

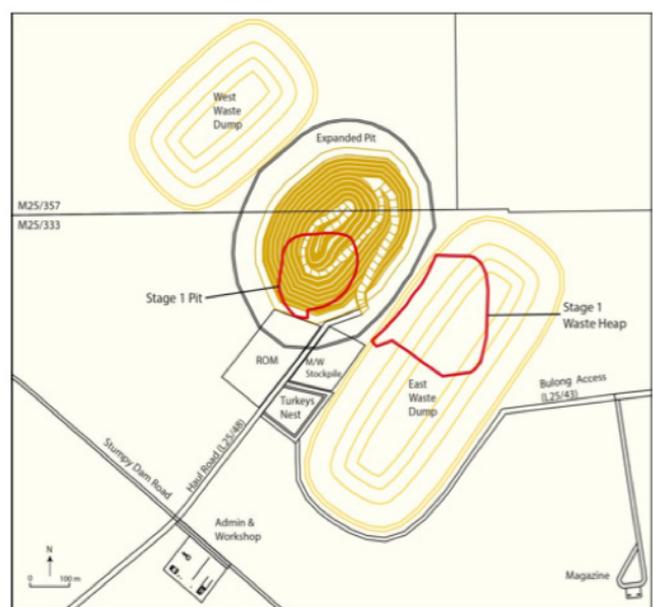
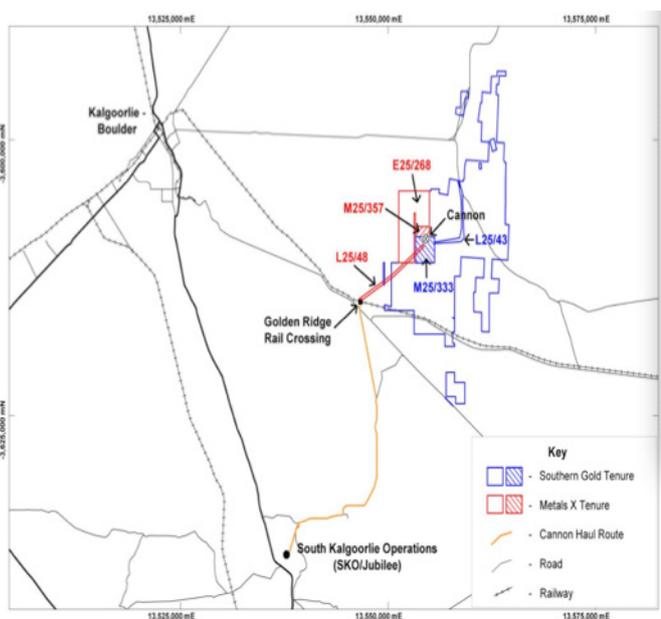
3 NOVEMBER 2015

SIGNIFICANTLY LARGER CANNON AGREEMENT INCLUDING GEORGES REWARD

Metals X Limited (**Metals X**) is pleased to advise that it has reached agreement with Southern Gold Ltd (**Southern Gold**) to expand the Cannon mining agreement. The expansion enables Metals X's wholly owned and newly acquired Georges Reward Deposit to be mined within an enlarged Cannon Open Pit straddling the lease boundary.

Under the agreement, the original 50% profit share arrangement over the Cannon Mine (M25/333) will remain in place. An enlarged open pit will take in the contiguous Georges Reward deposit to the north (M25/357) and Metals X will mine this as part of the combined open pit at its sole cost, retaining 100% of the profits. On completion of the larger pit, Metals X will retain 100% ownership of M25/357 and Southern Gold will retain 100% of ownership of M25/333. Further discussions about exploiting the deeper resources by underground mining may take place on completion of the open pit. Mutual access agreements to enable either party to access deeper ores from the pit are secured under the expanded agreement as is access to haul roads and rail crossings for the cartage of ore.

The key terms of the revised agreement are encapsulated in newly executed supplementary deed and are based upon the same method whereby Metals X manages and operates the Cannon Mine for and on behalf of Southern Gold. All mining, ore cartage, and ore processing activity is completed on an agreed cost basis. When gold production from the Cannon Mine commences, all revenue is first applied to repay costs and all surplus funds are then distributed (at the end of the pit) on a 50-50 basis.



All direct costs (mining, grade control, cartage and ore processing) of the Cannon and Georges Reward Mines are allocated on a tenement basis. All common and/or shared costs are allocated on a pro-rata basis based on total volume moved in each tenement.

Because of the larger pit, the completion date has been extended and cash flow from profit sharing to Southern Gold has been delayed until the end of 2016. To soften this impact, Metals X has agreed to further extend its loan facilities to Southern Gold from the current \$0.5 million up to \$2.5 million. The loan funds are secured by a mortgage over the Cannon tenement, earn interest at 8% per annum and are repayable from surplus funds as a priority.

In recognition of the importance of margin-locking for Southern Gold, Metals X has also offered a form of revenue protection by guaranteeing a sale price for the first 30,000 ounces of gold production from the mine at a spot price discount of \$25 per ounce from a price to be fixed in the near future.

Metals X has estimated mining outcomes for the pit as per below:

		Cannon (M25/333) (Including stage 1 pit)	Georges Reward (M25/357)
Mine Term	Months	18 months (end of 2016)	12 months
Ore Reserve	Tonnes	468,000	199,700
	Grade (g/t Au)	3.78	2.66
	Ounces	56,847	17,079
Metallurgical Recovery	%	86.4%	86.4%
Gold Produced	Ounces	48,952	14,762
Infrastructure Cost	A\$M	\$1.23	\$0.18
Cash Cost of Sales	A\$/oz	\$1,091	\$1,120
Total Cost of Sales	A\$/oz	\$1,130	\$1,260

The ore from the Cannon and Georges Reward mines is expected to be processed in batches through Metals X's Jubilee process plant during calendar 2016.

Metals X CEO, Peter Cook said:

"This is a win-win result for both Companies. Metals X is playing banker using its balance sheet and infrastructure to effect the best result. By sharing the mining and processing risk and operating at cost we can maximise the outcome for the mine and take our margin from its enhanced performance. We see the open pit as only the first phase as the project exhibits good metrics to consider underground mining in the future."

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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.