RECEIPT OF SHAREHOLDER S249D NOTICE

Further to the announcement made on 23 June 2020, Metals X Limited (ASX: MLX) (Metals X or the Company) advises that it has received a notice pursuant to Section 249D of the Corporations Act 2001 (Cth) (Corporations Act) on behalf of APAC Resources Strategic Holdings (APAC), regarding the intention of APAC to move resolutions for the appointment and removal of directors of the Company and requisitioning a meeting of shareholders to consider those resolutions (Notice).

Metals X has also received a member’s statement under Section 249P of the Corporations Act from APAC (Member’s Statement).

Pursuant to the Notice, APAC proposes resolutions for the removal of three directors of the Company, being Mr Patrick O’Connor, Mr Brett Lambert and Mr Tony Polglase, and to seek the appointment of Mr Grahame White and Mr Peter Gunzburg as directors of the Company.

Copies of the Notice and the Member’s Statement are attached to this announcement.

The Company will consider the Notice and Member’s Statement and comply with its obligations under the Corporations Act. Shareholders will be provided with updates as required. The meeting is to be held not later than 2 months after the request is given to the Company, which is to be no later than Monday, 24 August 2020.

This announcement has been authorised by the board of directors of Metals X Limited

ENQUIRIES
Mr Patrick O’Connor
Chairman
E: Patrick.O’Connor@metalsx.com.au

MEDIA ENQUIRIES
Michael Weir / Cameron Gilenko
Citadel-MAGNUS
M: +61 402 347 032 / +61 466 984 953
23 June 2020

Our Ref: RCK:APA001/4035

The Directors and Company Secretary
Metals X Limited
Level 5, 197 St Georges Terrace
PERTH WA 6000

Dear Sirs / Madam

We act for APAC Resources Strategic Holdings Limited and refer to our letter of 22 June 2020.

We enclose the following documents:

1. Request for Directors to Call a General Meeting pursuant to section 249D of the Corporations Act 2001 (Cth) (Corporations Act) dated 23 June 2020;

2. Request for Distribution of Member's Statement pursuant to section 249P of the Corporations Act dated 23 June 2020, attaching a Member's Statement pursuant to section 249P (249P Request);

3. a separate copy of the Member’s Statement pursuant to section 249P that is enclosed with the 249P Request;

4. consent to act as a Director of Metals X Limited signed by Grahame White; and

5. consent to act as a Director of Metals X Limited signed by Peter Gunzburg.

Yours faithfully

[Signature]

Robert Kerr
Partner
Direct Line: +61 2 8915 1064
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Encl.
REQUEST FOR DIRECTORS TO CALL A GENERAL MEETING

PURSUANT TO SECTION 249D OF THE CORPORATIONS ACT 2001 (CTH)

Dear Sirs

Pursuant to section 249D of the Corporations Act 2001 (Cth), the undersigned, being a member of Metals X Limited (ACN 110 150 055) (Company) holding at least 5% of the votes that may be cast at a general meeting of the Company, hereby requests the directors of the Company to call and arrange to hold a general meeting of the Company to consider, and if thought fit, to pass each of the following resolutions as ordinary resolutions:

Resolution 1:
That, Mr Grahame White, having consented to act as a director of the Company, be appointed as a director of the Company effective immediately on the passing of this resolution.

Resolution 2:
That, Mr Peter Gunzburg, having consented to act as a director of the Company, be appointed as a director of the Company effective immediately on the passing of this resolution.

Resolution 3:
That, pursuant to section 203D(1) of the Corporations Act 2001 (Cth), Mr Patrick O’Connor be removed as a director of the Company effective immediately on the passing of this resolution.

Resolution 4:
That, pursuant to section 203D(1) of the Corporations Act 2001 (Cth), Mr Brett Lambert be removed as a director of the Company effective immediately on the passing of this resolution.

Resolution 5:
That, pursuant to section 203D(1) of the Corporations Act 2001 (Cth), Mr Tony Polglase be removed as a director of the Company effective immediately on the passing of this resolution.

Executed for and on behalf of Sun Hung Kai Investment Services Limited a company incorporated in Hong Kong by its authorised representatives in accordance with the laws of its jurisdiction of incorporation as nominee for APAC Resources Strategic Holdings Limited

Signature of authorised person
Kevin TAI YIU KUEN

Name of authorised person
Date: 23/06/2020

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REQUEST FOR DISTRIBUTION OF STATEMENT TO MEMBERS
PURSUANT TO SECTION 249P OF THE CORPORATIONS ACT 2001 (CTH)

Reference is made to:

(a) the notice given by the undersigned on 22 June 2020 under section 203D(2) of the Corporations Act 2001 (Cth) (Corporations Act); and

(b) the notice given by the undersigned on 23 June 2020 under section 249D of the Corporations Act,

(collectively, Notices).

The undersigned is a member of Metals X Limited (ACN 110 150 055) (Company) holding at least 5% of the votes that may be cast on the resolutions referred to in the Notices.

Pursuant to section 249P of the Corporations Act, the undersigned hereby requests the Company to give to all of its members a copy of the enclosed statement in support of those of the resolutions referred to in the Notices that are proposed to be moved at the next general meeting of the Company.

Executed for and on behalf of Sun Hung Kai Investment Services Limited a company incorporated in Hong Kong by its authorised representatives in accordance with the laws of its jurisdiction of incorporation as nominee for APAC Resources Strategic Holdings Limited

[Signature of authorised person]

[Name of authorised person]

[Signature of authorised person]

[Name of authorised person]
APAC RESOURCES STRATEGIC HOLDINGS LIMITED ("APAC")
MEMBER'S STATEMENT PURSUANT TO SECTION 249P CORPORATIONS ACT 2001 (CTH)

As at 23 June 2020, APAC Resources Limited (APAC) beneficially owns 15.3% of Metals X Limited (MLX), of which more than 5% is held by Sun Hung Kai Investment Services Limited as nominee for APAC's wholly owned subsidiary, APAC Resources Strategic Holdings Ltd.

APAC gives the following statement in connection with the general meeting of MLX to be convened pursuant to section 249D of the Corporations Act 2001 by no later than 23 August 2020.

1. NEW LEADERSHIP REQUIRED FOR BENEFIT OF ALL SHAREHOLDERS AS MLX CONTINUES TO UNDERPERFORM

APAC believes MLX's directors should be elected by shareholders, not appointed by the previous board who were responsible for the disastrous Nifty acquisition and the resulting losses.

APAC has requested the EGM because it believes Patrick O'Connor, Brett Lambert and Tony Polglase are presiding over further destruction of shareholder value.

From the end of September 2019 to the end of March 2020, cash and working capital have fallen by $36.8m against a current market capitalisation of approximately $74m.

2. WASTING EVEN MORE MONEY ON THE FAILED NIFTY OPERATION

- **Failed strategic review:** O'Connor, Lambert and Polglase were entrusted to turn the company around. In APAC's view, the results of the six month review are unacceptable. MLX have only been able to farm out the Paterson tenements. Failure to sell Nifty means that MLX will need to pay ongoing costs, and MLX's recent forecast is for an outflow of $13.7m per year.

- **Fresh commitment to waste even more money on Nifty:** MLX has already wasted $200 million of shareholders' money on the Nifty underground mining operations ($150m related to Nifty mine cash outflows plus $49m acquisition cost). It is now proposing to spend an additional $10m on the feasibility study. Combined with ongoing care and maintenance costs, there is more than $20m to spend on Nifty in the next 12 months.

- **APAC believes it is risky to restart Nifty. A sale or spin off of the Nifty assets would have been a better option given the considerable costs.**

- **Significant risk in the Nifty Scoping Study:** APAC believes the Scoping Study sensitivity tables imply the project is marginal. A 10% drop in spot copper price or 14% drop in copper grade pushes the open pit NPV to zero.

- **Poor cashflow profile:** Proposed Nifty cash flow profile shows 75-80% of project cash flow to be received in the last four years. In the first six years, the strip ratio averages roughly 12:1. This is very high, especially when the average grade is only 1.24% copper. APAC believes the true cash flow of the open pit is being distorted by optimistic cash flows from the heap leach.

- **Unrealistic mining cost forecasts:** Forecast mining costs of $3.2/t is low compared to peers. E.g. Pilbara Minerals' Pilgangoora Expansion DFS implied $4.5/t for larger average mining volumes in a less remote location. A $1/t increase in mining costs will reduce cashflows by almost A$200 million.

- **Restarting an old SXEW is fraught with risk:** It involves rebuilding leach pads, potential liner replacement, and uncertain recoveries on a mix of remnant ore with 0.44% copper and oxide ore at 0.9% copper.

- **Huge upfront capex:** If Nifty open pit is developed, $67m of upfront capex is needed, and for the first six years the project only generates $135-140m cash flow.
3. THE FUTURE FOR MLX IS IN RENISON

- Renison is the core cashflow generating asset but is also underperforming: In December, MLX downgraded FY20 production by 13% and increased AISC by 8%. There has been $3m outflow from Renison assets in the last two quarterly reports.

- Investment at Renison is important and MLX should not put further strain on its balance sheet by spending on Nifty. APAC is supportive of the Area 5 development. Due to capex required to develop Area 5, Renison will not generate positive cash flow until FY23. Also, principal repayments are now required for the Citi debt facility, which creates a further drag on MLX’s finances.

- Renison’s updated 10 year mine life provides a solid outlook: With a strong board and management team, we believe it is possible that MLX could become a significant global tin producer and a potential consolidator of tin assets. It currently produces 3% of global mine tin production and is the only hard rock tin producer in a Tier 1 Jurisdiction.

- The International Tin Association forecasts a need for new mine supply in the medium term as demand remains on a path of steady upward growth, while production from existing mines decline.

- Shareholders are being asked to again spend more funds at Nifty, adding further strain on MLX’s finances during a period where the company should be prioritising investment in Renison.

4. NEW DIRECTORS ARE NEEDED FOR THE BENEFIT OF ALL SHAREHOLDERS

The proposed new directors have extensive relevant experience in senior executive roles and a comprehensive understanding of the resources sector. Their appointment will substantially improve the in-house capabilities of MLX and put the company in a strong position to maximise shareholder value going forward:

- Mr Grahame White: Mr White is a construction and mining executive with comprehensive experience in Australia and Asia. Mr White has held numerous executive management positions in the resources sector and recently served on the boards of Central West Rural, Forge Group Limited and the Queensland Resource Council.

- Mr Peter Gunzburg: Peter Gunzburg has over 20 years’ experience acting as a public company director, stockbroker and investor. Peter is executive chairman of BARD1 Life Sciences Limited and has previously been a director of Resolute Ltd, Australian Stock Exchange Ltd, Eyres Reed Ltd, CIBC World Markets Australia Ltd and Fleetwood Corporation Ltd.

- APAC would be supportive of the two new Independent Directors forming a committee to locate and appoint additional Independent Directors with relevant expertise to assist MLX in its reconstruction and ongoing operations. This committee would potentially engage third party recruitment firms to further establish the independence of this process.