



Significant Events During the Quarter

Tasmanian Tin Project (50% MLX)

- Mine Production of 127,481 tonnes @ 1.28% Sn.
- The Tin Concentrator processed 139,002 tonnes at 1.34% Sn, producing 1,186 tonnes of tin in concentrates and 147 tonnes of copper in concentrates as a co-product.
- The project EBITDA remained positive despite significantly lower metal prices and lower overall production grades. The project returning an unaudited EBITDA of \$2.2M (\$1.1M MLX 50% Share).
- A substantial upgrade and replacement of the underground mining fleet was completed in late January 2012 which will result in a significant improvement in mine productivity.
- The overall tin market has rebounded strongly in recent weeks (up 30% since mid-December) in response to low world tin stocks.
- Capital re-investment into exploration has continued to be successful, with the highlight being a new mineralised area discovered between the Northern and Southern Renison decline access, known as the Central Federal Basset Zone.

Central Musgrave (including Wingellina) Projects

- Metals X continues to progress the Wingellina Project to a development ready scenario. The main activity for the quarter was work on finalising the bore field water studies in order to satisfy new guidelines in completing the submission for environmental approval.
- Discussions with several international entities for funding and development of the project continued to advance.

Strategic Investments

- Independence Group NL (ASX:IGO) (2.82% MLX) – mark to market value \$26.2M (27/01/12).
- Westgold Resources Limited (ASX:WGR) (25.02% MLX) – mark to market value \$20.2M (27/01/12).
- Mongolian Resource Corporation Ltd (MRC) (ASX:MUB) (16.97% MLX) – mark to market value \$2.6M (27/10/11).
- Aziana Limited (25.0% MLX) - mark to market value \$4.1M (27/01/12).

Corporate

- Closing cash and working capital of \$75M and no corporate debt.

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Metals X Limited is a diversified group exploring and developing minerals and metals in Australia. It is Australia's largest tin producer and holds a pipeline of assets from exploration to development, including the world-class Wingellina Nickel Project.

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Tin
Collingwood Tin Project
Renison Tin Project
Rentails (Renison Expansion)

Nickel
Central Musgrave Project
Wingellina Deposit
Claude Hills Prospect

Investments
Westgold Resources Ltd
Independence Group NL
Aziana Limited
Mongolian Resource Corp



Tasmanian Tin Operations (MLX 50%)

Mining productivity was slightly lower (-2.6%) and overall tin production was approximately 5% lower (1,186 tonnes of tin metal in concentrates) than the previous quarter.

The processing plant throughput was 20% higher than the previous quarter as a result of available stockpiled ore at the end of the previous quarter. Mined grade was lower than the September quarter mainly as a result of the mining of remnant ore while additional high grade areas are being developed. Mine productivity, although in line with the previous quarter was under expectations due to equipment availability and consequential delays in bringing high grade stoping areas on line.

During the quarter, the replacement and upgrade of the mining fleet continued and a new high capacity truck fleet was commissioned and put into service. The delivery of an additional Jumbo and charge up machine has been received and is now commissioned and operating. This is expected to improve the mines stoping performance, improve the rate of development and create additional flexibility in the mine. Two new loaders were delivered late in the quarter and the remaining two loaders arrived in late January and are currently being put into service. The Joint Venture management is also continuing to work closely with the mining contractor with the focus on improving productivity in the underground mine.

The mining areas of Upper Federal, Huon Extension and Mawson will be accessed in January, the Huon Remnant stopes in February and Area 4 is scheduled for first ore development in April. Accessing these areas will provide additional production flexibility from the underground mine and improve the overall mine grades.

The unaudited cash operating surplus (EBITDA) from the Tasmanian Tin operations for the quarter was \$2.2M (\$1.1M - MLX 50% share) which was lower than the previous quarter mainly due to the lower tin price and the slightly lower production. Total capital investment for the project during the quarter was \$17.4M of which \$11.5M (\$5.7M MLX 50% share) was for the replacement and upgrading of the mining fleet. Capital reinvestment on mine development and exploration was \$6.0M (\$3.0M MLX 50% share) which was again inline with the previous quarter as the focus continues on the accelerated refurbishment and development of the North Renison decline to access the northern lodes, that will bring forward additional high grade production capacity and flexibility.

Operating performance for the quarter is summarised as follows:

	October	November	December	Qtr Total	Previous Qtr
Total Mine Production					
Ore Tonnes	50,288	36,206	40,987	127,481	130,985
ROM Grade (% Sn)	1.55	1.02	1.17	1.28	1.63
Tin Concentrator					
Tonnes treated	48,538	47,481	42,983	139,002	121,907
Head Grade (% Sn)	1.63	1.21	1.15	1.34	1.60
Tail Grade (% Sn)	0.56	0.47	0.43	0.49	0.60
Tin Metal Produced (t)	519	365	302	1,186	1,251
Copper Metal Produced (t)	40	76	33	147	103

The Renison Tin Concentrator performance was generally dictated by the mine performance. A review of the grinding circuit was undertaken during the quarter by Metso Minerals Limited to optimise and maximise the grinding throughput. Initial results indicate that the processing plant through-put can be increased by approximately 10% with improvements of the mill classification circuit. Various options are currently being evaluated and will be implemented as required. In addition several improvement projects have been put in place that are anticipated to result in recovery improvements over the following months. The crushing circuit was also fully refurbished during the quarter in anticipation for improved mining productivity.

The tin price during the quarter was once again highly influenced by the overall general decline in commodity prices as a result of the overall global economic sentiment. The average tin price for the quarter was A \$20,852 compared to average prices of A\$23,542 and A\$27,047 for the June and March quarters respectively. The LME tin stockpiles have decline by approximately 60% since the middle of September, declining from 23,250 tonnes on 18 September 2011 to 9,365 tonnes as of 27 January 2012, equivalent to less than 10 days of global supply. Global supply is forecast to remain constrained over the next couple of years while demand has started to show strong signs of growth mainly within the electronics industry, resulting in a forecast deficit of approximately 10,000t for 2012. The overall negative sentiment of base metal markets has now been overtaken by the outstanding fundamentals of supply and demand and the tin price has increased significantly from its recent low of US\$18,610 as of 15 December 2011 to be currently trading above US\$24,300 (27/01/12), a 30% increase.

The cash operating cost for the quarter was \$19,541/t of tin metal which is significantly higher than future expectations and are inflated by the quarters lower mined grades and consequential lower tin production.

The following table summarises the financial performance from Metals X's 50% share of the Renison Project for the quarter.

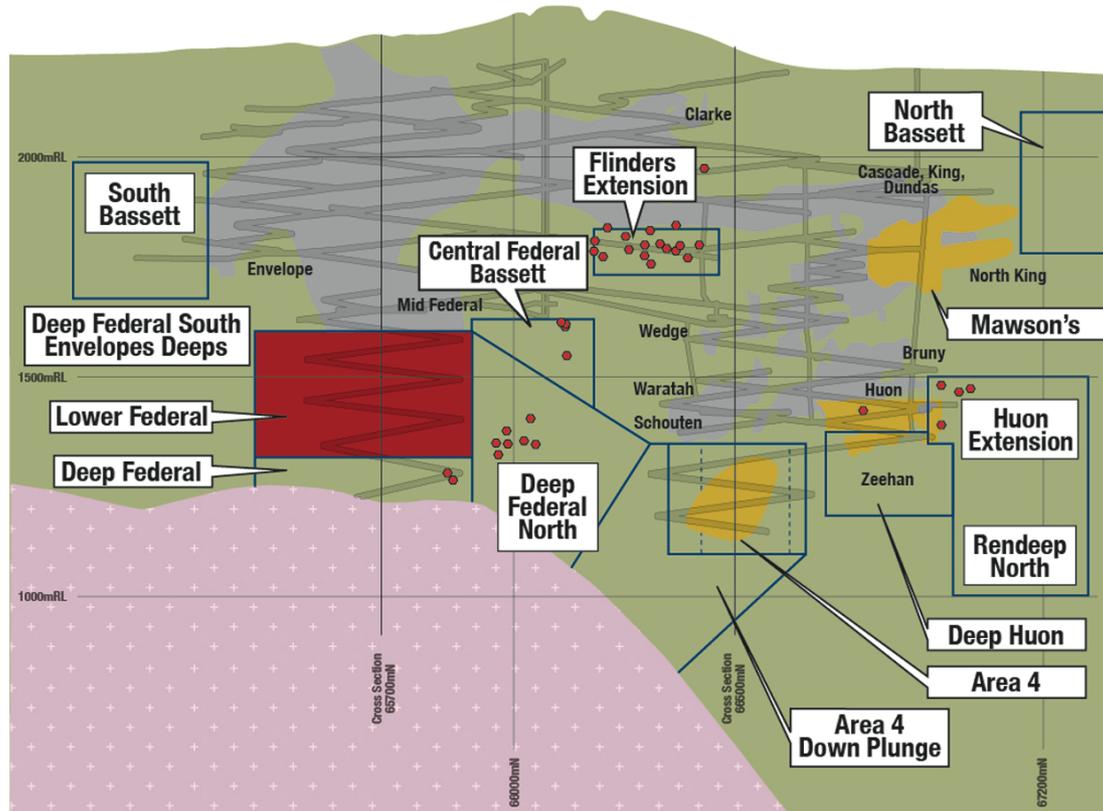
	December Qtr Total	Previous Qtr
Revenue (Imputed)	\$12.4M	\$14.6M
EBITDA	\$1.1M	\$4.0M
Capital Re-investment	\$8.7M	\$3.9M
Net Cashflow	\$(2.5)M	\$0.1M
Operating Costs	A\$19,541	A\$17,506
Tin Price Received	A\$20,826	A\$23,596
Cash Operating Margin	A\$1,285/t	A\$6,090/t

Exploration

Underground and Surface exploration continued during the quarter focusing on the upgrading and extension of the Resources and Reserves of the Renison mine and on exploration of near surface targets within the Renison Mining Lease.

The main areas of focus were extensions to the Federal lode to the north of the current mining area, extending the remnant Flinders mineralisation, and expanding the defined extents of the high-grade Huon orebody.

Significantly, continued application of the Renison Team's system-scale approach to resource modeling and evaluation during the quarter highlighted an area between the northern and southern segments of the mine that appeared to present a favorable structural setting for tin mineralisation. Subsequent drill testing has returned significant grades in this Central Federal Bassett zone within 50 metres of existing development. Follow-up drilling will continue during the March quarter with a view to finalising a development strategy for this area.



Renison Mine Development schematic longitudinal projection.

Drilling of the Northern extent of the Federal Zone continues to return exceptional results, confirming the continuity of the Federal system and its economic potential both along-strike from, and below the current mining area. These extensions will allow the Renison operation to leverage off current development into these areas. The robustness of the Federal system at depth is being further improved by the identification and delineation of a series of splays and parallel faults off the main Federal structure. These features are frequently proving to be mineralised to economic levels, and as with the extension to the main system, provide access to additional metal for little or no capital development outside of the existing mine plan.

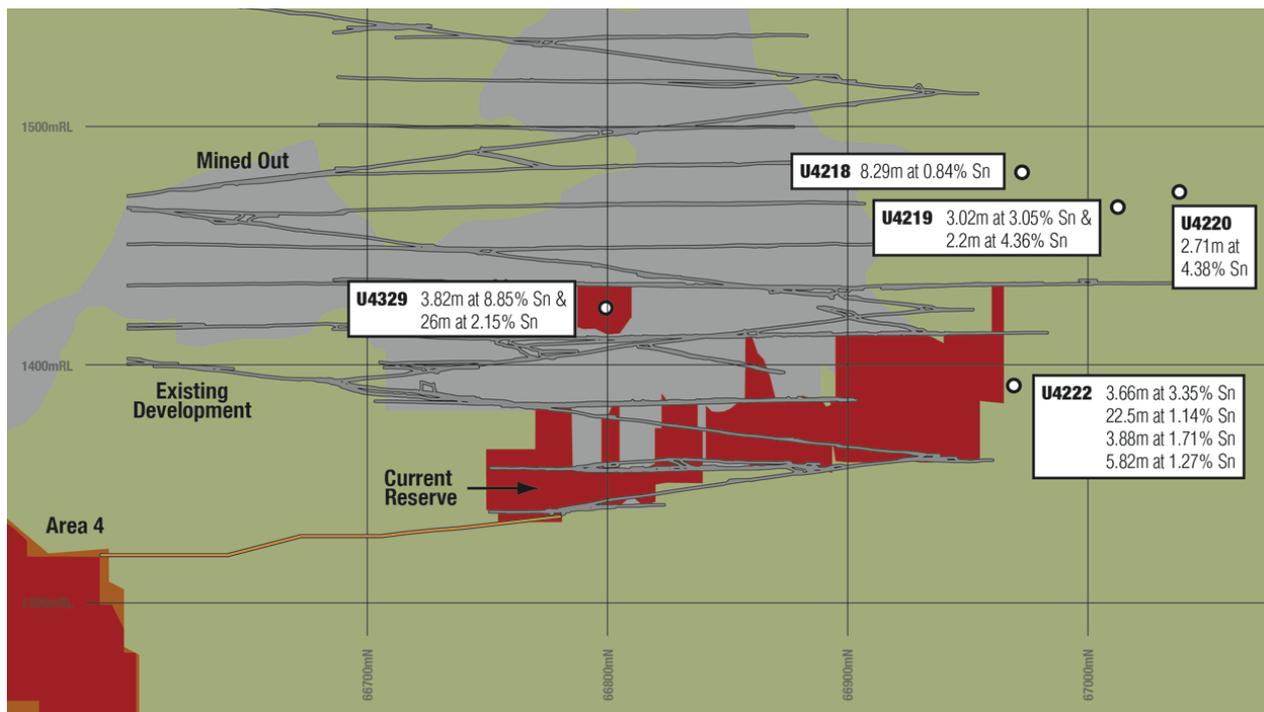
The most significant drill results (true width x tin grade of >5) returned for the quarter from the Federal system include:

Lode	Hole	N	E	Intercept	From
Federal	U4486A	65,877	44,575	3.39m @ 3.13%Sn & 3.23%Cu	111.9
Lower Federal North	U4530	65,038	44,518	2.24m @ 5.16%Sn & 1.26%Cu	117.3
	U4533	65,965	44,550	2.37m @ 3.84%Sn & 1.74%Cu	94.0
	U4533	65,965	44,554	5.8m @ 2.8%Sn & 0.63%Cu	100.6
	U4533	65,966	44,563	2.27m @ 5.8%Sn & 0.38%Cu	109.5
	U4532	65,982	44,518	1.83m @ 3.22%Sn & 0.01%Cu	76.0
	U4534A	65,994	44,540	1.31m @ 7.56%Sn & 0.7%Cu	95.0
	U4488	65,863	44,578	1.47 @ 4.04%Sn & 1.11%Cu	122.9
	U4594	66,987	44,553	3.34m @ 3.01%Sn & 0.45%Cu	10.0
	U4475	65,788	44,602	5.0m @ 1.14%Sn & 0.88%Cu	192.0
	U4585	65,984	44,544	4.46m @ 5.16%Sn & 0.51%Cu	15.98
	U4489	65,898	44,573	11.75m @ 3.88%Sn & 1.19%Cu	130.64
	U4593	66,024	44,539	1.78m @ 2.81%Sn & 0.75%Cu	12.0

Minimal exploration between the Northern and Southern zones of mine development has been conducted historically. This area, known as the Central Federal Bassett (CFB), which is located within close proximity of the current development and mine infrastructure and can be readily accessed. The continued development and appraisal of the Renison Global Resource Model highlighted a zone within the CFB area that provided a structural setting that presented a favorable setting for tin mineralisation. Testing of this conceptual target during the quarter returned several bonanza results, providing significant encouragement to fast-track evaluation work in this area. The most significant results (true width x tin grade of >5) returned are as follows:

Lode	Hole	N	E	Intercept	From
CFB	U4545A	66,117	44,415	1.83m @ 12.89%Sn & 2.25%Cu	27.55
CFB	U4545A	66,119	44,450	2.13m @ 2.51%Sn & 2.58%Cu	75.64
CFB	U4545A	66,121	44,488	4.33m @ 2.06%Sn & 0.25%Cu	127.96
CFB	U4545A	66,121	44,496	2.51m @ 2.13%Sn & 0.27%Cu	138.92
CFB	U4545	66,117	44,414	1.41m @ 4.17%Sn & 3.18%Cu	23.89

The Huon orebody was the main production source of the Renison underground mine prior to being flooded and abandoned in 2003 when tin prices were approximately US\$4,000 per tonne. The Recent completion of dewatering and refurbishment has enabled access to this area and the commencement of testing of the extensions of the Huon lode.



Renison Huon Lode

Early significant results (true width x tin grade of >5) returned from the Huon area are as follows:

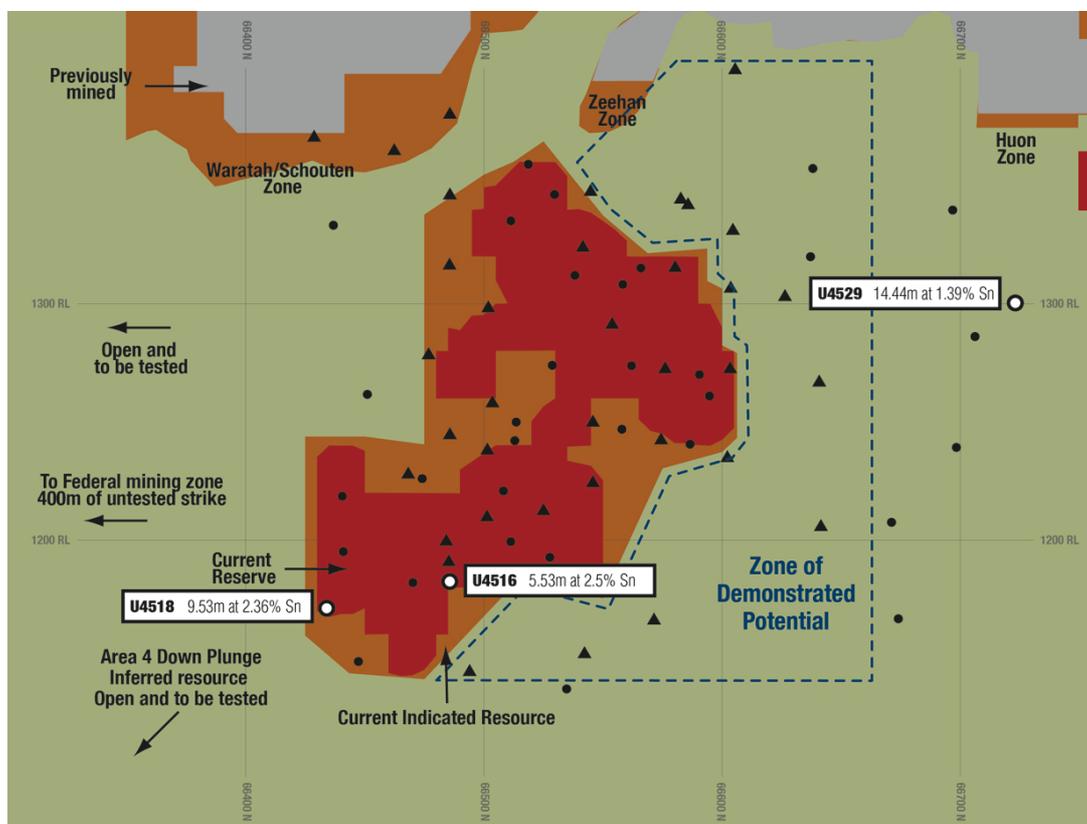
Lode	Hole	N	E	Intercept	From
Huon	U4329	66,811	44,421	3.49m @ 5.85%Sn & 0.15%Cu	30.18
Huon	U4329	66,802	44,439	23.75m @ 2.15%Sn & 0.37%Cu	50.0
Huon	U4218	66,972	44,412	7.11m @ 0.84%Sn & 0.13%Cu	90.71
Huon	U4220	67,039	44,419	2.4m @ 4.38%Sn & 0.24%Cu	131.3

Lode	Hole	N	E	Intercept	From
Huon	U4222	66,972	44,449	13.1m @ 1.14%Sn & 0.05%Cu	169.81
Huon	U4222	66,968	44,422	2.13m @ 3.35%Sn & 0.19%Cu	132
Huon	U4219	67,007	44,420	2.56m @ 3.05%Sn & 0.32%Cu	114.46
Huon	U4219	67,013	44,432	1.86m @ 4.36%Sn & 0.14%Cu	128.29

Extending the boundaries of the Huon mineralised zone into the Rendeep North area will remain a focus over the coming months.

Infill and extensional drilling of Area 4 continued during the quarter, with excellent results again being received from both within and around the current resource area.

The extension of the North Renison decline is now approaching the upper zone of Area 4. Drill platforms will be established from Area 4 development and will facilitate further drilling targeted towards the upgrade and extension of the Area 4 Down-Plunge Inferred resource (948,000t @ 1.84% Sn).

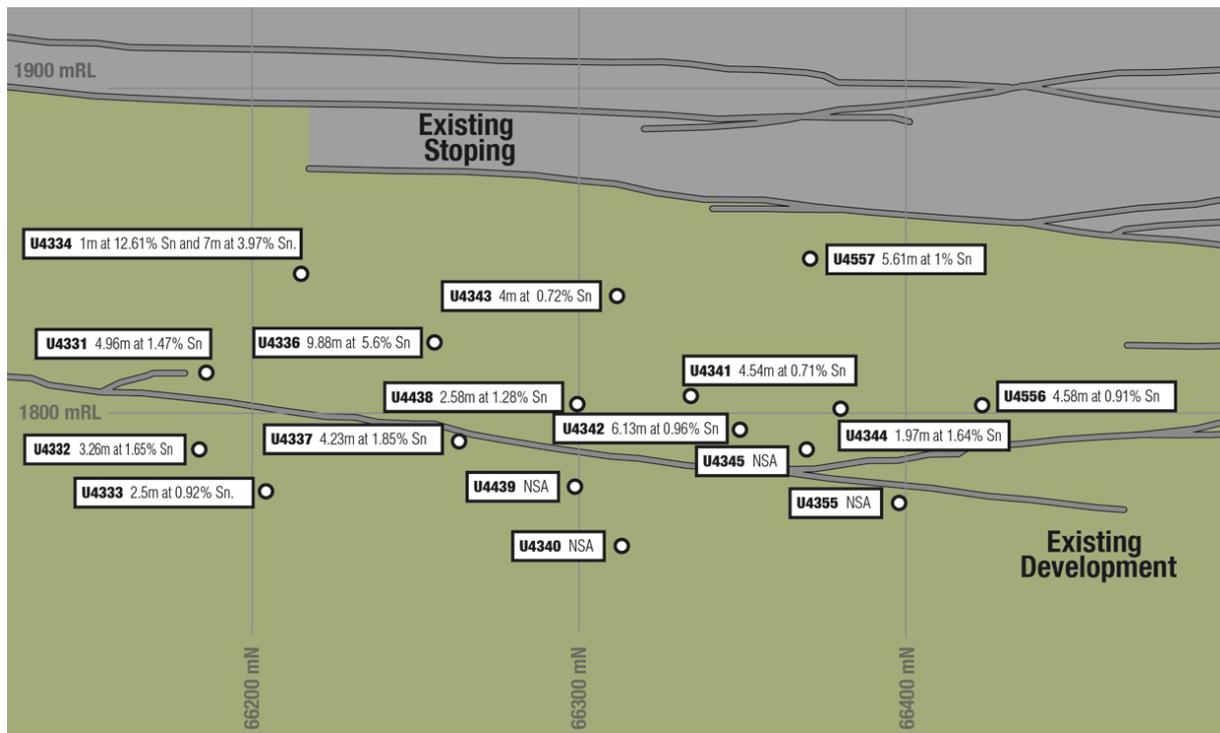


Renison Area 4 Recent Results

The most significant results (true width x tin grade of >5) returned for the quarter from Area 4 are as follows:

Lode	Hole	N	E	Intercept	From
Area 4	U4516	66,482	44,570	2.42m @ 2.50%Sn & 0.10%Cu	233.0
Area 4	U4517	66,429	44,529	9.44m @ 1.39%Sn & 0.16%Cu	224.0
Area 4	U4518	66,429	44,541	5.05m @ 2.36%Sn & 0.18%Cu	254.6
Area 4	U4529	66,714	44,517	12.68m @ 1.39%Sn & 0.07%Cu	184.1

As a result of the continual review of the historical mining zones, numerous areas of potential located within close proximity to existing underground infrastructure, have been identified. During the quarter drilling to determine the extents of one of these targets, the Flinders zone, was undertaken with some exceptional results being received.



Renison Flinders Lode

The most significant results (true width x tin grade of >5) returned from Flinders are as follows:

Lode	Hole	N	E	Intercept	From
Flinders	U4334	66,217	44,351	0.84m @ 12.61%Sn & 0.2%Cu	53.0
Flinders	U4334	66,215	44,353	5.88m @ 3.97%Sn & 0.22%Cu	57.0
Flinders	U4336	66,254	44,335	8.82m @ 5.6%Sn & 0.09%Cu	31.07
Flinders	U4331	67,186	44,357	4.96m @ 1.47%Sn & 0.88%Cu	65.0
Flinders	U4332	66,185	44,366	3.14m @ 1.65%Sn & 0.97%Cu	72.2
Flinders	U4337	66,261	44,360	4.04m @ 1.85%Sn & 0.29%Cu	49.77
Flinders	U4342	66,344	44,343	6.09m @ 0.96%Sn & 0.23%Cu	66.3

The success of the Flinders program provides encouragement to continue the systematic identification and evaluation of remnant opportunities in the underground mine environment. Flinders is currently undergoing mining evaluation.

Surface Exploration

The ongoing surface diamond drill program to date has successfully delineated near-surface mineralisation that will be exploitable via open pit mining methods at Dalcoath and Federal, with work currently in progress on defining the southern extensions to the Sligo orebody.

The surface drilling program has also been successful in intersecting carbonate replacement-hosted tin mineralisation abutted to the Argent Fault structure, significantly to the southwest of the Federal - Bassett Fault which has long been regarded as the primary source of tin-bearing mineralising fluid in Renison environment. This early success with a near-surface conceptual, structural target, provides significant encouragement that there exists the potential for economic tin mineralisation to occur outside of the existing Renison mine “footprint”.

Results of both the surface resource development and exploration programs will be evaluated upon completion of the programs in early February, and subsequently used to both refine the surface resource base and to plan effective follow-up drilling for the Argent Fault zone. Work is also progressing on defining the second tranche of conceptual targets for testing via the integration of structural analysis with the results of the recently completed geophysical review of the Renison area.

Nickel Division

Central Musgrave Project (including Wingellina Nickel Deposit)

The Wingellina Nickel and Cobalt project is a massive nickel limonite deposit, which exhibits significantly different characteristics to the nickel laterite deposits that have been developed in the eastern goldfields of Australia. Wingellina hosts a resource of 1.8Mt of contained nickel and 140Kt of contained cobalt, and is classified as a Limonite or "Pure Oxide Tropical Laterite" deposit, very similar in style to Moa Bay where Sherritt Gordon developed and have successfully operated High Pressure Acid Leach (HPAL) for over 50 years.

Metals X completed its Phase 1 Feasibility Study (+/- 25%) in September 2008, defining a robust project with a minimum 40 year mine life at an average annual production rate of 40,000t of nickel and 3,000t of cobalt. The Feasibility Study assumed a nickel price of US\$20,000/t nickel, US\$40,000/t cobalt and an A\$/US\$ exchange rate of 0.85, resulting in an estimated NPV(8%) of \$3.4 Billion at a production cost of US\$3.34/lb after cobalt credits.

In July 2010 the company entered into an agreement with the Native Title Holders and their representative bodies allowing Metals X to develop a mining operation at Wingellina.

During the quarter Metals X continued with activities associated with getting the project development ready including its environmental approvals. All works required for submission of the Public Environmental Review ("PER") document are complete except for detailed definition of the proposed water source which is now a requirement for the PER submission and is the focus of current activities.

Metals X successfully tested the known aquifer in L69/12, approximately 100km South West of Wingellina in the June 2011 quarter. Reverse circulation drilling of two holes intersected a significant aquifer at approximately 140m below surface. As a result of the excessive ground water pressure the drill was unable to progress further than 230m. Data from the historical Vines 1 hole in the region, and hydrological modeling suggests that the aquifer extends to 300m below surface.

Regulatory approvals required for full definition of the potential borefield have now been obtained, and drilling is expected to commence in the ensuing quarter. It is expected that the final PER documentation for the project will be submitted by mid 2012.

Metals X has been and remains in detailed discussions with several international entities regarding the development and funding of the project.

Mt Davies Regional

The delayed geophysical EM surveys using the SPECTREM system, a proprietary Anglo American developed technology, commence at the end of the quarter following long awaited Civil Aviation Authority approvals for the aircraft.

The EM survey is expected to be completed in the March 2012 quarter, and is the next step in the search for sulphide mineralisation in the area. Once results of the survey are available, Metals X will set its forward exploration program in South Australia as a matter of priority.

Strategic Investments

Metals X operates a strategy of project gestation where it invests and actively supports exploration and development projects by investment in other companies with specialist teams. The objective is to allow the exploration and scientific application required for exploration to run its course and be funded by a dedicated budget that does not compete with other projects in the group for capital.

The experienced team of mining professionals at Metals X carefully evaluates and actively supports its investments both technically and fiscally. The key strategic holdings of Metals X are:

Westgold Resources Limited (25% MLX)

Westgold boasts a resource of over 3.2 million ounces of Gold Equivalent and is endeavoring to become Australia's next mid-tier gold producer with targeted production of 200,000 ounce per annum from two development ready projects:

1. The Central Murchison Gold Project ("CMGP") – Western Australia
2. The Rover Project - Tennant Creek Region, Northern Territory

The CMGP straddles the three historic goldfields of Big Bell, Cuddingwarra and Day Dawn which hosts a total Identified Mineral Resource Estimate of 2 million ounces of gold from a number of high-grade underground and lower grade open pit sources within the project area. Westgold's strategy is to build a centralised processing plant to re-commence mining and production from as early as 2012 from underground and open pit mines within its Central Murchison Project.

At its Rover Project near Tennant Creek in the Northern Territory Westgold is also targeting production from its Rover 1 Prospect where it has defined a virgin deposit of +1.2M oz gold equivalent resource. Westgold is finalising a feasibility study and associated infrastructure studies to enable the projects development.

During the quarter Westgold announced that GR Engineering Services was appointed to manage the processing plant and infrastructure component of the Definitive Feasibility Study (DFS) for the Central Murchison Gold Project (CMGP). A consolidated production schedule for the project has now been completed and work on the preliminary design of the process plant is underway.

Exploration at the CMGP continued to focus on defining additional near surface open pit deposits and further intercepts of shallow high grade mineralisation have been reported which continued to outline the prospectivity for additional open pit material.

At Rover, Westgold has completed a detailed geophysical survey which has outlined over twenty untested coincident magnetic and gravity targets and the company is continuing to process the data for the fine tuning of or identification of additional targets. Strong alteration has been identified in the three additional targets tested to date – Rover 7, Pathfinder 1 and Pathfinder 7 with some minor copper sulphides being observed in the latter.

Metals X's holding in Westgold was valued at \$20.2M on 27/01/2012. For detailed information please refer to ASX Announcements by Westgold Resources Limited (ASX: WGR).

Independence Group NL (3.2% MLX)

During the quarter Independence announced a further upgrade to the Tropicana (IGO 30%) Mineral Resource. The resource now stands at 6.41M ounces an increase of 1.05M ounces. First gold production is anticipated for the 2013 December quarter with an estimated cash cost of \$580-\$600/oz for the first 3 years and \$710-\$730/oz over the estimated 10 year life. IGO's estimated share of capital is \$220M.

Independence also announced that the mine life at Long had been increased by 27% to an estimated 6.5 years after taking into consideration of the 2010/2011 production. Mining reserves stand at approximately 58,100 tonnes Ni.

Independence Group also announced that as a result of lower commodity prices along with lower production and higher capital costs at its Jaguar operations (which in most have been resolved), it was undertaking a capital raising to ensure the company maintained a strong balance sheet with the flexibility to fund its growth strategy. A total of approximately \$148M is to be raised of which approximately \$118M has been raised from a placement to institutional investors and \$30M from an SPP which closes on the 31 January 2012. As a result of the \$118M placement Metals X position has been diluted from 3.2% to 2.82%.

Metals X's holding in Independence was valued at \$26.2M on 27/01/2012. For detailed information please refer to ASX Announcements by Independence Group NL (ASX: IGO).

Mongolian Resources Corporation Ltd (16.97% MLX)

MRC is an Australian listed Mongolian resource company. MRC's two main gold projects are the high-grade Kargana (Blue Eyes) Gold Project (85%) and the Sujigtei Gold Project (90%) that are located 7 kms apart within the North Kentai gold belt of Mongolia. The North Khentei gold belt of Mongolia is host to several historical mines and deposits including the Boroo and Gatsuurt gold mines, Bumbat, Erren, Khargant and Sujigetei gold deposits. Studies have commenced on the development of both of these high-grade gold deposits.

MRC announced during the quarter that it had completed the first 9 surface drill holes at the historical Sujigtei Gold Project. The better results returned the following:

11suj006 11m @ 5.6g/t

11suj008 2m @ 11.0g/t, and

11suj009 1m @ 28.6g/t

The results confirm that the main vein in the upper ore body has only been partially mined and that wider zones of mineralisation exist. It was also advised that these zones display multiple quartz sulphide veins. This same vein structure extends at depth with mineralisation now extended to depths of 80m below the lowest mining level. MRC advised that an underground drill rig will continue drilling from underground while the surface rig retires for the winter.

MRC previously reported that it had undertaken underground sampling at Blue Eyes returning assays averaging 15.6g/t from within the Blue Eyes gold veins including 0.7m @ 97.19g/t from sample 41630, 0.85m @ 23.4g/t from sample 41628 and 0.8m @ 17.15g/t from sample 41626. Sampling of the hanging wall also returned an average grade of 3.85g/t including 1.8m @ 14.68g/t from sample 33316 and 1.80m @ 14.36 from sample 33325. During the quarter five shallow 100m surface drill holes at Blue Eyes were completed to follow-up a defined geophysical target and assess potential open pit ore, initial results returned 2m @ 1.56g/t (MRC001) and 11m @ 0.51g/t (MRC003). Additional drilling is planned to determine the extent of the mineralisation and follow-up on additional surface targets.

MRC has reported that the pre-existing processing plant at Blue Eyes is being upgraded to 100 tonnes per day and will be ready for commissioning in the first quarter of 2012.

MRC also holds exploration permits covering the Barglit Iron Ore Prospect (100%), the Doshin Thermal Coal Prospect (100%) and various alluvial gold projects at Berleg, Selenge, Ovorhangay, Omnogovi and Bulgan.

Testing of the alluvial at Berleg has been completed and a 200m³ per hour alluvial plant is being mobilised to site for the commencement of production towards the end of winter.

Metals X's holding in MRC was valued at \$2.6M on 27/01/2012. For detailed information please refer to ASX Announcements by Mongolian Resource Corporation Ltd (ASX: MUB).

Aziana Limited (25.0% MLX)

Aziana is an Australian listed explorer in Madagascar with highly promising gold and bauxite projects.

Aziana (ASX: AZK) was admitted to the official list of the ASX on the 7 November 2011 having completed its IPO oversubscribed raising \$12.5M and commenced trading on the 9 November 2011.

Aziana has been active in Madagascar since 2006 and has first-mover and first choice status over the countries exciting gold prospects and holds 6 key gold project areas all of which have been subjective to substantive artisanal gold mining. In addition Aziana holds a number of Bauxite exploration prospects within the Manantenina Bauxite Province in coastal South-east Madagascar. Aziana is actively working these prospects and has discovered large areas of high grade bauxite developed within its titles.

During the quarter Aziana announced that at its most advanced gold project Alakamisy, it had identified from geochemical analysis an initial anomalous (>20ppb Au) area of over 1.5km² which also contains multiple higher grade zones of >100ppb Au. The program has only focused on an initial target area of 3km x 3km and a larger auger geochemical program is now underway which will encapsulate the entire 112.5km² of licenses and is expected to expand the gold targets in all directions based on visible gold observations so far returned from panned concentrates. The initial program is targeting the potential for a large bulk open pit mine within the deep surface weathering profile (40-50m) while undertaking the evaluation of the underlying bedrock.

At the Grigri Gold and Silver project historical mining has been based on thick quartz veins bearing visible gold, which has also been defined by stream sampling over a 15km strike. During the quarter trenching has demonstrated the continuity of the gold vein system, bearing visible gold, 300m to the north.

Geological mapping and sampling has also commenced within the other gold projects.

At the high grade Manantenina bauxite project assay results have shown widespread high quality bauxite (weighted average 40% Al₂O₃ at a cut off of >25% Al₂O₃) over 17km² and averaging 6 meters thick, with <15% of the leases so far being tested.

The most significant bauxite intercepts include:

9.3m @ 53.2 % Avl Al₂O₃, 1.9 % Rx SiO₂ (MTP-118)

9.6m @ 51.7% Avl Al₂O₃, 0.9% Rx SiO₂ (MTP-215)

9.2m @ 47.5% Avl Al₂O₃, 0.7% Rx SiO₂ (MTP-242)

Aziana expects to shortly define a maiden resource over this initial area that is anticipated to significantly increase further as exploration continues over the remainder of the current licenses.

Metals X's holding in Aziana was valued at \$4.1M on 27/01/2012. For detailed information please refer to ASX Announcements by Aziana Limited (ASX: AZK).

Corporate

Metals X ended the quarter with cash and working capital of \$75M excluding its investments. The Group has no debt other than minor equipment leases.

Metals X announced a share buy back of up to 10% of the issued capital of the company with a commencement date at the start of July 2011. Metals X brought back 14,782,662 shares during the quarter, with a total of 42,421,089 shares having now been purchased as of the 31 December 2011, at an average price of approximately \$0.23.

Capital Structure

The Company has the following equities on issue as of 31 December 2011.

Fully Paid Ordinary Shares	1,325,670,714
Unlisted Options convertible at \$0.32 on or before 30/11/13	1,000,000
Unlisted Employee Options - various conversions and dates	11,425,000
Fully Diluted Equity	1,338,095,714

Major Shareholders

The major shareholders of the Company as of 31 December 2011 are:

APAC Resources (HK:1104)	29.96 %
Jinchuan Group	13.28 %
Sabatica Pty Ltd (GPG)	6.76 %
Blackrock Investment Management (Aust)	5.43 %
Peter Cook Group	5.16 %

End

The information in this report that relates to Exploration Results is compiled by Metals X technical employees under the supervision of Mr Peter Cook (BSc (Applied Geology) (MSc (Min. Econ) MAusIMM). Mr Cook is not a full-time employee of the company. Mr Cook is an advisor to Metals X and the Non-Executive Chairman of Metals X. Mr Cook has sufficient experience which is relevant to the styles of mineralisation and types of deposit under consideration and to the activities which they are undertaking to qualify as a Competent Person as defined in the 2004 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Mr Cook consents to the inclusion in this report of the matters based on his information in the form and context in which it appears.

Appendix 5B

Mining exploration entity quarterly report

Introduced 01/07/96 Origin Appendix 8 Amended 01/07/97, 01/07/98, 30/09/01, 01/06/10, 17/12/10

Name of entity

Metals X Limited

ABN

25 110 150 055

Quarter ended ("current quarter")

31 December 2011

Consolidated statement of cash flows

Cash flows related to operating activities	Current quarter \$A'000	Year to date (6 months) \$A'000
1.1 Receipts from product sales and related debtors	13,025	25,523
1.2 Payments for (a) exploration & evaluation (b) development (c) production (d) administration	(1,165) (2,345) (10,528) (936)	(2,673) (5,005) (21,645) (2,020)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	1,115	3,090
1.5 Interest and other costs of finance paid	(112)	(113)
1.6 Income taxes paid	-	-
1.7 Other (provide details if material)	476	656
Net Operating Cash Flows	(470)	(2,187)
Cash flows related to investing activities		
1.8 Payment for purchases of: (a) prospects (b) equity investments (c) other fixed assets	- (3,125) (5,704)	- (3,125) (5,938)
1.9 Proceeds from sale of: (a) prospects (b) equity investments (c) other fixed assets	- - 111	- - 132
1.10 Loans to other entities	-	-
1.11 Loans repaid by other entities	-	-
1.12 Other (provide details if material)	-	-
Net investing cash flows	(8,718)	(8,931)
1.13 Total operating and investing cash flows (carried forward)	(9,188)	(11,118)

Appendix 5B
Mining exploration entity quarterly report

1.13	Total operating and investing cash flows (brought forward)	(9,188)	(11,118)
	Cash flows related to financing activities		
1.14	Proceeds from issues of shares, options, etc.	-	-
1.15	Proceeds from sale of forfeited shares	-	-
1.16	Proceeds from borrowings	5,218	5,218
1.17	Repayment of borrowings	(586)	(955)
1.18	Dividends paid	-	-
1.19	Other (on market share buy-back)	(3,008)	(9,302)
	Net financing cash flows	1,624	(5,039)
	Net increase (decrease) in cash held	(7,564)	(16,157)
1.20	Cash at beginning of quarter/year to date	78,257	86,850
1.21	Exchange rate adjustments to item 1.20	-	-
1.22	Cash at end of quarter	70,693	70,693

Payments to directors of the entity and associates of the directors

Payments to related entities of the entity and associates of the related entities

		Current quarter \$A'000
1.23	Aggregate amount of payments to the parties included in item 1.2	284
1.24	Aggregate amount of loans to the parties included in item 1.10	

1.25 Explanation necessary for an understanding of the transactions

Non-cash financing and investing activities

2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

2.2 Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest

Financing facilities available

Add notes as necessary for an understanding of the position.

	Amount available \$A'000	Amount used \$A'000
3.1 Loan facilities	5,422	5,422
3.2 Credit standby arrangements		

Estimated cash outflows for next quarter

	\$A'000
4.1 Exploration and evaluation	1,000
4.2 Development	2,000
4.3 Production	11,000
4.4 Administration	1,000
Total	15,000

Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.

	Current quarter \$A'000	Previous quarter \$A'000
5.1 Cash on hand and at bank	11,300	9,418
5.2 Deposits at call	59,393	68,839
5.3 Bank overdraft	-	-
5.4 Other (provide details)	-	-
Total: cash at end of quarter (item 1.22)	70,693	78,257

Changes in interests in mining tenements

	Tenement reference	Nature of interest (note (2))	Interest at beginning of quarter	Interest at end of quarter
6.1		Interests in mining tenements relinquished, reduced or lapsed		
6.2		Interests in mining tenements acquired or increased		

Appendix 5B
Mining exploration entity quarterly report

Issued and quoted securities at end of current quarter

Description includes rate of interest and any redemption or conversion rights together with prices and dates.

	Total number	Number quoted	Issue price per security (see note 3) (cents)	Amount paid up per security (see note 3) (cents)
7.1 Preference +securities <i>(description)</i>				
7.2 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions				
7.3 +Ordinary securities	1,325,670,714	1,325,670,714		
7.4 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs	- 14,782,661	- 14,782,661		
7.5 +Convertible debt securities <i>(description)</i>				
7.6 Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted				
7.7 Options <i>(description and conversion factor)</i>	225,000 1,000,000 2,850,000 2,500,000 1,000,000 4,850,000		<i>Exercise price</i> 36 cents 45 cents 13 cents 14 cents 32 cents 30 Cents	<i>Expiry date</i> 31/03/2012 31/07/2012 30/11/2013 30/11/2012 30/11/2013 30/11/2014
7.8 Issued during quarter	4,850,000		30 Cents	30/11/2014
7.9 Exercised during quarter				
7.10 Expired during quarter				
7.11 Debentures <i>(totals only)</i>				
7.12 Unsecured notes <i>(totals only)</i>				

