



METALS X LIMITED

ACN 110 150 055

**Interim Financial Report
for the Half-Year
31 December 2014**

CORPORATE DIRECTORY

This half-year report covers the consolidated entity comprising Metals X Limited (“the Company”) and its subsidiaries (“the Consolidated Entity”). The Consolidated Entity’s functional and presentation currency is AUD (\$).

A description of the Consolidated Entity’s operations and its principal activities is included in the review of operations and activities in the directors’ report on page 3.

Directors

Peter Newton (Chairman)
Peter Cook (CEO)
Warren Hallam
Paul Cmrlec
Andrew Ferguson
Simon Heggen
Xie Penggen
Yimin Zhang (Alternate for Xie Penggen)

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Securities Exchange

Listed on the Australian Securities Exchange

Codes: ASX: MLX OTCQX: MLXEF

Domicile and Country of Incorporation

Australia

CONTENTS

APPENDIX 4D - RESULTS FOR ANNOUNCEMENT TO THE ASX	2
DIRECTORS’ REPORT	3
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE HALF-YEAR ENDED 31 DECEMBER 2014	12
CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2014	13
CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE HALF-YEAR ENDED 31 DECEMBER 2014	14
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE HALF-YEAR ENDED 31 DECEMBER 2014	15
NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2014	16
DIRECTORS’ DECLARATION	26
AUDITOR’S INDEPENDENCE DECLARATION	27
INDEPENDENT REVIEW REPORT	28

APPENDIX 4D - RESULTS FOR ANNOUNCEMENT TO THE ASX

This Appendix 4D is to be read in conjunction with the 2014 annual financial report, the December 2014 Interim Financial Report and Directors' Report.

The Directors do not propose to pay any dividend for the half-year ended 31 December 2014.

Key Financial Highlights

Consolidated	31 December 2014 \$	31 December 2013 \$	Movement \$	Movement %
Revenue from ordinary activities:	149,284,856	72,703,370	76,581,486	105.33%
Profit from ordinary activities after tax attributable to members:	15,910,640	9,210,133	6,700,507	72.75%
Net profit attributable to members:	15,910,640	9,210,133	6,700,507	72.75%
Net tangible assets per share:	0.76	0.68		

Financial performance	31 Dec 2014 \$	31 Dec 2013 \$	Movement \$
Total sales revenue	149,284,856	72,703,370	76,581,486
Cost of sales	(118,874,313)	(57,277,572)	(61,596,741)
Gross profit	30,410,543	15,425,798	14,984,745
Net profit/(loss) after tax	15,910,640	9,210,133	6,700,507

Cash flows			
Cash flow from operating activities	37,347,314	21,679,898	15,667,416

Capital reinvestment			
Property, plant and equipment	(1,737,181)	(1,280,315)	(456,866)
Mine properties and development	(17,012,559)	(12,735,254)	(4,277,305)
Exploration and evaluation expenditure	(12,157,855)	(3,296,681)	(8,861,174)

Financial position	31 Dec 2014 \$	30 Jun 2014 \$	Movement %
Net assets	316,584,220	311,659,173	1.58%
Cash balance	107,080,618	57,108,871	87.50%

Review of Results: refer to the review of results included in the Directors' Report.

DIRECTORS' REPORT

Your directors submit their report for the half-year ended 31 December 2014.

DIRECTORS

The names of the Company's directors in office during the half-year and until the date of this report are set out below. Directors were in office for this entire period unless otherwise stated.

Peter Newton (Chairman)
Peter Cook (CEO)
Warren Hallam
Paul Cmrlec
Andrew Ferguson
Simon Heggen
Xie Penggen
Yimin Zhang (Alternate for Xie Penggen)

RESULTS AND REVIEW OF OPERATIONS

RESULTS OF OPERATIONS

The consolidated total profit after income tax for the half-year was \$15,910,640 (2013: \$9,210,133). Total consolidated revenue was \$149,284,856 (2013: \$72,703,370), cost of sales was \$118,874,313 (2013: \$57,277,572) and cash flow from operating activities of \$37,347,314 (2013: \$21,679,898).

The results reflect:

- Revenue from gold sales of \$104,616,724 (2013: \$34,364,266) from the Higginsville Gold Operation ("HGO") and the South Kalgoorlie Gold Operation ("SKO").
- Tin sales revenue of \$43,292,482 (2013: \$37,226,433) for the half-year from the Renison Tin Project (50% owned) was 16% higher compared with the equivalent period in 2013 due to an increase in tin production.
- Cost of sales of \$118,874,313 (2013: \$57,277,572) and cash flows from operating activities of \$37,347,314 (2013: \$21,679,898) are higher compared to the previous period due to additional operating costs from HGO and SKO which were acquired in October 2013.
- An impairment loss on mine properties and development costs of \$4,717,594 (2013: nil) due to the closure of the Chalice underground mine at HGO.
- An impairment loss on exploration and evaluation expenditure of \$5,689,617 (2013: \$1,422,749) relating to the gold operations.

REVIEW OF OPERATIONS

CORPORATE

During the half-year Metals X completed a consolidation of the issued capital of the Company on the basis of one (1) new share for every four (4) shares on issue. The consolidation reduced the number of shares on issue from 1.66 billion to 414 million shares.

The Company recorded an inaugural fully frank dividend of 2.715 cents per share with a record date of 16 December and paid on 7 January 2015. The Company offered a Dividend Reinvestment Plan ("DRP") at a 5% discount to the 5 day VWAP. Under the offer 2,053,753 shares were issued at \$0.6678 per share on 7 January 2015.

REVIEW OF OPERATIONS (continued)

TIN DIVISION

Metals X is a globally significant tin producer of tin concentrates through its 50% ownership of the Renison Tin Project (“Project”). The key assets of the Project are the world class Renison Tin Mine, a 700,000tpa tin concentrator, the Renison Expansion Project (Rentails Project) and the Mount Bischoff Project.

Renison Tin Project (50%)

The Renison Tin Project is located approximately 15km north-east of Zeehan on Tasmania’s west coast. The Mount Bischoff open pit mine (not operational) is located approximately 80km north of the Renison Tin Project.

The tin operations continued with a steady improvement in productivity and output during the period.

The Consolidated Entity’s share of outputs for the period to 31 December 2014 is summarised below:

Renison Underground Mine	Dec 2014 Half Year	Dec 2013 Half Year
Ore Hoisted	167,288 tonnes	151,780 tonnes
Grade	1.62% Sn	1.50% Sn
Tin Concentration		
Tonnes Processed	166,972 tonnes	154,431 tonnes
Grade	1.62% Sn	1.49% Sn
Tin Metal Produced	1,896 tonnes	1,560 tonnes
Tin Concentrate Grade	54.0% Sn	53.8% Sn
Tin Concentrate Produced	3,448 tonnes	2,897 tonnes

The key fiscal outcomes for the period (50% equitable share) of the Renison Tin Project for the period to 31 December 2014 is summarised below:

	Dec 2014 Half Year	Dec 2013 Half Year
Tin Price Received (\$/t Sn)	\$23,404	\$24,034
Depreciation & Amortisation (\$/t Sn)	\$1,724	\$3,126
Cost of Sales (\$/t Sn)	\$19,153	\$21,080

Capital re-investment in the Renison underground mine has continued to slow as expected to a level consistent with sustainable development. A large stock of developed ore exists within the mine, which bodes well for future production.

Total capital re-investment at the Renison Tin Project (50% equitable share) for the period to 31 December 2014 is summarised below:

	Dec 2014 Half Year	Dec 2013 Half Year
Property, plant & equipment	\$0.98M	\$1.19M
Mine properties and development	\$3.12M	\$7.60M

The Project partners continued to review the development options for the Rentails Project including the re-assessment of the technical and construction parameters of the tin fumer plant with a view to lowering the capital cost and efficiency of the process. Advances in receiving the required approvals for expanded tailings dam capacity and the Rentails Project were achieved.

REVIEW OF OPERATIONS (continued)

GOLD DIVISION

Higginsville Gold Operation (“HGO”)

Consists of a modern 1.3Mtpa CIP plant, a 300 person village, the Trident Underground Mine, numerous open pits and requisite mine and process infrastructure.



[Higginsville Plant 1.35 Mtpa]

Mining at HGO is mainly focused on the Trident Underground Mine and the Lake Cowan group of open pits.

During the period the Chalice Underground Mine was closed as economic ores were depleted. Ore from the Chalice Underground Mine was replaced with ores from the Lake Cowan group of open pits located approximately 10 km north-east of the process plant.

The process plant continued to operate on a campaign basis (9 days on/5 days off) for the period. Production from the open pits is currently greater than the processing plant capacity on the campaign basis resulting in increasing ore stocks. Some excess ore stocks will be sent to the South Kal Operations for processing in the first few months of 2015.

Performance of the Higginsville Gold Operation for the period to 31 December 2014 is summarised below:

	Dec 2014 Half Year	Dec 2013 Half Year
Mine Production		
Underground - Ore Tonnes	335,346	238,453
Underground - Grade (g/t Au)	5.74	5.64
Open Pit - Ore Tonnes	105,865	-
Open Pit - Grade (g/t Au)	1.98	-
Total Mine Production – Ore Tonnes	441,211	238,453
Total Mine Production – Grade (g/t Au)	4.84	5.64
Processing		
Tonnes Processed	431,830	251,561
Head Grade (g/t Au)	4.77	5.46
Recovery %	95.4%	96.1%
Gold Produced (oz)	63,294	42,443

REVIEW OF OPERATIONS (continued)

The key fiscal outcomes for the Higginsville Gold Operation for the period to 31 December 2014 are summarised below:

	Dec 2014 Half Year	Dec 2013 Half Year
Gold Price Received (\$/oz)	\$1,405	\$1,372
Depreciation & Amortisation (\$/oz)	\$231	\$78
Cost of Sales (\$/oz)	\$1,082	\$904

Total capital re-investment at the Higginsville Gold Operation for the period to 31 December 2014 are summarised below:

	Dec 2014 Half Year	Dec 2013 Half Year
Property, plant and equipment	\$0.74M	\$0.03M
Mine properties and development	\$8.55M	\$4.14M
Exploration and evaluation	\$1.65M	\$0.26M

The South Kalgoorlie Operation (“SKO”)

The SKO consists of a 1.2Mtpa CIP plant and infrastructure. Numerous open pits and underground options have previously been mined within the tenement area since the late 1980’s.

During the period the SKO operated predominantly on processing low grade stockpiles with intermittent toll processing of third party ores. A planned one month shut down commenced in mid December 2014.

Also during the period dewatering of the HBJ pit was completed and bores to dewater the previous underground workings were established. The portal was cut and the decline had advanced 492m by the end of the period. The HBJ underground mine schedule remains on track for underground ore driving to commence in April 2015.

A number of small open pit feed sources have been identified, drilled and scheduled for open pit mining commencing in January 2015.

A mine financing and profit sharing agreement was reached with Southern Gold Limited for the development of the Cannon open pit mine and potentially an underground mine developed at Bulong. Under the agreement, Metals X’s staff will operate and manage the mine and the ore will be batch processed in parcels of approximately 40,000 tonnes through the SKO process plant.



[Jubilee Plant 1.2 Mtpa]

REVIEW OF OPERATIONS (continued)

Performance of the South Kalgoorlie Operation for the period to 31 December 2014 is summarised below:

	Dec 2014 Half Year	Dec 2013 Half Year
Mine Production		
Underground - Ore Tonnes	-	-
Underground - Grade (g/t Au)	-	-
Open Pit - Ore Tonnes	-	59,230
Open Pit - Grade (g/t Au)	-	3.22
Total Mine Production – Ore Tonnes	-	59,230
Total Mine Production – Grade (g/t Au)	-	3.22
Processing		
Tonnes Processed	437,298	133,424
Head Grade (g/t Au)	0.76	2.24
Recovery %	84.4%	91.8%
Gold Produced (oz)	9,591	8,844

The key fiscal outcomes for the South Kalgoorlie Operation for the period to 31 December 2014 are summarised below:

	Dec 2014 Half Year	Dec 2013 Half Year
Gold Price Received (\$/oz)	\$1,405	\$1,384
Depreciation & Amortisation (\$/oz)	\$184	\$67
Cost of Sales (\$/oz)	\$1,146	\$818

Total capital re-investments at the South Kalgoorlie Operation for the period to 31 December 2014 are summarised below:

	Dec 2014 Half Year	Dec 2013 Half Year
Property, plant and equipment	\$1.38M	-
Mine properties and development	\$3.78M	-
Exploration and evaluation	\$2.28M	\$0.60M

The Central Murchison Gold Project

The CMGP is a development ready project with a number of open pit and underground options. MLX has previously announced (ASX:MLX 10 December 2014) the Total Mineral Resource to be 128 million tonnes at 2.1 g/t Au containing 8.5 million ounces.

During the period Metals X continued to advance its strategy to re-commence mining at the CMGP with the additional acquisitions of the Meekatharra Gold Operations and the Nannine tenements in June and December 2014 respectively.

REVIEW OF OPERATIONS (continued)

The recently refurbished (and operated) 1.5–2.0 Mtpa process CIP plant and infrastructure acquired with the Meekatharra Gold Operation provides an immediate process option for the ores in the region. As previously announced, the CMGP gold resource base now consists of the historic mineral production fields of Day Dawn, Cuddingwarra, Big Bell, Reedy, Yaloginda, Paddy’s Flat and Meekatharra North with a combined total resource of 8.5 million ounces.



[Bluebird Plant 1.5–2.0 Mtpa]

The key objective for the CMGP is to re-establish the region as an underground mining hub whereby the major historic underground mines and prolific producers of Great Fingall, Golden Crown, Big Bell, Bluebird, Paddy’s Flat and Reedy mining centres are brought back into production.

Subsequent to period end, the Company released an updated feasibility and development strategy for the CMGP. The study and plan concluded a robust mining project with the key outputs tabulated below:

Total Mineral Resource Estimate	128 million tonnes @ 2.1 g/t Au: 8.5 million ounces
Total Ore Reserve	21.3 million tonnes @ 3.0 g/t Au: 2.05 million ounces
Inferred Resource considered in Development Plan	5 million tonnes @ 4.0 g/t Au: 0.41 million ounces
Initial Project Life	13 years
Average Annual Gold Production - Over 13 years (initial life) - Over first 10 years - Over first 5 years	175,000 ounces per annum 196,000 ounces per annum 210,000 ounces per annum
Gold Price Applied US\$ (flat)	US\$1,275 per ounce (A\$1,635 per ounce)

REVIEW OF OPERATIONS (continued)

Exchange Rate Assumption (flat)	AUD:USD 0.78
Total Cash Cost Of Sales	\$1,060 per ounce
All in Sustaining Cost	\$1,180 per ounce
EBITDA over Mine Life	\$1.31 billion
NPV _(8%) Pre-Tax	\$636 million
Internal Rate of Return	364%
Simple Payback	1.5 years
Maximum cash draw-down	\$41 million

Metals X expects to commence mining late in the ensuing half and with ore processing to commence around October 2015.

The Rover Project

The Rover Project is an undercover repetition of the rich Tennant Creek goldfield 80km to the north-east. Exploration to date has so far fully tested three blind targets within the project, each of which has defined significant mineralised IOCG (“Iron Oxide Copper Gold”) systems at Rover 1, Explorer 108 and Explorer 142 prospects.

The Rover 1 Prospect is a virgin IOCG discovery. Metals X has previously announced the Total Mineral Resource at Rover 1 to be (as at 30 June 2014) 6.81 million tonnes at 1.73g/t Au, 1.2% Cu, 0.14% Bi and 0.06% Co.

The key elements of the Rover Project are:

- A new gold province located near and analogous to historic Tennant Creek gold field which historically produced +5.5M ounces gold and 0.5Mt copper.
- Three successful discoveries being Rover 1 (Au-Cu), Explorer 108 (Pb-Zn-Ag) and Explorer 142 (Cu-Au).
- A 1.22M oz gold equivalent total identified mineral resource (JORC) at Rover 1.
- A Total Identified Mineral Resource at Explorer 108 of 490Kt Pb-Zn, 5.6M oz Ag and 71K oz Au.
- A commercially positive outcome from Rover 1 development studies.
- The project area is proximal to a major infrastructure corridor adjacent to Central Australian Railway, gas pipeline and Stuart Hwy.
- Exploration upside in multiple coincident geophysical anomalies considered as analogs to the Rover 1 anomaly.

Work in the Tennant Creek district continues to be focused on defining the optimal development pathway for the Rover 1 deposit.

Drilling completed during the quarter successfully intersected extensions to the Rover 1 ore system with significant grade copper–gold results including:

- WGRD59-2A1: 20.87m (estimated true width) at 14.5g/t Au, 6.0% Cu, 0.22% Bi and 0.08% Co.

In addition drilling at the Curiosity Prospect, south of Explorer 108 confirmed a new lead-zinc discovery with results of:

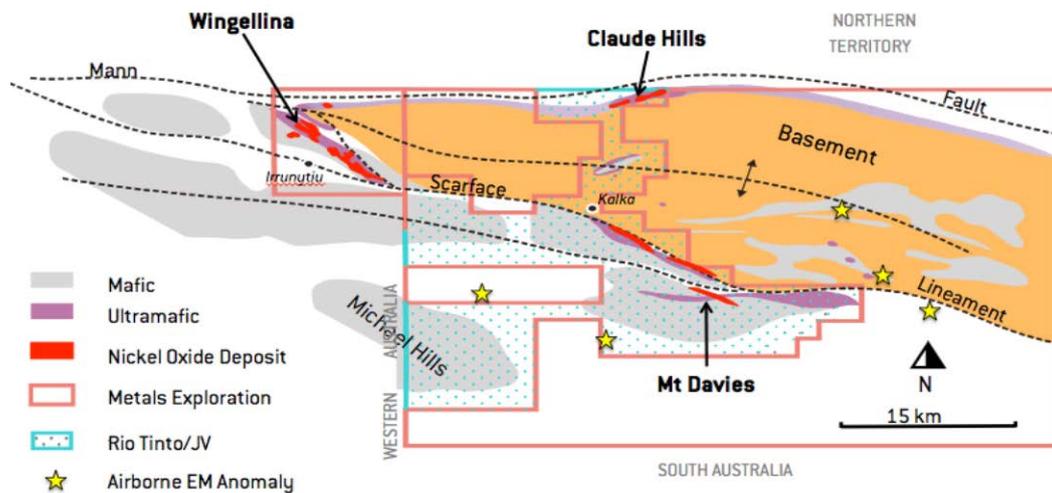
- MXCURD2: 11.7m (down-hole) of 3.73%Pb, 4.86%Zn, 0.24%Cu 1.02g/t Au and 33g/t Ag.

REVIEW OF OPERATIONS (continued)

NICKEL DIVISION

Metals X’s nickel strategy is built upon the Central Musgrave Project (“CMP”) which straddles the triple-point of the WA/NT/SA borders. The project represents the Company’s key nickel assets and comprises of the globally significant Wingellina Ni–Co deposit, the Claude Hills Nickel deposit and the Mt Davies exploration prospects. The project encompasses 1,957km² of prospective exploration tenure encompassing the whole of the Wingellina layered intrusive sub-set of the Giles Complex.

The Wingellina Project is an intensely leached deposit of limonite (previously a dunite intrusive) enriched in nickel, iron and cobalt. Over the past decade, Metals X has consolidated outright ownership of the Wingellina layered intrusive complex.



[Central Musgrave Project]

The Wingellina Mineral Resource estimate defines an ore body containing approximately 183 million tonnes of ore containing 1.8 million tonnes of contained nickel metal, 86 million tonnes of Fe₂O₃ and 139,000 tonnes of Cobalt metal. Significantly, over 91% of the resource is defined as a Probable mining reserve in accordance with the JORC code. The ore is very similar in style to Ambatovy in Madagascar (under development) and Moa Bay in Cuba, where Sherritt Gordon developed and have successfully operated High Pressure Acid Leach (HPAL) for over 50 years.

The key focus of the Nickel Division is to bring the Wingellina Nickel–Cobalt Project into production.

The Board had previously reached a decision to defer the expenditure on the updated feasibility due to the continuum of a depressed nickel market.

Whilst the engineering works for the updated feasibility study have been halted Metals X continues to use its internal resources to complete other long lead-time studies required for the DFS, including infrastructure, roads, rail and ports studies, and the completion of the Public Environmental Review (“PER”) documentation which is required for final EPA approvals. The PER was formally submitted to the EPA on 24 October 2014.

Interaction with the State and Federal Governments in relation to infrastructure requirements within central Australia continued with strong co-operation and a desire to assist with the development of the project.

A representative 100 tonne sample of Wingellina ore was mined, containerised and shipped to Korea for pilot plant testing. The sample was received in early December 2014, and the pilot testing procedure commenced in late December. Preliminary results indicated high recoveries of Ni and Co, with fast reaction kinetics. The detailed report on the testing is expected to be completed by March 2015 quarter.

REVIEW OF OPERATIONS (continued)

OTHER EXPLORATION ASSETS

Warumpi

Warumpi is a significant exploration holding at the base of the Arunta province in the Northern Territory, which has recently been identified as being geologically, tectono-thermally and temporally similar to Proterozoic basins in Eastern Australia that host five of the world's ten largest stratabound Pb-Zn deposits (Broken Hill, Hilton-George Fisher, Mount Isa, MacArthur River and Century). Metals X is undertaking the first modern exploration program in this highly underexplored region.

During the period on ground reconnaissance discovered an outcropping gossan at the Huron Prospect with rock chip results at surface returning results up to 120g/t Ag, 9.89% Cu and 4.73% Zn (WR0343). Further reconnaissance revealed a cluster of gossanous outcrops with high anomalous base and precious metal results (silver, copper and zinc). Infill sampling surrounding this zone was completed during the quarter with results showing up to 182g/t Ag (WR0381), 7.72%Cu (WR0373) and 8.55% Zn (WR0351) (announcement ASX:MLX 22 December 2014).

End of Directors' Report

AUDITOR'S INDEPENDENCE

The auditor's independence declaration is included on page 27 of this report.

Signed in accordance with a resolution of the Directors.



Peter Cook
CEO & Executive Director

Perth, 19 February 2015

Consolidated Statement of Comprehensive Income for the Half-Year ended 31 December 2014

	Notes	31 December 2014	31 December 2013
Revenue		149,284,856	72,703,370
Cost of sales		(118,874,313)	(57,277,572)
Gross profit		30,410,543	15,425,798
Other income		1,058,242	1,762,006
Other expenses		(4,463,941)	(5,667,070)
Fair value change in financial instruments		-	(70,073)
Finance costs		(462,761)	(219,663)
Impairment loss on mine properties and development costs	6	(4,717,594)	-
Impairment loss on exploration and evaluation expenditure	7	(5,689,617)	(1,422,749)
Impairment loss on available-for-sale financial assets	8	(224,232)	(598,116)
Profit before income tax		15,910,640	9,210,133
Income tax benefit		-	-
Profit for the period		15,910,640	9,210,133
Other comprehensive income for the period, net of tax			
<i>Items that may be reclassified subsequently to profit or loss</i>			
Changes in the fair value of available-for-sale financial assets, net of tax		38,889	570,777
Other comprehensive income for the period, net of tax		38,889	570,777
Total comprehensive profit for the period		15,949,529	9,780,910
Profit attributable to:			
Members of the parent		15,910,640	9,210,133
		15,910,640	9,210,133
Total comprehensive profit attributable to:			
Members of the parent		15,949,529	9,780,910
		15,949,529	9,780,910
Profit per share for the profit attributable to the ordinary equity holders of the parent (cents per share)			
basic profit per share		3.84	2.23
diluted profit per share		3.84	2.23

Consolidated Statement of Financial Position as at 31 December 2014

	Notes	As at 31 December 2014	As at 30 June 2014
CURRENT ASSETS			
Cash and cash equivalents		107,080,618	57,108,871
Trade and other receivables		17,465,989	19,297,623
Inventories	4	33,343,066	33,248,694
Other assets		1,145,498	812,095
Other financial assets		3,181,192	6,481,192
Total current assets		162,216,363	116,948,475
NON-CURRENT ASSETS			
Property, plant and equipment	5	59,178,271	63,268,644
Mine properties and development costs	6	153,026,500	155,075,197
Exploration and evaluation expenditure	7	101,742,760	95,274,522
Available-for-sale financial assets	8	410,237	595,581
Total non-current assets		314,357,768	314,213,944
TOTAL ASSETS		476,574,131	431,162,419
CURRENT LIABILITIES			
Trade and other payables		37,775,278	33,064,474
Unearned income	9	20,222,500	-
Interest bearing liabilities		89,829	116,865
Provisions		3,541,375	3,447,676
Total current liabilities		61,628,982	36,629,015
NON-CURRENT LIABILITIES			
Unearned income	10	15,166,875	-
Interest bearing liabilities		10,176	56,122
Provisions		83,183,878	82,818,109
Total non-current liabilities		98,360,929	82,874,231
TOTAL LIABILITIES		159,989,911	119,503,246
NET ASSETS		316,584,220	311,659,173
EQUITY			
Issued capital		331,485,722	331,399,336
Share based payments reserve		19,867,734	19,739,664
Available-for-sale reserves		38,889	-
Accumulated losses		(34,808,125)	(39,479,827)
TOTAL EQUITY		316,584,220	311,659,173

Consolidated Statement of Cash Flows for the Half-Year ended 31 December 2014

	Notes	31 December 2014	31 December 2013
Cash flows from operating activities			
Receipts from customers		144,455,391	72,947,162
Interest received		832,896	1,299,860
Other receipts		1,323,525	137,779
Payments to suppliers and employees		(109,235,050)	(50,325,620)
Transaction cost relating to business combination		-	(2,370,496)
Interest paid		(29,448)	(8,787)
Net cash flows from operating activities		37,347,314	21,679,898
Cash flows from investing activities			
Payments for plant and equipment		(1,737,181)	(1,280,315)
Payments for mine properties and development		(17,012,559)	(12,735,254)
Payments for exploration and evaluation		(12,157,855)	(3,296,681)
Net cash outflow on acquisition of subsidiary	12	-	(29,529,601)
Proceeds from sale of property plant and equipment		13,372	-
Net cash flows used in investing activities		(30,894,223)	(46,841,851)
Cash flows from financing activities			
Proceeds from share issues		88,000	455,000
Payments for share issue costs		(1,614)	(7,427)
Proceeds from gold prepayment		40,445,000	-
Repayment of performance bond		3,300,000	16,000
Repayment of borrowings		(312,730)	(133,353)
Net cash flows from financing activities		43,518,656	330,220
Net increase/(decrease) in cash and cash equivalents		49,971,747	(24,831,733)
Cash at the beginning of the financial period		57,108,871	61,453,120
Cash and cash equivalents at the end of the period		107,080,618	36,621,387

Consolidated Statement of Changes in Equity for the Half-Year ended 31 December 2014

	Issued capital \$	Accumulated losses \$	Share based payments reserve \$	Available-for- sale reserve \$	Total Equity \$
At 1 July 2014	331,399,336	(39,479,827)	19,739,664	-	311,659,173
Profit for the period	-	15,910,640	-	-	15,910,640
Other comprehensive income, net of tax	-	-	-	38,889	38,889
Total comprehensive income and expense for the half-year, net of tax	-	15,910,640	-	38,889	15,949,529
Transactions with owners in their capacity as owners					
Issue of share capital	88,000	-	-	-	88,000
Share issue costs	(1,614)	-	-	-	(1,614)
Share-based payments	-	-	128,070	-	128,070
Dividends	-	(11,238,938)	-	-	(11,238,938)
At 31 December 2014	331,485,722	(34,808,125)	19,867,734	38,889	316,584,220

	Issued capital \$	Accumulated losses \$	Share based payments reserve \$	Available-for- sale reserve \$	Total Equity \$
At 1 July 2013	330,962,263	(76,931,564)	19,739,664	-	273,770,363
Profit for the period	-	9,210,133	-	-	9,210,133
Other comprehensive income, net of tax	-	-	-	570,777	570,777
Total comprehensive income and expense for the half-year, net of tax	-	9,210,133	-	570,777	9,780,910
Transactions with owners in their capacity as owners					
Issue of share capital	542,000	-	-	-	542,000
Share issue costs	(7,427)	-	-	-	(7,427)
At 31 December 2013	331,496,836	(67,721,431)	19,739,664	570,777	284,085,846

Notes to the Financial Statements for the Half-Year ended 31 December 2014

1. CORPORATE INFORMATION

The financial report of Metals X Limited for the half-year ended 31 December 2014 was authorised for issue in accordance with a resolution of the directors on 19 February 2014.

Metals X Limited is a for profit company incorporated in Australia and limited by shares, which are publicly traded on the Australian Securities Exchange. The nature of the operations and principal activities of the Consolidated Entity are described in the Directors' Report.

The address of the registered office is Level 3, 18 – 32 Parliament Place, West Perth, WA 6005.

2. SUMMARY OF ACCOUNTING POLICIES

(a) Basis of preparation of the half-year financial report

This general purpose condensed consolidated financial report for the half-year ended 31 December 2014 has been prepared in accordance with AASB 134 *Interim Financial Reporting* and the *Corporations Act 2001*.

The half-year financial report does not include all notes of the type normally included within the annual financial report and therefore cannot be expected to provide as full an understanding of the financial performance, financial position and financing and investing activities of the Consolidated Entity as the full financial report.

It is recommended that the half-year financial report be read in conjunction with the annual report of Metals X Limited for the year ended 30 June 2014 and considered together with any public announcements made by Metals X Limited and its controlled entities during the half-year ended 31 December 2014 in accordance with the continuous disclosure obligations of the ASX listing rules. Certain comparatives have been restated to conform with the current period presentation.

(b) Basis of consolidation

The half-year report is comprised of the financial statements of Metals X Limited and its controlled entities ('the Consolidated Entity').

The financial statements of subsidiaries are prepared for the same reporting period as the parent company, using consistent accounting policies.

All intercompany balances and transactions, including unrealised profits arising from intra-group transactions, have been eliminated in full. Unrealised losses are eliminated unless costs cannot be recovered.

Controlled entities are consolidated from the date on which control is transferred to the Consolidated Entity and cease to be consolidated from the date on which control is transferred out of the Consolidated Entity.

Where there is loss of control of a controlled entity, the consolidated financial statements include the results for the part of the reporting period during which the Company has control.

(c) New and amended accounting standards and interpretations

The accounting policies adopted in the preparation of the half year report are consistent with those followed in the preparation of the Consolidated Entity's annual financial statements for the year ended 30 June 2014, except for the adoption of new standards and interpretations mandatory for annual periods beginning on or before 1 July 2014, noted below:

Notes to the Financial Statements for the Half-Year ended 31 December 2014 (continued)

2. SUMMARY OF ACCOUNTING POLICIES (continued)

AASB 136 – Recoverable Amount Disclosures for Non-Financial Assets

AASB 2013-3 amends the disclosure requirements in AASB 136 Impairment of Assets. The amendments include the requirement to disclose additional information about the fair value measurement when the recoverable amount of impaired assets is based on fair value less costs of disposal.

The adoption of this amendment had no effect on the financial position or performance of the Consolidated Entity.

AASB 2 – Share Based Payments

AASB 2014-1 clarifies the definition of vesting and market conditions and introduces the definition of performance and service conditions;

The amendment defines “performance condition” and “service condition” in order to clarify various issues, including the following;

- A performance condition must contain a service condition.
- A performance target must be met while the counterparty is rendering service.
- A performance target may relate to the operations or activities of an entity, or to those of another entity in the same group.
- A performance condition may be a market or a non-market condition.
- If the counterparty, regardless of the reason, ceases to provide service during the vesting period, the service condition is not satisfied.

The amendment must be applied prospectively.

The adoption of this amendment had no effect on the financial position or performance of the Consolidated Entity. Refer to note 13 for share based payments during the period

AASB132 – Financial Instruments

AASB 2012-3 adds application guidance to AASB 132 Financial Instruments: Presentation to address inconsistencies identified in applying some of the offsetting criteria of AASB 132, including clarifying the meaning of “currently has a legally enforceable right of set-off” and that some gross settlement systems may be considered equivalent to net settlement.

The adoption of this amendment had no effect on the financial position or performance of the Consolidated Entity.

Interpretation 21 - Levies

This Interpretation confirms that a liability to pay a levy is only recognised when the activity that triggers the payment occurs. Applying the going concern assumption does not create a constructive obligation.

The adoption of this interpretation had no effect on the financial position or performance of the Consolidated Entity.

The Consolidated Entity has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

3. DIVIDENDS PROPOSED

	31 December 2014	31 December 2013
Declared during the period		
Fully franked dividend for 2014 \$0.02715 (2013: nil) (fully franked at 30 per cent)	11,238,938	-

Notes to the Financial Statements for the Half-Year ended 31 December 2014 (continued)

4. INVENTORIES

During the half-year ended 31 December 2014 there was a net inventory write-down of \$98,380 relating to stores and spares (2013: \$963,939 reversal of write-down) for the Consolidated Entity. This amount is included in the cost of sales line in the statement of comprehensive income. Inventory write-downs relate to inventories being valued at net realisable value which is lower than cost.

5. PROPERTY, PLANT AND EQUIPMENT

During the half-year ended 31 December 2014 the Consolidated Entity paid \$1,737,181 (2013: \$1,280,315) in relation to property, plant and equipment costs.

6. MINE PROPERTIES AND DEVELOPMENT

During the half-year ended 31 December 2014 the Consolidated Entity paid \$17,012,559 (2013: \$12,735,254) in relation to mine properties and developments costs. During the period the Chalice underground mine at the Higginsville Gold Operation was closed due to the depletion of all economic ore. The value of the Chalice underground mine was written down to nil and an impairment loss of \$4,717,594 (2013: nil) was recognised in profit or loss.

7. EXPLORATION AND EVALUATION EXPENDITURE

During the half-year ended 31 December 2014 the Consolidated Entity paid \$12,157,855 (2013: \$3,296,681) in relation to exploration and evaluation expenditure.

During the period a review was undertaken for each area of interest to determine the appropriateness of continuing to carry forward costs in relation to that area of interest. In assessing the carrying value of all of the Consolidated Entity's projects certain expenditure on exploration and evaluation of mineral resources has not led to the discovery of commercially viable quantities of mineral resources. In relation to these areas the carrying value was written down to nil and an impairment loss of \$5,689,617 (2013: \$1,422,749) relating to the gold division was recognised in profit or loss.

8. AVAILABLE-FOR-SALE FINANCIAL ASSETS

- (a) The Company has a 14.76% (30 June 2014: 14.76%) interest in Mongolian Resources Corporation Limited ("MRC"), which is involved in the mining and exploration of base metals in Australia and Mongolia. MRC is listed on the Australian Securities Exchange, however at the end of the previous period due to the prolonged period of suspension from trading the fair value of the Company's investment was written down to nil. The Company recognised an impairment loss of \$483,000 at 31 December 2013.
- (b) The Company has a 0.39% (30 June 2014: 0.39%) interest in Neometals Limited ("Neometals") (formerly Reed Resources Limited), which is involved in the exploration and development of base metals in Australia. Neometals is listed on the Australian Securities Exchange. At the end of the period the fair value of the Company's investment was \$73,889 (30 June 2014: \$35,000) which is based on Neometals' quoted share price.
- (c) The Company has a 13.73% (30 June 2014: 13.73%) interest in Aziana Limited ("Aziana"), which is involved in the exploration for base metals in the Madagascar and the exploration for oil and gas in the United States of America. Aziana is listed on the Australian Securities Exchange. At the end of the period the Company's investment was \$336,348 (30 June 2014: \$560,580) which is based on Aziana's quoted share price.

At the end of the period the market value of the investment was lower than the carrying value, the Company has recognised an impairment loss of \$224,232 (31 December 2013: \$112,116) as the decline in fair value is considered significant.

Notes to the Consolidated Financial Statements for the Half-Year ended 31 December 2014 (continued)

9. OPERATING SEGMENTS

The following table presents revenue and profit information regarding the Consolidated Entity's operating segments for the half-years ended 31 December 2014 and 31 December 2013.

Half-year ended 31 December 2014	Tin Projects	Nickel Projects	Gold Projects	Total Segments	Adjustment, eliminations and corporate	Consolidated
Revenue						
Sales to external customers	43,292,482	-	104,616,724	147,909,206	-	147,909,206
Other revenue from external customers	-	-	-	-	1,375,650	1,375,650
Total revenue	43,292,482	-	104,616,724	147,909,206	1,375,650	149,284,856
Results						
Segment profit/(loss)	6,678,359	(111,624)	12,631,148	19,197,883	(3,287,243)	15,910,640
Half-year ended 31 December 2013						
	Tin Projects	Nickel Projects	Gold Projects	Total	Adjustment, eliminations and corporate	Consolidated
Revenue						
Sales to external customers	37,226,433	-	34,364,266	71,590,699	-	71,590,699
Other revenue from external customers	-	-	-	-	1,112,671	1,112,671
Total revenue	37,226,433	-	34,364,266	71,590,699	1,112,671	72,703,370
Results						
Segment profit/(loss)	5,037,863	(103,161)	8,497,515	13,432,217	(4,222,084)	9,210,133

The following table presents segment assets of the Consolidated Entity's operating segments as at 31 December 2014 and 30 June 2014.

	Tin Projects	Nickel Projects	Gold Projects	Total	Adjustment, eliminations and corporate	Total
Segment assets						
As at 31 December 2014	74,512,937	72,035,727	215,461,032	362,009,696	114,564,435	476,574,131
As at 30 June 2014	76,213,200	70,287,679	226,999,091	373,499,970	57,662,449	431,162,419
Segment liabilities						
As at 31 December 2014	(9,289,844)	(50,471)	(102,035,727)	(111,376,042)	(48,613,869)	(159,989,911)
As at 30 June 2014	(9,654,364)	(118,930)	(104,937,268)	(114,710,562)	(4,792,684)	(119,503,246)

Notes to the Consolidated Financial Statements for the Half-Year ended 31 December 2014 (continued)

9. OPERATING SEGMENTS (continued)

Unallocated, adjustments and eliminations

Finance costs, corporate income and expenses, fair value gains and losses on financial assets are not allocated to individual segments as the underlying instruments are managed on a group basis.

Taxes and certain financial assets and liabilities are not allocated to those segments as they are also managed on a group basis.

Capital expenditure consists of additions of property, plant and equipment, available-for-sale investments and investments in associates.

Reconciliation of Revenue	31 December 2014	31 December 2013
Segment revenue	147,909,206	71,590,699
Interest received	1,375,650	1,112,671
Group revenue	149,284,856	72,703,370

Reconciliation of Profit	31 December 2014	31 December 2013
Segment profit	19,197,883	13,432,217
Impairment loss on available-for-sale financial assets	(224,232)	(598,116)
Finance costs	(462,761)	(219,663)
Fair value change in financial instruments	-	(70,073)
Corporate expenses	(2,600,250)	(3,334,232)
Group profit before tax	15,910,640	9,210,133

Reconciliation of Assets	31 December 2014	30 June 2014
Segment operating assets	362,009,696	373,499,970
Unallocated cash and receivables	114,154,198	57,066,868
Available-for-sale financial assets	410,237	595,581
Group operating assets	476,574,131	431,162,419

Reconciliation of Liabilities	31 December 2014	31 December 2013
Segment operating liabilities	(111,376,042)	(114,710,562)
Unallocated payables and provisions	(13,224,494)	(4,792,684)
Unearned income	(35,389,375)	-
Group operating liabilities	(159,989,911)	(119,503,246)

There has been no change in the basis of segmentation or in the basis of measurement of segment profit from those used in the last annual financial statements.

Notes to the Consolidated Financial Statements for the Half-Year ended 31 December 2014 (continued)

10. UNEARNED INCOME

In September 2014, Metals X drew down on a newly established \$40,445,000 gold pre-pay facility with Citibank N.A (“Citi”). The loan is repayable in gold ounces in 24 equal instalments of 1,250 ounces per month between October 2014 and September 2016 inclusive. During the period 3,750 ounces were delivered to Citi.

The loan has been classified as unearned revenue on the Statement of Financial Position as Citi has prepaid Metals X \$40,445,000 for a fixed quantity of gold ounces. Metals X now has a legal obligation to deliver gold ounces, and will subsequently recognise revenue as and when it makes the repayment in gold ounces. Metals X will measure revenue based on the allocation of the nominal amounts of the advance payments corresponding to the goods or services delivered.

11. OTHER FINANCIAL ASSETS AND FINANCIAL LIABILITIES

All financial instruments carrying values are a reasonable approximation of their fair value.

Fair Value hierarchy

The Consolidated Entity held the following financial instruments measured at fair value:

	31 December 2014			
	Valuation		Valuation	
	Quoted market price (Level 1)	technique market observable inputs (Level 2)	technique non market observable inputs (Level 3)	Total
	(Level 1)	(Level 2)	inputs (Level 3)	Total
Financial Assets				
Available-for-sale financial assets				
Listed investments	410,237	-	-	410,237
	410,237	-	-	410,237
	30 June 2014			
	Valuation		Valuation	
	Quoted market price (Level 1)	technique market observable inputs (Level 2)	technique non market observable inputs (Level 3)	Total
	(Level 1)	(Level 2)	inputs (Level 3)	Total
Financial Assets				
Available-for-sale financial assets				
Listed investments	595,581	-	-	595,581
	595,581	-	-	595,581

During the period there were no transfers between Level 1 and Level 2, and no transfers into or out of Level 3 fair value measurement. For financial instruments that are recognised at fair value on a recurring basis, the Consolidated Entity determines whether transfers have occurred between levels in the hierarchy by reassessing categorisation at the end of each period. All Level 1 assets have been valued based on market bid price.

The Consolidated Entity does not hold any credit enhancements or collateral to mitigate credit risk. The carrying value of the financial assets, therefore represent the potential credit risk.

The table above illustrates the classification of the Consolidated Entity’s financial instruments based on the fair value hierarchy. This classification provides a reasonable basis to illustrate the nature and extent of risks associated with those financial instruments.

Notes to the Consolidated Financial Statements for the Half-Year ended 31 December 2014 (continued)

12. BUSINESS COMBINATION

Acquisitions in 2014

Acquisition of Meekatharra Gold Operation

On 27 June 2014 Metals X completed the acquisition of the assets of GMK Exploration Pty Ltd ("GMKE") from GMKE's Administrator. The assets comprise the fully refurbished processing plant, other supporting infrastructure and tenements of the Meekatharra Gold Operation which is currently under care and maintenance in Western Australia. Metals X acquired the assets to integrate into its Central Murchison Gold Project with the view to bringing the project back into production in 2015. The consideration for the acquisition was \$9,400,000 and 24,000,000 Reed Resources Limited shares with a fair value of \$432,000. The acquisition has been accounted for using the acquisition method.

Assets acquired and liabilities assumed

The fair values of the identifiable assets and liabilities as at the date of acquisition are:

	Fair value recognised on acquisition (Restated)
Assets	
Property, plant and equipment	22,520,659
Exploration and evaluation expenditure	2,110,177
	24,630,836
Liabilities	
Provisions	14,798,836
	14,798,836
Cash paid	9,400,000
Fair value of Reed Resources Limited shares	432,000
Purchase consideration transferred	9,832,000
Analysis of cash flows on acquisition:	
Cash paid	9,400,000
Net cash outflow	9,400,000

The net assets recognised in the 30 June 2014 financial statements were based on a provisional assessment of their fair value pending a review of the property, plant and equipment by the Company. During the period the Company completed an assessment of the fair value of the property, plant and equipment which was determined to be \$22,520,659, a decrease of \$159,650 from the provisional value. The comparative information was restated to reflect the adjustment to the provisional amounts. As a result, there was an increase in exploration and evaluation expenditure of \$159,650.

From the date of acquisition to 30 June 2014, the assets have not contributed any revenue or net profit before tax of the Consolidated Entity.

Transaction costs relating to stamp duty, external legal fees, technical fees and due diligence costs of \$596,873 have been expensed and are included in the statement of comprehensive income.

Notes to the Consolidated Financial Statements for the Half-Year ended 31 December 2014 (continued)

12. BUSINESS COMBINATION (Continued)

Acquisitions in 2013

Acquisition of Alacer Gold Pty Ltd

On 29 October 2013 Metals X completed the acquisition of 100% of the shares of Alacer Gold Pty Ltd ("Alacer"), a subsidiary of publicly listed company Alacer Gold Corp. which owns operating gold projects in Western Australia. The consideration for the acquisition was \$44,000,000. The acquisition has been accounted for using the acquisition method.

Assets acquired and liabilities assumed

The fair values of the identifiable assets and liabilities of Alacer Gold Pty Ltd as at the date of acquisition are:

	Fair value recognised on acquisition
Assets	
Cash and cash equivalents	14,470,399
Trade and other receivables	2,156,645
Inventories	16,266,414
Other assets	576,780
Property, plant and equipment	34,175,261
Mine properties and development costs	<u>53,634,299</u>
	<u>121,279,798</u>
Liabilities	
Trade and other payables	25,831,035
Provisions	<u>51,448,763</u>
	<u>77,279,798</u>
Purchase consideration transferred	<u>44,000,000</u>
Analysis of cash flows on acquisition:	
Cash paid	(44,000,000)
Net cash acquired with the subsidiary (included in cash flows from investing activities)	<u>14,470,399</u>
Net cash outflow	<u>(29,529,601)</u>

From the date of acquisition to 31 December 2013, Alacer has contributed \$36,195,255 of revenue and \$9,582,388 to the net profit before tax of the Consolidated Entity. If the acquisition had occurred on 1 July 2013, consolidated revenue and consolidated profit before income tax for the period ended 31 December 2013 would have been \$140,243,554 and \$35,545,699 respectively.

The fair value of the trade receivables amounts to \$2,156,645, which is equal to the gross amount of trade receivables. None of the trade receivables have been impaired and it is expected that the full contractual amount can be collected.

Transaction costs relating to stamp duty, external legal fees, technical fees and due diligence costs of \$2,377,088 have been expensed and are included in the statement of comprehensive income.

Notes to the Consolidated Financial Statements for the Half-Year ended 31 December 2014 (continued)

13. SHARE BASED PAYMENTS

On 26 November 2014, 667,308 performance rights were granted to Directors as approved by shareholders at the Company's Annual General Meeting.

On 26 November 2014, 969,712 performance rights were granted to senior employees under the Long Term Incentive Plan.

The performance rights have the following performance hurdles which will be measured over the vesting period of three years from 1 July 2014 to 30 June 2017:

- The Absolute Total Shareholder Return ("TSR") performance rights (50% of total performance rights) will vest subject to the compound annual growth rate of the Company's TSR being not less than 15% over the three year service period.
- The Relative TSR performance rights (50% of total performance rights) are measured against a defined peer group of companies which the Board considers compete with the Company for the same investment capital, both in Australia and overseas, and which by the nature of their business are influenced by commodity prices and other external factors similar to those that impact on the TSR performance of the Company.

The fair value of the performance rights granted are estimated using a Hoadley employee share option pricing model (Monte Carlo Simulation), taking into account the terms and conditions upon which the performance rights were granted.

Details	Absolute TSR Performance Rights	Relative TSR Performance Rights
Grant date	26 November 2014	26 November 2014
Share price at grant date (\$)	\$0.772	\$0.772
Performance right exercise price (\$)	Nil	Nil
Share price barrier (\$)	\$1.572	-
Vesting conditions	1.15 ³ times 20 day VWAP	-
Measurement date	1 July 2017	1 July 2017
Expected life of performance rights (yrs)	3 years	3 years
Expected volatility (%)	60%	60%
Risk-free interest rate (%)	2.45%	2.45%
Stock dividend yield per annum (%)	3.52%	3.52%
Fair value at grant date (\$)	\$0.292	\$0.52

14. COMMITMENTS AND CONTINGENCIES

Capital commitments

Commitments relating to joint operations

At 31 December 2014 the Consolidated Entity had commitments of \$473,073 principally relating to plant and equipment upgrades and replacements (30 June 2014: \$431,880).

Contingencies

Since the last annual reporting date, there has been no material change in any other commitments or contingencies of the Consolidated Entity.

Notes to the Consolidated Financial Statements for the Half-Year ended 31 December 2014 (continued)

15. EVENTS AFTER THE BALANCE DATE

The Company recorded an inaugural fully frank dividend of 2.715 cents per share with a record date of 16 December and paid on 7 January 2015. The Company offered a Dividend Reinvestment Plan (“DRP”) at a 5% discount to the 5 day VWAP. Under the offer 2,053,753 shares were issued at \$0.6678 per share on 7 January 2015.

On 22 January 2015 the Company announced that it had entered into an agreement with Neometals Limited to assist them with the development of their Mt Marion Lithium Project. The Company has agreed to the sale of mining lease M15/717 for \$250,000 and to lease the lithium mining rights over a portion of the Company’s Hampton Area Location 53 for \$90,000 per annum and a royalty to Neometals Limited.

On 29 January 2015 the Company announced an updated feasibility and development strategy for the Central Murchison Project. The key assumptions are detailed in the Review of Operations on page 8 of this report.

On 9 February 2015 the Company announced that it had entered into a binding Heads of Agreement with Tanami Gold NL to progressively acquire a 75% interest in the Central Tanami Project (“Project”). Metals X will acquire a 25% interest in the Project for \$11,000,000 in cash and the allotment of 4,000,000 shares in Metals X. Metals X will earn a further 50% (total 75%) by sole funding all expenditure and costs required to bring the Project back into commercial production. At the commencement of commercial production, the parties will form an unincorporated structure with Metals X owning 75% and continuing as manager and operator for and on behalf of both parties.

Directors' Declaration

In accordance with a resolution of the directors of Metals X Limited, I state that:

In the opinion of the directors:

- (a) the financial statements and notes of the Consolidated Entity are in accordance with the Corporations Act 2001, including:
 - (i) giving a true and fair view of the financial position as at 31 December 2014 and the performance for the half-year ended on that date of the Consolidated Entity; and
 - (ii) complying with Accounting Standard AASB 134 "Interim Financial Reporting" and the Corporations Regulations 2001; and
- (b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

On behalf of the Board



Peter Cook
CEO & Executive Director
Perth, 19 February 2015

Auditor's Independence Declaration



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Auditor's independence declaration to the Directors of Metals X Limited

In relation to our review of the financial report of Metals X Limited for the half-year ended 31 December 2014, to the best of my knowledge and belief, there have been no contraventions of the auditor independence requirements of the *Corporations Act 2001* or any applicable code of professional conduct.

A handwritten signature in blue ink that reads 'Ernst & Young'.

Ernst & Young

A handwritten signature in blue ink that reads 'D S Lewsen'.

D S Lewsen
Partner
Perth
19 February 2015

Independent Review Report



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Independent review report to the members of Metals X Limited

Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of Metals X Limited, which comprises the consolidated statement of financial position as at 31 December 2014, the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the period end or from time to time during the period.

Directors' Responsibility for the Half-Year Financial Report

The directors of Metals X Limited are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and complies with the ASX Listing Rules as they relate to Appendix 4D. The directors are also responsible for such internal controls that the directors determine are necessary to enable the preparation of the half-year financial report that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the consolidated entity's financial position as at 31 December 2014 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting*, the *Corporations Regulations 2001* and the ASX Listing Rules as they relate to Appendix 4D. As the auditor of Metals X Limited and the entities it controlled during the half-year, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*. We have given to the directors of the company a written Auditor's Independence Declaration, a copy of which is included in the Directors' Report.

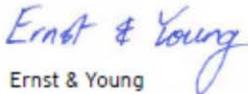
Independent Review Report (continued)



Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Metals X Limited is not in accordance with:

- a. the *Corporations Act 2001*, including:
 - i giving a true and fair view of the consolidated entity's financial position as at 31 December 2014 and of its performance for the half-year ended on that date; and
 - ii complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*; and
- b. the ASX Listing Rules as they relate to Appendix 4D.


Ernst & Young


D S Lewsen
Partner
Perth
19 February 2015