METALS X LIMITED

ACN 110 150 055

Interim Financial Report for the Half-Year 31 December 2017

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 (Non-Executive Chairman)
Warren Hallam (Managing Director)
Stephen Robinson (Executive Director)
Simon Heggen (Non-Executive Director)
Milan Jerkovic (Non-Executive Director)
Yimin Zhang (Non-Executive Director)

Company Secretary
Fiona Van Maanen

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Securities Exchange
Listed on the Australian Securities Exchange

Codes: ASX: MLX

Domicile and Country of Incorporation
Australia

CONTENTS

APPENDIX 4D - RESULTS FOR ANNOUNCEMENT TO THE ASX

This Appendix 4D is to be read in conjunction with the 2017 Annual Financial Report, the December 2017 Interim Financial Report and Directors' Report.

Dividends

The Directors do not propose to pay any dividend for the half-year ended 31 December 2017.

Key Financial Highlights

In the previous period on 1 December 2016, Metals X Limited demerged its gold assets via a capital reduction and in specie distribution of all the shares in Westgold Resources Limited.

Consolidated	31 December 2017 $	31 December 2016 $	Movement $	Movement %
Revenue from ordinary activities	88,345,450	127,970,883	(39,625,433)	-31%
(Loss)/profit from ordinary activities after tax attributable to members:	(18,430,088)	(92,600,839)	74,170,751	80%
Profit/(loss) from discontinued operations after tax:	-	237,765,012	(237,765,012)	100%
Net (loss)/profit attributable to members:	(18,430,088)	145,164,173	(163,594,261)	-113%
Net tangible assets per share:	0.29	0.35		

Financial performance	31 Dec 2017 $	31 Dec 2016 $	Movement $
Continuing Operations			
Total sales revenue	88,345,450	127,970,883	(39,625,433)
Cost of sales	(89,341,836)	(115,692,163)	26,350,327
Gross (loss)/profit	(996,386)	12,278,720	(13,275,106)
Net (loss)/profit after tax	(18,430,088)	(92,600,839)	74,170,751
Discontinued Operations			
Net profit after tax	-	237,765,012	(237,765,012)

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 2017.

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 (Non-Executive Chairman)
Warren Hallam (Managing Director)
Stephen Robinson (Executive Director)
Simon Heggen (Non-Executive Director)
Milan Jerkovic (Non-Executive Director)
Yimin Zhang (Non-Executive Director)

RESULTS AND REVIEW OF OPERATIONS

RESULTS OF OPERATIONS

- Consolidated total loss after income tax: $18,430,088 (2016: $145,164,173 profit);
- Total consolidated revenue of continuing operations: $88,345,450 (2016: $127,970,883);
- Total cost of sales of continuing operations: $89,341,836 (2016: $115,692,163);
- Cash flow from operating activities: $7,474,365 (2016: $1,845,729);
- Cash flows used in investing activities: $21,484,788 (2016: $120,585,992); and
- Cash flows used in financing activities: $5,142,095 (2016: $107,825,005 cash inflow).

Key results for the half-year are:

Copper Division

- Revenue from the Nifty Copper Operation (Nifty) was $45,475,014 (2016: $86,792,538). The revenue is lower than the previous year as a result of lower copper production and timing differences in the sale of copper.
- The cost of sales was $58,378,558 (2016: $86,569,270).

Tin Division

- Revenue from the 50% owned Renison Tin Operation was $42,545,389 (2016: $40,430,020). The revenue is higher than the previous year as a result of higher tin production.
- The cost of sales was $30,949,655 (2016: $29,122,893).

Gold Division – Discontinued Operation

- Total revenue from the Gold Operations for the half-year was nil (2016: $163,126,231) due to demerger of Westgold Resources Limited (Westgold) in December 2016.
- Total cost of sales was nil (2016: $155,466,105).

RESULTS OF OPERATIONS (continued)

Nickel Division

- A recoverable amounts assessment undertaken at the end of the previous period resulted in an impairment of the Central Musgraves Project of $72,853,914 (current period: Nil).

Capital Investment Activities

Cash flows used in investing activities totalled $21,484,788 (2016: $120,585,993). The previous period was higher as it included a cash injection into the gold division prior to the demerger of Westgold ($96,323,551), which was offset by the cash acquired on the acquisition of the copper division ($31,417,194). Other capital re-investment:

- Gold Operations: nil (2016: $44.0M);
- Tin Operations: $11.5M (2016: $5.0M);
- Copper Operations: $8.7M (2016: $6.2M);
- Nickel Project: $0.7M (2016: $0.5M).

REVIEW OF OPERATIONS

DIVIDENDS

Dividends paid to members during the half-year:

Dividend Rate	Record Date	Payment Date	Franking	DRP Discount
1.00 cents per share	7 September 2017	19 September 2017	Nil	5% to 5 day VWAP

Dividend Reinvestment Plan

The Company operates a dividend reinvestment plan (DRP) which allows eligible shareholders to elect to invest dividends in ordinary shares. The DRP is based on a 5% discount to the 5 day volume weighed average price (VWAP) after the record date. During the half-year 2,096,529 shares were issued as part of the DRP (2016: Nil).

No dividends were paid to members during the 2016 half-year.

CORPORATE

Commodity Hedging

The Company has entered into forward commodity contracts relating to puts and calls granted over 1,500 tonnes of copper per month until July 2018. The puts have a strike price as low as $7,600 per tonne of LME copper and the calls have a strike price as high as $8,255 per tonne of LME copper (refer to note 10).

Westgold Resources Limited Demerger

In the previous period, at an Extraordinary General Meeting Metals X held on 24 November 2016, shareholders approved the demerger of Metals X's gold assets via a capital reduction and in specie distribution of all the shares in Westgold Resources Limited (Westgold). On 6 December 2016 Westgold commenced trading on the Australian Securities Exchange (ASX).

REVIEW OF OPERATIONS (continued)

COPPER DIVISION

The Copper Division holds two key assets:

1. Nifty Copper Operation; and
2. Maroochydore Copper Project.

Nifty Copper Operation

Nifty is an underground copper sulphide mine with an associated 2.5Mtpa copper concentrator. Site infrastructure is extensive, including a powerhouse, camp and airfield, Processing of sulphide copper ore is by conventional comminution, grinding and flotation to produce a clean copper concentrate. A concentrate storage facility is located at Port Hedland where concentrate is accumulated before shipping for smelting and refining.

The focus of the Company since acquisition of Nifty has been to increase the production rate, returning the process plant to continuous operation, and to extend the mine life. The objective is to transform Nifty into a large, long-life mine. The Company is on track to achieve its objective during 2018. Over 20,000 meters of underground drilling has been completed at Nifty since acquisition. Re-modelling of the Nifty Resources and Reserves with the incorporation of the first 20,000 metres of drilling was completed during the period which resulted in a 55% increase in contained copper in Ore Reserves (refer to ASX announcement 12 October 2017). This increase was in addition to the 59% increase in contained copper announced in May 2017 (refer to ASX announcement 31 May 2017). The current Ore Reserve estimate is 13.9 million tonnes at 1.71% Cu for 237,500 tonnes of copper.

Underground drilling has continued subsequent to the last resource and reserve update with approximately 19,000 metres of additional drilling that was completed by year end, to be incorporated into a further resource and reserve update in the first half of 2018. The Company's objective is to achieve and maintain a seven to eight year mine life.

The Company's objective at Nifty is to achieve and maintain a 40,000 tonnes per annum copper-in-concentrate production rate. Although the medium-term objective, and focus of current development and drilling at Nifty, is to open new mining areas outside of the historic 'checkerboard' stope and fill mining area, the operation will still rely substantially on ore production from remnant areas during 2018.

The objective is to then incrementally progress towards the target 40,000 tonnes per annum rate as the proportion of production outside of the checkerboard area increases and other higher grade stopes are brought into production. This is expected to progressively increase average mined grade towards Ore Reserve grade.

During the period, despite positive progress in underground development, ore production was impacted by additional rehabilitation requirements. This resulted in delays in extracting ore from several producing stopes while further support was installed and further development and redesign work was completed. Production was also affected by the temporary suspension of mining operations in August 2017 to complete remedial repairs to the underground mine's secondary escapeway. After recommencement of mining activities following the repairs, the Company had to undertake extensive re-drilling of existing production holes, which resulted in further delays in production. During the period, work continued addressing various legacy maintenance issues which were having an adverse impact on production.

The processing plant, which had been operating on a 2-weeks on 1-week off basis since acquisition, commenced continuous operation at the start of December 2017. The impact of steady-state production and increased run-time resulted in improved recoveries during December. The processing plant will continue to operate at reduced throughput rates while mining operations ramp-up.

REVIEW OF OPERATIONS (continued)

Performance of the Copper Division is summarised below:

		31 December 2017 (6 months)	31 December 2016 (5 months)
Physical Summary	**Units**		
UG Ore Mined	t	650,925	686,488
UG Grade Mined	% Cu	1.32	1.92
Ore Processed	t	646,088	672,143
Head Grade	g/t	1.34	1.93
Recovery	% Cu	91.61	94.44
Copper Produced	t	7,921	12,414
Copper Sold	t	4,404	12,437
Achieved Copper Price	A$/t Cu	10,324	6,721
Cost Summary			
Mining	A$/t Cu	5,443	2,171
Processing	A$/t Cu	2,224	987
Admin	A$/t Cu	1,483	1,211
Stockpile Adj	A$/t Cu	(32)	-
C1 Cash Cost (produced oz) *	**A$/t Cu**	**9,118**	**4,369**
Royalties	A$/t Cu	381	291
Marketing/Cost of sales	A$/t Cu	938	1,171
Sustaining Capital	A$/t Cu	579	454
Reclamation & other adj.	A$/t Cu	7	-
Corporate Costs	A$/t Cu	66	69
**All-in Sustaining Costs ** **	**A$/t Cu**	**11,089**	**6,354**
Project Startup Capital	A$/t Cu	-	-
Exploration Holding Cost	A$/t Cu	308	41
All-in Cost ***	**A$/t Cu**	**11,397**	**6,395**

* C1 Cash Cost (C1): represents the cost for mining, processing and administration after accounting for movements in inventory (predominantly ore stockpiles). It includes net proceeds from by-product credits, but excludes the cost of royalties and capital costs for exploration, mine development and plant and equipment.

** All-in Sustaining Cost (AISC): is made up of the C1 cash cost plus royalty expense, sustaining capital expense and general corporate and administration expenses.

*** All-in Cost (AIC): is made up of the AISC plus growth (major project) capital and discovery expenditure.

C1, AISC and AIC are non-IFRS financial information and are not subject to audit. These are widely used "industry standard" terms that certain investors use to evaluate company performance.

Maroochydore Copper Project

The Maroochydore deposit, located approximately 85km South East of Nifty, currently consists of a significant oxide Mineral Resource of 43.5 million tonnes at 0.91% Cu and 391ppm Co, with a small primary sulphide Mineral Resource of 5.43 million tonnes at 1.66% Cu and 292ppm Co based upon the limited drilling to date (refer to ASX announcement dated 18 August 2016).

Following the completion of a geophysical program, a review of the historical drilling, geophysical, geochemical and geological attributes of the regional tenure commenced in order to prioritise and rank numerous targets. The targets include copper and lead-zinc at the historical prospects of Rainbow, Mansfield, Waroo, Muttabarty, Duke, Warrabarty and Dromedary.

A drilling program focusing on targeting additional sulphide resources and metallurgical testing of the oxide resource was completed. Testing of the extensions to the known sulphide mineralisation and also new targets based on induced polarisation anomalies and postulated zones of ore thickening due to structural controls, produced encouraging results. In addition, metallurgical test holes were drilled from the oxide resource with samples extracted for ongoing metallurgical testing to determine potential treatment processes for the oxide and transitional ore zones. Follow up drilling programs will be developed for the 2018 drill season to test the ore zone along strike from the present intersections.

REVIEW OF OPERATIONS (continued)

TIN DIVISION

Metals X is a globally significant tin producer through its 50% ownership of the Renison Tin Operation, which holds three key assets:

1. The Renison Tin Mine;
2. The Renison Tailings Retreatment Project (Rentails Project); and
3. The Mount Bischoff Project.

Renison Tin Mine (50%)

The Renison Tin Mine (Renison) is located approximately 15km north-east of Zeehan on Tasmania's west coast. The Renison resource includes over 21 million tonnes of historic tailings, which will be feed for the proposed Rentails Project, proximal to the processing plant.

The focus of the Company's activities during the year was to continue to improve productivity to lower the overall costs at the operation while continuing to achieve further recovery improvements.

Performance of the Tin Division (50% share) is summarised below:

		31 December 2017	31 December 2016
Physical Summary	**Units**		
UG Ore Mined	t	186,166	198,337
UG Grade Mined	% Sn	1.29	1.27
Ore Processed	t	181,420	189,535
Head Grade	% Sn	1.32	1.28
Recovery	% Sn	74.75	71.67
Tin Produced	t	1,798	1,743
Tin Sold	t	1,732	1,569
Achieved Tin Price	A$/t Sn	25,916	26,582
Cost Summary			
Mining	A$/t Sn	5,808	6,452
Processing	A$/t Sn	4,412	4,476
Admin	A$/t Sn	979	1,033
Stockpile Adj	A$/t Sn	(179)	(450)
C1 Cash Cost (produced oz) *	**A$/t Sn**	**11,020**	**11,511**
Royalties	A$/t Sn	1,274	1,289
Marketing/Cost of sales	A$/t Sn	2,046	2,251
Sustaining Capital	A$/t Sn	3,646	3,576
Reclamation & other adj.	A$/t Sn	10	2
Corporate Costs	A$/t Sn	27	10
All-in Sustaining Costs **	**A$/t Sn**	**18,023**	**18,639**
Project Startup Capital	A$/t Sn	4,317	-
All-in Cost ***	**A$/t Sn**	**22,340**	**18,639**

Renison Tin Concentrator

During the period, the Company commenced the construction of a new crusher plant and ore sorter. Ore sorting trials indicated that approximately 25% of underground feed to the processing plant, can be rejected with tin losses of less than 3%. The implementation of ore sorting will provide a cost-effective expansion at Renison with an increase in mining production without the requirement to expand the processing plant. The economic evaluation indicates a project payback period of less than twelve months for a total capital outlay of approximately $14 million (100% basis). The project is on track for practical completion in May 2018.

REVIEW OF OPERATIONS (continued)

The ore sorter design requires an increase in annualised mine production to approximately 940,000 tonnes while maintaining the processing plant at a rate of approximately 720,000 tonnes per annum. Tin production with the proposed ore sorter is expected to increase by 15-20% from the current levels of approximately 7,200 tonnes of tin per year. In addition, the resulting improved economics of Renison will facilitate a re-optimisation of the current resource. The underground mine progressed during the period toward opening additional stoping areas in preparation for the commissioning of the ore sorter.

During the period test-work was also conducted on the potential separation of the ore sorter rejects stream into Potential Acid Forming (PAF) waste to be returned underground and Non Acid Forming (NAF) material which can be utilised for various engineering and road purposes on the surface. The pilot plant test-work indicates that approximately 80% of the ore sorter rejects can be separated into NAF material. This will significantly reduce the amount of reject material required to be transported back underground to approximately to 40,000 tonnes per annum, most of which will be utilised for underground roads. The expected saving in operating costs associated with transporting and rehandling material underground is significant.

Renison Tailings Retreatment Project

Rentails provides the opportunity to expand production at Renison through the re-processing and recovery of tin and copper from the historic tailings at Renison. An updated definitive feasibility study (DFS Update) of Rentails was completed during the year based upon an 11-year project with an integrated 2Mtpa tin concentrator and tin fumer plant producing approximately 5,400 tonnes of tin and 2,200 tonnes of copper per year.

The Renison Tin Project, after the installation of ore sorting and the commencement of Rentails, will produce approximately 13,400 - 13,900 tonnes of tin per year which is approximately 3.75% of the global primary tin supply. The all-in sustaining costs for the combined operation is anticipated to be less than A$17,000 per tonne which compares favourably to the prevailing tin price of approximately A$26,000 per tonne.

During the period, the final review of the Rentails process flowsheet, with associated test-work, was substantially completed. An evaluation of long lead time items and the sourcing of vendors to supply key project reagents and consumables was completed. A Letter of Intent (LOI) was submitted to the Tasmanian Government to commence the final approvals process for the project. A submission to the Commonwealth Government was made and Major Project Status was awarded to the Rentails Project.

Mt Bischoff Project

The Mt Bischoff Project is located approximately 80km north of the Renison mine. Mt Bischoff was a significant historical tin operation, producing some 60,000 tonnes of tin metal since the late 1800's. Open pit mining by the Company between 2009 and 2011 produced a further 5,000 tonnes of tin metal before the initial open pit mine was depleted. Whilst the mine remains on care and maintenance, significant resources remain at depth and numerous historically mined areas remain underexplored and offer future development opportunity at higher tin prices.

NICKEL DIVISION

The Wingellina Nickel-Cobalt Project is part of the Company's Central Musgrave Project (CMP) which remains as one of the largest undeveloped nickel-cobalt deposits in the world. The Central Musgrave Project has a Mineral Resource containing approximately 2.0 million tonnes of nickel and 154,000 tonnes of cobalt within which Wingellina hosts an Ore Reserve of approximately 1.56 million tonnes of nickel and 123,000 tonnes of cobalt and a significant inventory of scandium and iron (refer to the 2017 Annual Report).

REVIEW OF OPERATIONS (continued)

The Company has completed a feasibility study (+/-25%) and signed an agreement with the Traditional Owners which provides consent to undertake mining activities. In November 2016, the Company received its Public Environment Review approval from the Environmental Protection Authority.

The existing Mineral Resource includes high grade nickel-cobalt domains totalling 29.7 million tonnes at 0.14% Co and 1.15% Ni (1.97% Nieq[1]) at a 0.1% Co cut-off grade, or 110.5 million tonnes at a grade of 0.11% Co and 0.97% Ni (1.60% Nieq) at a 0.05% Co cut-off (refer to ASX announcement 17 October 2017).

Past drilling and mining studies at Wingellina were focused predominantly on optimisation for nickel production. During the period, further studies were initiated to optimise a number of high grade cobalt-nickel open pits and to undertake additional testing for the production of cobalt sulphate and nickel sulphate as feedstock for the battery industry.

An infill drilling program was completed during the period. The results were received subsequent to the end of the period achieving the objective of further delineating the high grade cobalt domains in advance of open pit designs. Metallurgical test-work for the production of cobalt and nickel sulphates also commenced, with the leaching of cobalt and nickel having been completed successfully. Previous variability test-work indicated that leach recoveries of over 94% for both nickel and cobalt are achievable.

At the end of the previous period the Company completed a recoverable amounts assessment that resulted in an impairment of the CMP of $72,853,914. The Company's strategy is to continue to enhance the option value of the CMP by furthering its work with the NT Government on road easements, continuing to assess metallurgical processing alternatives, and continuing its discussions with potential joint venture parties for the co-development of the project.

1. Nieq calculated using a nickel:cobalt ratio of 6:1 based on assumed price of US$11,000/t Ni and US$68,000/t Co and recoveries of 92% Ni and 89% Co.

GOLD DIVISION - DISCONTINUED OPERATION

The gold division was demerged on 1 December 2016 via an in-species distribution and capital reduction and subsequent ASX listing of Westgold.

End of Directors' Report

AUDITOR'S INDEPENDENCE

The auditor's independence declaration is included on page 25 of this report.

Signed in accordance with a resolution of the Directors.

Warren Hallam
Managing Director

21 February 2018

Consolidated Statement of Comprehensive Income for the Half-Year ended 31 December 2017

	Notes	31 December 2017	31 December 2016
Continuing operations			
Revenue	3	88,345,450	127,970,883
Cost of sales		(89,341,836)	(115,692,163)
Gross (loss)/profit		(996,386)	12,278,720
Other income		658,515	2,033,019
Other expenses		(2,428,622)	(1,783,277)
Commodity trading loss		(14,931,829)	(986,715)
Acquisition and disposal costs		(31,000)	(5,405,867)
Finance costs		(308,620)	(262,602)
Share-based payments		(1,016,611)	(3,809,352)
Fair value change in financial instruments		26,450	12,371,917
Impairment loss on mine properties and development	8	-	(72,207,757)
Impairment loss on exploration and evaluation expenditure	9	(4,538)	(646,157)
Impairment loss on available-for-sale financial assets	10	(12,000)	-
Loss before income tax from continuing operations		(19,044,641)	(58,418,071)
Income tax benefit/(expense)	4	614,553	(34,182,768)
Loss for the period from continuing operations		(18,430,088)	(92,600,839)
Discontinued operations			
Profit from discontinued operations		-	237,765,012
(Loss)/profit for the period		(18,430,088)	145,164,173
Other comprehensive income for the period, net of tax			
Items that may be reclassified subsequently to profit or loss			
Reclassification of cumulative fair value changes in available-for-sale financial assets previously recognised in equity to the profit and loss on gaining control of the investee, net of tax		-	(8,660,342)
Changes in the fair value of available-for-sale financial assets, net of tax	10	1,433,960	3,915,140
Other comprehensive income/(loss) for the period, net of tax		1,433,960	(4,745,202)
Total comprehensive (loss)/profit for the period		(16,996,128)	140,418,971
(Loss)/profit attributable to:			
Members of the parent		(18,430,088)	145,164,173
		(18,430,088)	145,164,173
Total comprehensive (loss)/profit attributable to:			
Members of the parent		(16,996,128)	140,418,971
		(16,996,128)	140,418,971
(Loss)/profit per share for the profit attributable to the ordinary equity holders of the parent (cents per share)			
Basic (loss)/profit per share			
Continuing operations		(3.02)	(15.92)
Discontinued operations		-	40.88
Total operations		(3.02)	24.96
Diluted (loss)/profit per share			
Continuing operations		(3.02)	(15.92)
Discontinued operations		-	40.88
Total operations		(3.02)	24.96

Consolidated Statement of Financial Position as at 31 December 2017

CURRENT ASSETS			
Cash and cash equivalents		30,972,652	50,125,170
Trade and other receivables	5	18,120,450	45,046,603
Inventories	6	73,279,234	43,638,521
Prepayments		877,521	1,250,872
Other financial assets		9,931,569	10,858,049
Total current assets		**133,181,426**	**150,919,215**
NON-CURRENT ASSETS			
Property, plant and equipment	7	47,465,617	40,466,982
Mine properties and development costs	8	73,899,052	77,370,210
Exploration and evaluation expenditure	9	9,570,510	4,892,164
Available-for-sale financial assets	10	12,271,595	9,300,778
Derivative financial instruments	10	156,700	99,000
Total non-current assets		**143,363,474**	**132,129,134**
TOTAL ASSETS		**276,544,900**	**283,048,349**
CURRENT LIABILITIES			
Trade and other payables		33,337,845	29,306,601
Interest bearing liabilities		3,226,912	3,187,557
Provisions		6,183,990	5,723,077
Derivative financial instruments	10	11,268,390	-
Total current liabilities		**54,017,137**	**38,217,235**
NON-CURRENT LIABILITIES			
Interest bearing liabilities		3,737,953	5,308,678
Provisions		40,566,519	40,776,282
Total non-current liabilities		**44,304,472**	**46,084,960**
TOTAL LIABILITIES		**98,321,609**	**84,302,195**
NET ASSETS		**178,223,291**	**198,746,154**
EQUITY			
Issued capital	14	254,061,476	252,511,413
Accumulated losses		(107,381,974)	(82,858,477)
Share based payments reserve		26,347,662	25,331,051
Fair value reserve		5,196,127	3,762,167
TOTAL EQUITY		**178,223,291**	**198,746,154**

Consolidated Statement of Cash Flows for the Half-Year ended 31 December 2017

	Notes	31 December 2017	31 December 2016
Cash flows from operating activities			
Receipts from customers		110,842,902	235,472,591
Payments to suppliers and employees		(103,510,966)	(242,326,517)
Interest received		367,850	3,725,364
Other receipts		(6,106)	5,453,805
Interest paid		(219,315)	(479,514)
Net cash flows from operating activities		**7,474,365**	**1,845,729**
Cash flows from investing activities			
Payments for plant and equipment		(12,103,688)	(12,853,081)
Payments for mine properties and development		(4,397,283)	(28,396,782)
Payments for exploration and evaluation		(4,682,882)	(13,593,864)
Payments for available-for-sale financial assets		(934,306)	(355,000)
Payments for derivative financial instruments		(31,250)	-
Net cash outflow on disposal of subsidiary		-	(96,323,551)
Net cash inflow from acquisition of subsidiary	18	-	31,417,194
Proceeds from sale of property plant and equipment		664,621	19,091
Advances in relation to interest bearing receivables		-	(500,000)
Net cash flows used in investing activities		**(21,484,788)**	**(120,585,993)**
Cash flows from financing activities			
Proceeds from share issues		-	115,639,413
Payments for share issue costs		(7,129)	(5,232,178)
Payments for dividends		(4,530,076)	(1,383)
Payment of performance bond		926,480	(250,000)
Repayment of borrowings		(1,531,370)	(2,330,847)
Net cash flows from/(used in) financing activities		**(5,142,095)**	**107,825,005**
Net decrease in cash and cash equivalents		(19,152,518)	(10,915,259)
Cash at the beginning of the financial period		50,125,170	39,184,787
Cash and cash equivalents at the end of the period		**30,972,652**	**28,269,528**

Consolidated Statement of Changes in Equity for the Half-Year ended 31 December 2017

	Issued capital $	Accumulated losses $	Share based payments reserve $	Available-for-sale reserve $	Total Equity $
At 1 July 2017	252,511,413	(82,858,477)	25,331,051	3,762,167	198,746,154
Loss for the period	-	(18,430,088)	-	-	(18,430,088)
Other comprehensive income, net of tax	-	-	-	1,433,960	1,433,960
Total comprehensive income and expense for the half-year, net of tax	-	(18,430,088)	-	1,433,960	(16,996,128)
Transactions with owners in their capacity as owners					
Share issue costs	(7,129)	-	-	-	(7,129)
Share-based payments	-	-	1,016,611	-	1,016,611
Dividends paid	1,557,192	(6,093,409)	-	-	(4,536,217)
At 31 December 2017	254,061,476	(107,381,974)	26,347,662	5,196,127	178,223,291

	Issued capital $	Accumulated losses $	Share based payments reserve $	Available-for-sale reserve $	Total Equity $
At 1 July 2016	407,029,190	(45,666,070)	20,576,509	12,968,704	394,908,333
Profit for the period	-	145,164,173	-	-	145,164,173
Other comprehensive income, net of tax	-	-	-	(4,745,202)	(4,745,202)
Total comprehensive income and expense for the half-year, net of tax	-	145,164,173	-	(4,745,202)	140,418,971
Transactions with owners in their capacity as owners					
Capital reduction via share distribution	(341,913,376)	-	-	-	(341,913,376)
Issue of share capital	192,652,426	-	-	-	192,652,426
Share issue costs	(5,232,178)	-	-	-	(5,232,178)
Share-based payments	-	-	3,809,352	-	3,809,352
Demerger Dividend	-	(171,204,652)	-	-	(171,204,652)
At 31 December 2016	252,536,062	(71,706,549)	24,385,861	8,223,502	213,438,876

Notes to the Financial Statements for the Half-Year ended 31 December 2017

1. CORPORATE INFORMATION

The financial report of Metals X for the half-year ended 31 December 2017 was authorised for issue in accordance with a resolution of the directors on 20 February 2018.

Metals X 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 5, 197 St Georges Terrace, Perth, WA 6000.

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 2016 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 for the year ended 30 June 2017 and considered together with any public announcements made by Metals X and its controlled entities during the half-year ended 31 December 2017 in accordance with the continuous disclosure obligations of the ASX listing rules.

(b) Basis of consolidation

The half-year report is comprised of the financial statements of Metals X 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

Since 1 July 2017, the Consolidated Entity has adopted all Accounting Standards and Interpretations mandatory to annual periods beginning on or after 1 July 2017. Adoption of these standards and interpretations did not have any effect on the financial position or performance of the Consolidated Entity. The accounting policies adopted are consistent with those followed in the preparation of the Consolidated Entity's annual consolidated financial statements for the year ended 30 June 2017. The Consolidated Entity has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

Notes to the Financial Statements for the Half-Year ended 31 December 2017 (continued)

3. REVENUE

	31 December 2017	31 December 2016
Tin sales	42,503,547	40,193,430
Copper sales (a)	45,473,704	86,601,154
Interest received	368,199	1,176,506
Total revenue	88,345,450	127,971,090

(a) Total copper sales for the period was 4,404 tonnes (2016: 12,437), out of which 4,314 tonnes (2016: 8,178) of copper, provisionally sold at the reporting date, has been revalued at a weighted average price of US$7,157 (2016: US$5,500). The net movement in trade receivables due to fair value adjustments is an increase of $9,064,457 (2016: $5,414,829) which has been included in revenue from the sale of copper.

4. INCOME TAX

In the current period, an income tax benefit of $614,553 has been recorded as a result of the unrecognised losses utilised to offset the deferred tax liabilities. In the previous period, following the demerger of the gold business unit, a deferred tax asset amounting to $32,149,109 previously recognised by the Consolidated Entity to offset deferred tax liabilities relating to the gold business unit was derecognised. The deferred tax asset did not qualify for recognition as it was not probable that future taxable profit would be available against which the deferred tax asset could be utilised. The deferred tax asset was derecognised and an income tax expense of $32,149,109 was recognised in profit and loss. In addition, an income tax expense of $2,033,659 was recognised in profit and loss.

5. TRADE AND OTHER RECEIVABLES

	31 December 2017	30 June 2017
Trade receivables at fair value (a)	6,338,277	31,096,630
Other trade receivables	3,380,845	4,033,382
Other debtors	8,401,328	9,916,591
	18,120,450	45,046,603

(a) As at 31 December 2017 copper sales totalling 4,314 tonnes remained open to price adjustment (2016: 8,178).

6. INVENTORIES

During the half-year ended 31 December 2017 there was a net inventory write-down of $5,502,173 (2016: $3,868,692) 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.

7. PROPERTY, PLANT AND EQUIPMENT

During the half-year ended 31 December 2017 the Consolidated Entity paid $12,103,688 (2016: $12,853,081) in relation to property, plant and equipment acquisitions.

Notes to the Financial Statements for the Half-Year ended 31 December 2017 (continued)

8. MINE PROPERTIES AND DEVELOPMENT

During the half-year ended 31 December 2017 the Consolidated Entity paid $4,397,283 (2016: $28,396,782) in relation to mine properties and developments costs.

In the previous period an assessment of the carrying value was performed on the Central Musgraves Project and an impairment loss of $72,207,757 was recognised in profit and loss.

9. EXPLORATION AND EVALUATION EXPENDITURE

During the half-year ended 31 December 2017 the Consolidated Entity paid $4,682,882 (2016: $13,593,864) 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 $4,538 (2016: $646,157) was recognised in profit or loss.

10. 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 2017			
	Quoted market price (Level 1)	Valuation technique market observable inputs (Level 2)	Valuation technique non market observable inputs (Level 3)	Total
Financial Assets				
Trade receivables				
Copper sales [1]	-	6,338,277	-	6,338,277
Available-for-sale financial assets				
Listed investments [2]	12,271,595	-	-	12,271,595
Derivatives				
Listed investments [2]	51,250	-	-	51,250
Unlisted investments [3]		105,450		105,450
	12,322,845	6,443,727	-	18,766,572
Financial Liabilities				
Derivatives				
Forward commodity options [4]	-	11,268,390	-	11,268,390
	-	11,268,390	-	11,268,390

Notes to the Financial Statements for the Half-Year ended 31 December 2017 (continued)

10. OTHER FINANCIAL ASSETS AND FINANCIAL LIABILITIES (continued)

	30 June 2017			
	Quoted market price (Level 1)	Valuation technique market observable inputs (Level 2)	Valuation technique non market observable inputs (Level 3)	Total
Financial Assets				
Trade receivables				
Copper sales [1]	-	31,096,630	-	31,096,630
Available-for-sale financial assets				
Listed investments [2]	9,300,778	-	-	9,300,778
Derivatives				
Unlisted investments [3]		99,000	-	99,000
	9,300,778	31,195,630	-	40,496,408
Financial Liabilities				
Derivatives				
Forward commodity options [4]	-	-	-	-
	-	-	-	-

1. The fair value of trade receivables relates to copper provisionally sold at the reporting date. The fair value is based on the applicable LME prices.
2. Quoted market price represents the fair value determined based on quoted prices on active markets as at the reporting date without any deduction for transaction costs. The fair value of available-for-sale financial assets and derivatives are based on quoted market prices.
3. The unlisted investment relates to 1,500,000 unlisted options in Brainchip Holdings Limited. The fair value is determined using a Black & Scholes model, which takes account of factors including the option exercise price, the volatility of the underlying share price, the risk free rate, the market price of the underlying share at grant date and the expected life of the option. Below are the inputs used to value the unlisted options:

	31 December 2017	30 June 2017
Expected Volatility (%)	73%	80%
Risk-free interest rate (%)	2.04%	1.90%
Expected life of options (yrs)	2.42	2.92
Options exercise price ($)	$0.23	$0.23
Share price ($)	$0.185	$0.155

4. The forward commodity options relate to puts and calls granted over 1,500 tonnes of copper per month until July 2018. The puts have a strike price as low as $7,600 per tonne of LME copper and the calls have a strike price as high as $8,255 per tonne of LME copper. The fair value is based on the applicable LME prices.

Transfer between categories

There were no transfers between Level 1 and Level 2, and no transfers into and out of Level 3 fair value measurement.

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 Financial Statements for the Half-Year ended 31 December 2017 (continued)

11. AVAILABLE-FOR-SALE FINANCIAL ASSETS

(a) The Company has a 6.16% (30 June 2017: 6.69%) interest in Brainchip Holdings Limited (Brainchip), which is involved in the development of neural computing technology. Brainchip is listed on the Australian Securities Exchange (ASX). At the end of the period the Company's investment was $11,034,793 (30 June 2017: $9,129,778) which is based on Brainchip's quoted share price.

(b) The Company has a 0.74% (30 June 2017: 0.85%) interest in Auris Minerals Limited (Auris), which is involved in the exploration of base metals in Australia. Auris is listed on the ASX. At the end of the period the Company's investment was $159,000 (30 June 2017: $171,000) which is based on Auris' quoted share price. At the end of the period the market value of the investment was lower than the cost, the Company recognised an impairment of $12,000 (30 June 2017: $24,000).

(c) The Company has an 11.26% (30 June 2017: 21.77%) interest in Nelson Resources Limited (Nelson), which is involved in the exploration of base metals in Australia. Nelson is listed on the Australian Securities Exchange (ASX). At the end of the period the Company's investment was $1,077,801 (30 June 2017: Nil) which is based on Nelson's quoted share price.

The Company does not have significant influence over Nelson as it does not have any board representation or the ability to influence the decision making of Nelson.

12. SHARE BASED PAYMENTS

During the half-year ended 31 December 2017 the Consolidated entity recognised $1,016,611 for share based payments (2016: $3,809,352) in the profit and loss.

On 23 November 2017, 4,900,000 share options were granted to senior employees under the Long Term Incentive Plan (LTIP). The options will become exercisable on 23 November 2018 and will expire if unexercised on 30 November 2020.

On 22 November 2017, 3,200,000 share options were granted to Directors as approved by shareholders at the Company's Annual General Meeting held on 22 November 2017. The options will become exercisable on 22 November 2018 and will expire if unexercised on 30 November 2020.

The fair value of the options granted are estimated using a Black & Scholes model, taking into account the terms and conditions upon which the options were granted.

Details	Employee Options	Director Options
Grant date	23 November 2017	22 November 2017
Expected volatility (%)	50%	50%
Risk-free interest rate (%)	1.90%	1.90%
Expected life of options (yrs)	2.5	2.5
Options exercise price ($)	$1.32	$1.32
Share price at grant date ($)	$1.03	$1.05
Fair value at grant date ($)	$0.24	$0.25

13. DIVIDENDS PAID

	31 December 2017	31 December 2016
Declared and paid during the period		
Unfranked dividend for 2017 $1.00 (2016: Nil)	6,093,409	-

In the previous period the company also made a distribution to shareholders as part of the gold business unit demerger.

Notes to the Financial Statements for the Half-Year ended 31 December 2017 (continued)

14. ISSUED CAPITAL

	31 December 2017	30 June 2017
ISSUED CAPITAL		
Ordinary shares		
Issued and fully paid	254,061,476	252,511,413

	Number of shares on issue	$
Movements in ordinary shares on issue		
At 1 July 2017	**609,340,903**	**252,511,413**
Issue share capital under dividend reinvestment plan	2,096,529	1,557,192
Share issue costs	-	(7,129)
At 31 December 2017	611,437,432	254,061,476
At 1 July 2016	**479,685,300**	**407,029,190**
Capital reduction via demerger (refer to note 17)	-	(341,913,376)
Issue share capital	129,655,603	192,652,426
Share issue costs	-	(5,232,178)
At 31 December 2016	609,340,903	252,536,062

15. COMMITMENTS AND CONTINGENCIES

Commitments

At 31 December 2017, the Consolidated Entity had the following commitments:

- capital expenditure commitments of $6,797,669 principally relating to plant and equipment upgrades and replacements at the Renison Tin Project and Nifty Copper Operation (30 June 2017: $1,537,473);
- lease expenditure commitments of $10,767,753 relating to tenements on which mining and exploration operations are located (30 June 2017: $2,197,114).
- commitments for the transportation of gas from Port Hedland to Nifty. The minimum transportation charges are $2,410,000 per annum (2017: $2,410,000), subject to inflationary adjustments. The gas transportation agreement is valid until 6 December 2019.

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 2017 (continued)

16. OPERATING SEGMENTS

The following table presents revenue and profit information regarding the Consolidated Entity's operating segments for the half-years ended 31 December 2017 and 31 December 2016.

Half-year ended 31 December 2017	Renison Tin Project	Wingellina Nickel Project	Nifty Copper Project	Maroochydore Copper Project	Adjustments and eliminations	Total
Revenue						
External customers	42,503,547	-	45,473,704	-	-	87,977,251
Total revenue	**42,503,547**	**-**	**45,473,704**	**-**	**-**	**87,977,251**
Results						
Segment profit/(loss)	**11,559,688**	**(38,164)**	**(12,890,457)**	**(190)**	**-**	**(1,369,123)**

Half-year ended 31 December 2016	Renison Tin Project	Wingellina Nickel Project	Nifty Copper Project	Maroochydore Copper Project	Adjustments and eliminations	Total
Revenue						
External customers	40,399,872	-	86,394,712	-	-	126,794,584
Total revenue	**40,399,872**	**-**	**86,394,712**	**-**	**-**	**126,794,584**
Results						
Segment profit/(loss)	**11,434,557**	**(72,891,502)**	**(403,242)**	**-**	**72,316,244**	**10,456,057**
Segment assets						
As at 31 December 2017	**95,870,038**	**1,031,702**	**121,406,858**	**4,098,503**	**-**	**222,407,101**
As at 30 June 2017	**90,503,213**	**317,518**	**118,723,860**	**2,419,749**	**-**	**211,964,340**
Segment liabilities						
As at 31 December 2017	**(20,678,239)**	**(235,012)**	**(62,457,397)**	**(769)**	**-**	**(83,371,417)**
As at 30 June 2017	**(18,542,140)**	**(182,012)**	**(63,830,223)**	**-**	**-**	**(82,554,375)**

Unallocated, adjustments and eliminations

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

Current taxes, deferred taxes and certain financial assets and liabilities are not allocated to those segments as they are also managed on a Consolidated Entity basis.

Corporate charges comprise non-segmental expenses such as head office expenses and interest. Corporate charges are not allocated to operating segments.

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 2017 (continued)

16. OPERATING SEGMENTS (continued)

Reconciliation of Revenue	**31 December 2017**	**31 December 2016**
Segment revenue	**87,977,251**	**126,794,584**
Interest revenue	368,199	1,176,506
Group revenue	**88,345,450**	**127,971,090**
Reconciliation of Profit		
Segment (loss)/profit	**(1,369,123)**	**10,456,057**
Corporate administration expenses	(2,428,622)	(1,783,277)
Corporate interest income	368,199	1,176,506
Other income	658,515	2,033,019
Finance costs	(308,620)	(262,602)
Fair value change in financial instruments	26,450	12,371,917
Commodity trading loss	(14,931,829)	(986,715)
Impairment loss on available-for-sale financial assets	(12,000)	-
Impairment loss on mine properties and development	-	(72,207,757)
Acquisition and disposal costs	(31,000)	(5,405,867)
Share-based payments	(1,016,611)	(3,809,352)
Total consolidated loss before income tax from continuing operations	**(19,044,641)**	**(58,418,071)**

Reconciliation of Assets	**31 December 2017**	**30 June 2017**
Segment operating assets	**222,407,101**	**211,964,340**
Unallocated corporate assets		
Cash and cash equivalents	30,648,409	60,725,031
Trade and other receivables	317,084	306,839
Prepayments	13,517	102,093
Other financial assets	9,931,569	99,000
Available-for-sale financial assets	12,271,595	9,300,778
Derivative financial instruments	156,700	
Property, plant and equipment	798,925	550,267
Deferred tax asset	-	-
Group operating assets	**276,544,900**	**283,048,348**
Reconciliation of Liabilites		
Segment operating liabilities	**83,371,417**	**82,554,375**
Unallocated corporate liabilities		
Trade and other payables	2,551,710	614,990
Provision for employee benefits	1,101,561	1,118,618
Interest bearing loans and borrowings	28,531	14,212
Derivative financial instruments	11,268,390	-
Group operating liabilities	**98,321,609**	**84,302,195**

17. IMPAIRMENT OF ASSETS

During the half-year ended 31 December 2016, the Company completed a recoverable amount assessment that resulted in an impairment of the Central Musgraves Project (CMP) by $72,853,914. The Company's strategy is to continue to enhance the option value of the CMP by furthering its work with the Northern Territory Government on road easements, continuing to assess metallurgical processing alternatives, and continuing its discussions with potential joint venture parties for the co-development of the project.

Notes to the Consolidated Financial Statements for the Half-Year ended 31 December 2017 (continued)

18. BUSINESS COMBINATION

Acquisitions in 2016

Acquisition of Aditya Birla Minerals Limited

On 15 October 2015 the Company announced an off-market takeover offer to acquire 100% of the ordinary shares in Aditya Birla Minerals Limited (Aditya Birla), a publicly listed Australian company which owns copper projects in Western Australia. The original offer of 1 Metals X shares for every 5 Aditya Birla share was increased on 7 December 2015 to 1 Metals X shares for every 4.75 Aditya Birla share. At 30 June 2016 the Company held 32.6% of Aditya Birla that was valued at $35,751,390. Metals X acquired Aditya Birla to significantly enlarge the base metals division of the Company.

On 18 July 2016 the unconditional offer was increased to 1 Metals X share for every 4.5 Aditya Birla share, plus $0.08 in cash for every Aditya Birla share. On 20 July the Company gained control of Aditya Birla. On 22 July 2016 the Company obtained over 90% acceptances under the offer and proceeded to compulsory acquire the remaining interests in Aditya Birla. The Company completed the 100% acquisition on 28 August 2016. There were additional costs of $8,171,746 and 1,194,757 Metals X shares with a fair value of $1,911,611 paid to the Aditya Birla shareholders who accepted the offer prior to the increase in consideration on 22 July 2016 that has been expensed in the profit and loss along with a gain of $22,455,274 relating to the 32.6% previously held interest in Aditya Birla. The acquisition has been accounted for using the acquisition method.

Assets acquired and liabilities assumed

In accordance with the Accounting Standard AASB 3 'Business Combinations', the Company is able to provisionally determine the initial accounting for the acquisition. At the date of this report, the fair value of assets and liabilities have been provisionally determined based on the directors' best estimate of their likely fair value. These amounts may be amended when further information to support these values is obtained. The fair values of the identifiable assets and liabilities as at the date of acquisition are:

Assets	**Fair value recognised on acquisition**
Cash and cash equivalents	64,147,982
Trade and other receivables	12,481,931
Other assets	1,444,469
Other financial assets	7,620,000
Inventories	28,338,961
Property, plant and equipment	24,474,940
Mine properties and development costs	53,509,723
Exploration and evaluation expenditure	3,137,063
	195,155,069
Liabilities	
Trade and other payables	17,576,870
Provisions	41,655,605
	59,232,475
Total identifiable net assets as fair value	**135,922,594**
Fair value of previously held investment in Aditya Birla at date of control of 32.6% *	43,923,135
Fair value of Metals X shares (46,938,925 ordinary shares) **	75,101,401
Cash paid	16,898,058
Purchase consideration transferred	**135,922,594**

* Fair value was based on Aditya Birla share price on the date control was gained.

** Fair value was based on Metals X share price on the date control was gained.

Notes to the Consolidated Financial Statements for the Half-Year ended 31 December 2017 (continued)

18. BUSINESS COMBINATION (continued)

Analysis of cash flows on acquisition:	
Cash paid	(16,898,058)
Cash acquired with the subsidiary	64,147,982
Net cash flow	**47,249,924**

The fair value of the trade receivables amounts to $12,481,931 which is the gross amount of trade receivables. None of the receivables have been impaired and it is expected that the full contractual amount can be collected.

Transaction costs relating to external legal fees, consultants fees, technical fees and due diligence costs of $4,151,562 have been expensed and are included in the profit and loss.

19. DISCONTINUED OPERATION – DISTRIBUTION OF CONTROLLED ENTITIES

On 1 December 2016, Westgold was demerged from the Metals X Consolidated Group, following approval by Metals X Shareholders at an Extraordinary General Meeting held on 24 November 2016. Existing Metals X shareholders received shares in Westgold on a 1 Westgold share for every 2 Metals X shares held (in specie distribution). The fair value of Westgold at demerger was $513,118,030, which was determined by multiplying the number of Westgold shares on issue (304,671,487) by the VWAP ($1.684) over the first five days of trading on the ASX.

A profit from discontinued operations of $237,765,012 was recorded in the Statement of Comprehensive Income for the half-year ended 31 December 2016.

20. EVENTS AFTER THE BALANCE DATE

There are no material events after the balance date.

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 2017 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

Warren Hallam
Managing Director
21 February 2018

Auditor's Independence Declaration

EY
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Auditor's independence declaration to the directors of Metals X Limited

As lead auditor for the review of Metals X Limited for the half-year ended 31 December 2017, I declare to the best of my knowledge and belief, there have been:

a) no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and

b) no contraventions of any applicable code of professional conduct in relation to the review.

This declaration is in respect of Metals X Limited and the entities it controlled during the financial period.

Ernst & Young

Ernst & Young

Philip Teale
Partner
21 February 2018

Independent Review Report

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Independent auditor's review report to the members of Metals X Limited

Report on the half-year financial report

Conclusion

We have reviewed the accompanying half-year financial report of Metals X Limited (the Company) and its subsidiaries (collectively the Group), which comprises the consolidated statement of financial position as at 31 December 2017, the consolidated statement of comprehensive income for the half-year ended 31 December 2017, 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.

Based on our review, which is not an audit, nothing has come to our attention that causes us to believe that the half-year financial report of the Group is not in accordance with the *Corporations Act 2001*, including:

a) giving a true and fair view of the consolidated financial position of the Group as at 31 December 2017 and of its consolidated financial performance for the half-year ended on that date; and

b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Directors' responsibility for the half-year financial report

The directors of the Company 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 for such internal control as the directors determine is 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, anything has come to our attention that causes us to believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the Group's consolidated financial position as at 31 December 2017 and its consolidated financial performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of the Group, 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.

Independent Review Report (continued)

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Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*.

Ernst & Young

Ernst & Young

Philip Teale
Partner
Perth
21 February 2018