

15 March 2019

Chris Hesford
ASX Limited
Level 40, Central Park
152-158 St Georges Terrace
PERTH WA 6000

By email: chris.hesford@asx.com.au

Dear Chris

RESPONSE TO ASX AWARE QUERY 13 MARCH 2019

I refer to the Aware Query from ASX Limited (“ASX”) of 13 March 2019 to Metals X Limited (“MLX” or “the Company”). We provide the following responses, adopting the numbering of ASX’s queries:

1. When was power lost to the underground mine at the Nifty Copper Operations?
Approximately 4.30pm AWST on 7 March 2019.
2. When did MLX become aware of the loss of power?
Approximately 4.30pm AWST on 7 March 2019.
3. Does MLX consider the loss of power to be information that a reasonable person would expect to have a material effect on the price or value of its securities?
No.
4. If the answer to question 3 is “no”, please advise the basis for that view.
The loss of power was not a material event. MLX considers power loss not to be an uncommon event at Nifty or other mine sites. The level of materiality depends upon the total amount of time that the mine is off line due to the loss of power. In this instance, the duration of the loss of power was not material.
5. If the answer to question 3 is “yes” and MLX first became aware of the loss of power before the date of the Announcement, being 12 March 2019, please explain why this information was not released to the market at an earlier time, commenting specifically on when you believe MLX was obliged to release the information under Listing Rules 3.1 and 3.1A and what steps MLX took to ensure that the information was released promptly and without delay.
Not applicable.
6. How many tonnes of copper production were lost as a result of the loss of power?
MLX estimates this to be less than 200 tonnes of copper.
7. When did MLX become aware of the impact of the loss of power on the production estimate for the March 2019 Quarter?
At approximately 2.00pm AWST on 11 March 2019 when power was reconnected.
8. Does MLX consider the Revised Production Estimate to be information that a reasonable person would expect to have a material effect on the price or value of its securities?
No.

9. If the answer to question 8 is “no”, please advise the basis for that view.

The expected production range of between 4,000 to 4,200 tonnes of copper in concentrate was not a ‘revised’ production estimate, as no production estimate for the March 2019 quarter had previously been provided by MLX. MLX had not published guidance for the March 2019 quarter for various reasons, including the unreliability and uncertainty associated with legacy infrastructure and mine issues at the Nifty mine and the ongoing work being undertaken by MLX on an initial Life of Mine (LOM) plan. The ongoing uncertainty associated with operations at Nifty and the various issues being addressed at Nifty, all of which impact on production and give rise to uncertainty as to production, have been communicated to the ASX previously (refer for example, December Quarterly released on 23 January 2019).

The power outage was not a material event requiring disclosure. Nor were any other operational factors (being legacy issues surrounding infrastructure and mine services), that impacted production during the quarter, material matters requiring additional disclosure beyond that previously disclosed to the ASX.

During the afternoon of 11 March 2019, after an assessment of the duration of the loss of power, combined with an assessment of other operational factors impacting production for the March 2019 quarter (which then still had 20 days to run), MLX considered that in aggregate this warranted the announcement of an estimate of production for the quarter (noting it was not a ‘revision’ of any previously announced estimate), to keep the market informed.

10. If the answer to question 8 is “yes” and MLX first became aware of the Revised Production Estimate before the date of the Announcement, being 12 March 2019, please explain why this information was not released to the market at an earlier time, commenting specifically on when you believe MLX was obliged to release the information under Listing Rules 3.1 and 3.1A and what steps MLX took to ensure that the information was released promptly and without delay.

Not applicable.

11. Please confirm that MLX is complying with the Listing Rules and, in particular, Listing Rule 3.1.

MLX confirms that it is complying with the Listing Rules and, in particular, Listing Rule 3.1.

12. Please confirm that MLX’s responses to the questions above have been authorised and approved in accordance with its published continuous disclosure policy or otherwise by its board or an officer of MLX with delegated authority from the board to respond to ASX on disclosure matters.

MLX confirms its responses to the questions above have been authorised and approved in accordance with its published continuous disclosure policy and by its board.

Sincerely



Fiona Van Maanen
CFO and Company Secretary



13 March 2019

Ms Fiona Van Maanen
Company Secretary
Metals X Limited
Level 5, 197 St Georges Terrace
PERTH WA 6000

By email: Fiona.vanmaanen@metalsx.com.au

Dear Ms Van Maanen

Metals X Limited ('MLX'): **Aware Query**

ASX refers to the following:

- A. MLX's announcement entitled "*Update of Operations: Underground Mine at Nifty*" lodged on the ASX Market Announcements Platform and released at 08:23 am on 12 March 2019 (the "Announcement"), disclosing:

"that a temporary loss of power to the underground mine at its Nifty Copper Operations (Nifty) has now been resolved, however production for the March 2019 quarter will be impacted"; and

"Production for the March 2019 quarter is now expected to be in the range of 4,000 tonnes to 4,200 tonnes of copper in concentrate." ("Revised Production Estimate").

- B. The change in the price of MLX's securities from a closing price of \$0.285 on Monday 11 March 2019 to a closing price of \$0.26 today.
- C. Listing Rule 3.1, which requires a listed entity to immediately give ASX any information concerning it that a reasonable person would expect to have a material effect on the price or value of the entity's securities.
- D. The definition of "aware" in Chapter 19 of the Listing Rules, which states that:

"an entity becomes aware of information if, and as soon as, an officer of the entity (or, in the case of a trust, an officer of the responsible entity) has, or ought reasonably to have, come into possession of the information in the course of the performance of their duties as an officer of that entity" and section 4.4 in Guidance Note 8 Continuous Disclosure: Listing Rules 3.1 – 3.1B "When does an entity become aware of information."

- E. Listing Rule 3.1A, which sets out exceptions from the requirement to make immediate disclosure, provided that each of the following are satisfied.

"3.1A Listing rule 3.1 does not apply to particular information while each of the following is satisfied in relation to the information:

3.1A.1 One or more of the following applies:

- It would be a breach of a law to disclose the information;*
- The information concerns an incomplete proposal or negotiation;*
- The information comprises matters of supposition or is insufficiently definite to warrant disclosure;*
- The information is generated for the internal management purposes of the entity; or*
- The information is a trade secret; and*

3.1A.2 *The information is confidential and ASX has not formed the view that the information has ceased to be confidential; and*

3.1A.3 *A reasonable person would not expect the information to be disclosed.*”

- F. ASX’s policy position on the concept of “confidentiality”, which is detailed in section 5.8 of Guidance Note 8 *Continuous Disclosure*: Listing Rules 3.1 – 3.1B. In particular, the Guidance Note states that:

“Whether information has the quality of being confidential is a question of fact, not one of the intention or desire of the listed entity. Accordingly, even though an entity may consider information to be confidential and its disclosure to be a breach of confidence, if it is in fact disclosed by those who know it, then it ceases to be confidential information for the purposes of this rule.”

Request for Information

Having regard to the above, ASX asks MLX to respond separately to each of the following questions and requests for information:

1. When was power lost to the underground mine at the Nifty Copper Operations?
2. When did MLX become aware of the loss of power?
3. Does MLX consider the loss of power to be information that a reasonable person would expect to have a material effect on the price or value of its securities?
4. If the answer to question 3 is “no”, please advise the basis for that view.
5. If the answer to question 3 is “yes” and MLX first became aware of the loss of power before the date of the Announcement, being 12 March 2019, please explain why this information was not released to the market at an earlier time, commenting specifically on when you believe MLX was obliged to release the information under Listing Rules 3.1 and 3.1A and what steps MLX took to ensure that the information was released promptly and without delay.
6. How many tonnes of copper production were lost as a result of the loss of power?
7. When did MLX become aware of the impact of the loss of power on the production estimate for the March 2019 Quarter?
8. Does MLX consider the Revised Production Estimate to be information that a reasonable person would expect to have a material effect on the price or value of its securities?
9. If the answer to question 8 is “no”, please advise the basis for that view.
10. If the answer to question 8 is “yes” and MLX first became aware of the Revised Production Estimate before the date of the Announcement, being 12 March 2019, please explain why this information was not released to the market at an earlier time, commenting specifically on when you believe MLX was obliged to release the information under Listing Rules 3.1 and 3.1A and what steps MLX took to ensure that the information was released promptly and without delay.
11. Please confirm that MLX is complying with the Listing Rules and, in particular, Listing Rule 3.1.
12. Please confirm that MLX’s responses to the questions above have been authorised and approved in accordance with its published continuous disclosure policy or otherwise by its board or an officer of MLX with delegated authority from the board to respond to ASX on disclosure matters.

When and where to send your response

This request is made under Listing Rule 18.7. Your response is required as soon as reasonably possible and, in any event, by no later than **5:00 PM AWST Friday, 15 March 2019**.

You should note that if the information requested by this letter is information required to be given to ASX under Listing Rule 3.1 and it does not fall within the exceptions mentioned in Listing Rule 3.1A, MLX's obligation is to disclose the information "immediately". This may require the information to be disclosed before the deadline set out in the previous paragraph and may require MLX to request a trading halt immediately.

If you wish to request a trading halt, you must tell us:

- the reasons for the trading halt;
- how long you want the trading halt to last;
- the event you expect to happen that will end the trading halt;
- that you are not aware of any reason why the trading halt should not be granted; and
- any other information necessary to inform the market about the trading halt, or that we ask for.

We require the request for a trading halt to be in writing. The trading halt cannot extend past the commencement of normal trading on the second day after the day on which it is granted.

You can find further information about trading halts in Guidance Note 16 *Trading Halts & Voluntary Suspensions*.

ASX reserves the right to release a copy of this letter and your response on the ASX Market Announcements Platform under Listing Rule 18.7A. Accordingly, your response should be in a form suitable for release to the market.

Your response should be sent to me by e-mail at ListingsCompliancePerth@asx.com.au. It should not be sent directly to the ASX Market Announcements Office. This is to allow me to review your response to confirm that it is in a form appropriate for release to the market, before it is published on the ASX Market Announcements Platform.

Listing Rules 3.1 and 3.1A

In responding to this letter, you should have regard to MLX's obligations under Listing Rules 3.1 and 3.1A and also to Guidance Note 8 *Continuous Disclosure: Listing Rules 3.1 – 3.1B*. It should be noted that MLX's obligation to disclose information under Listing Rule 3.1 is not confined to, nor is it necessarily satisfied by, answering the questions set out in this letter.

Suspension

If you are unable to respond to this letter by the time specified above ASX will likely suspend trading in MLX's securities under Listing Rule 17.3.

Enquiries

If you have any queries or concerns about any of the above, please contact me immediately.

Yours sincerely

Chris Hesford
Adviser, Listings Compliance (Perth)