing (8% per annum) and are expected to be repaid from mining profits.

The agreement is subject to certain pre-emptive rights from Silver Lake Resources Ltd.

Metals X's CEO, Peter Cook said:

"This is an innovative deal where Metals X will share the risk and reward from mining the resources. It gives Southern Gold an opportunity to become a producer without having to tap a very difficult equity and debt market for funding. Importantly, by structuring in a way whereby the mining, processing and management of the operations is at cost (with subsequent profit sharing from returns) it presents an opportunity for both parties to maximize the exploitation of the resource."

ENQUIRIES

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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

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