

COMPANY UPDATE

Renison 2019/20 Full Year Production

Metals X Limited (ASX: MLX) (**Metals X** or the **Company**) is pleased to announce it has met guidance with production of 7,182 tonnes of tin-in-concentrate for financial year 2019/20 from the Renison Tin Operation (**Renison**) in Tasmania (guidance was 7,100 – 7,300 tonnes of tin¹). Renison is 50%-owned by Metals X through the Bluestone Mines Tasmania Joint Venture².

- Production of 7,182 tonnes of tin-in-concentrate (prior year 7,124 tonnes)
- Ore mined 848,906 tonnes at 1.18% Sn (prior year 797,979 tonnes at 1.21% Sn)
- Overall recovery 71.7% Sn (prior year 70.9% Sn³)

The updated Mineral Resources and Ore Reserves⁴ together with the completion of the Area 5 Study and updated Life-of-Mine plan⁵ sets the foundation for tin production to increase from current levels to over 10,000 tonnes of tin per annum from FY2025 as investment in mine development and underground infrastructure allows for increased production from the high-grade Area 5.

Production guidance for financial year 2020/21 is provided at 8,200 – 8,700 tonnes of tin-in-concentrate.

Facility Agreement with Citibank

Principal Repayment

In accordance with the Facility Agreement with Citibank dated 29 August 2019 (**Facility Agreement**) on 30 June 2020 the Company made the scheduled principal repayment of \$2,538,462. The current principal outstanding under the Facility Agreement is \$30.5 million.

Financial Covenants

Under the Facility Agreement the Company is required to remain within certain financial covenants which are measured for compliance at the end of each calendar quarter. For the quarter ending 30 June 2020 the Company has not met the forecast cash flow cover ratio (**Forecast CFCR**) nor the forward debt service cover ratio (**Forward DSCR**).

The principal reason the Forecast CFCR and the Forward DSCR have not been met was the decision to proceed with the Area 5 development at Renison with its capital expenditure of \$50 – 55 million (100% basis) over the next two years. There has been a significant increase in Mineral Resources, Ore Reserves, and projected total production over a ten year mine life with a projected material improvement in all-in sustaining costs, initially \$19,000 - \$20,000 per tonne of tin during the ramp-up, reducing to \$16,500 - \$17,000 per tonne of tin from FY25 when steady state production of over 10,000 tonnes of tin is anticipated to be achieved. However, over the next two years cash flow is adversely impacted by the required capital expenditure.

¹ Refer March 2020 Quarterly Report.

² All data in this Announcement is 100% of Renison. The MLX share of stated production is 50%.

³ Renison recovery is now stated as overall recovery which accounts for tin losses both at the ore sorter/crushing plant and the concentrator. 2018/19 recovery quoted in June 2019 Quarterly Report was concentrator recovery of 72.4%. Overall recovery for 2018/19 was 70.9% Sn.

⁴ Refer ASX Announcement 17 June 2020: Renison Resource & Reserve Update.

⁵ Refer ASX Announcement 17 June 2020: Renison Area 5 Underpins 10 Year Mine Life.

CORPORATE DIRECTORY

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The other two financial covenants under the Facility Agreement, the Reserve Tail and the Minimum Liquidity Ratio have been met as at 30 June 2020.

As required under the Facility Agreement the Company has today notified Citibank of its non-compliance with respect to the Forecast CFCR and the Forward DSCR. Under the Facility Agreement the Company has until 20 July 2020 to present to Citibank a proposed strategy to cure the financial covenant breaches and to use reasonable commercial efforts to ensure the strategy is acceptable to Citibank.

Board Changes and APAC 249D Notice

Mr Brett Lambert and Mr Tony Polglase have resigned as directors and Mr Peter Gunzburg and Mr Grahame White have been appointed as independent non-executive directors.

The Board thanks Mr Lambert and Mr Polglase for their service since their appointment on 24 October 2019 and wishes them a successful future in their other roles.

Mr Peter Gunzburg has been nominated by the Board as non-executive Chairman and Mr Patrick O'Connor remains as a non-executive director.

Mr Brett Smith has been appointed as Executive Director. A summary of the material terms of Mr Smith's remuneration is set out in Annexure A.

APAC Resources Limited has advised that the 249D Notice served on the Company (refer announcement to the ASX on 25 June 2020) has been withdrawn.

Copper Assets – Proposed Sale

The Company's intention to seek offers for the proposed sale of its entire copper asset portfolio, including the Nifty Copper Operation, Maroochydore Copper Project and the Paterson Exploration Project, as detailed in the Company's announcement of 2 July 2020, remains unchanged.

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

ENQUIRIES

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MEDIA ENQUIRIES

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Annexure A: Summary of Material Terms of Executive Director Remuneration

Commencement date as Executive Director:	10 July 2020
Term:	Permanent, unless otherwise determined by the Board of Metals X Limited
Remuneration:	Base salary \$300,000 per annum plus statutory superannuation. Variable remuneration \$200,000 per annum with Key Performance Indicators as determined by the Board (excluding Mr Smith) from time to time.
Termination:	Three months' notice by either party