

NIFTY RESET PLAN

Metals X Limited (ASX: MLX) ('**Metals X**' or 'the **Company**') is pleased to present an overview of the Nifty reset plan ('**Reset Plan**') which provides a detailed roadmap to turn around the operational performance of the Company's Nifty Copper Operations ('**Nifty**').

The Reset Plan follows a comprehensive evaluation of Nifty by the revamped Executive Team, which focussed on geological endowment, planning, infrastructure, cost base and operational constraints.

The original business case behind the 2016 acquisition of Nifty - being a substantial resource base and exploration upside underpinning the opportunity to increase production through an established processing plant - remains robust. The underperformance to date of Nifty has resulted from a combination of legacy issues, inadequate planning and poor execution.

The objective of the two-phased Reset Plan is to deliver a long-term profitable copper mining operation through:

- ▶ Continuing development of the mine providing further access into new mining areas;
- ▶ Debottlenecking existing underground services and infrastructure;
- ▶ Delivering a sustainable reduction in costs and increased productivity; and
- ▶ Ongoing exploration targeting resource extensions.

Phase 1 of the Reset Plan, which is already underway, focusses on mine planning, development into new production areas and underground infrastructure improvements. The target for Phase 1 is a **throughput rate of 2 million tonnes per annum ('Mtpa')** to be achieved during the **March 2020 quarter** for an annualised production rate of approximately **28,000tpa of copper in concentrate**. All-in-sustaining-costs ('**AISC**') are estimated to be approximately **\$6,800 - \$7,300** per tonne of copper at 2Mtpa rates.

Phase 2 of the Reset Plan will build off Phase 1 to target **2.5Mtpa throughput rates** during the **March 2021 quarter** to deliver approximately **35,000tpa of copper in concentrate** at an AISC of approximately **\$6,400 - \$6,900** per tonne of copper.

The Company intends to fund the expenditure requirements of the Reset Plan through a mix of cash flow and debt facilities. Metals X has an undrawn, uncommitted borrowing base debt facility of US\$20 million and is currently in discussion with financiers to ensure that sufficient minimum liquidity is in place to adequately fund the Reset Plan.

Metals X Managing Director Mr Damien Marantelli said the plan was a result of four months of detailed and tireless work by the Executive Team.

"Nifty was purchased by Metals X to take advantage of the installed infrastructure, the substantial copper endowment of the mine and the significant geological upside that was recognised at the time. The key fundamentals driving that decision have not changed. Nifty has the processing capacity to achieve the targeted production rates, a life-of-mine offtake partner, a substantial existing resource base and strong exploration upside.

"Unfortunately, performance at Nifty has suffered from a number of legacy issues as well as a lack of planning and focus, poor decision making and poor execution. The Metals X Board acknowledges this. We now have the right team and the right plan in place to unlock Nifty's considerable value.

"We are also buoyed by the attractive long-term copper fundamentals that support our investment in Nifty.

"This plan has been fully supported by the Metals X Board which has worked closely with management on the development of the key workstreams and milestones. The entire Metals X team is confident this plan is achievable and will provide long-term value.

"I'd like to take this opportunity to thank shareholders for their support during this transition to the new Nifty."



NIFTY RESET PLAN - DETAILS

INTRODUCTION

The Nifty Copper Operations were purchased by Metals X in August 2016.

Nifty was purchased to take advantage of the installed infrastructure, substantial copper endowment of the mine and the significant geological upside that was recognised at the time. It was anticipated that production could be rapidly increased to take advantage of the available processing plant capacity. However, the plan depended too heavily on the unreliable Central Zone (historic mining area) and critical operational issues and infrastructure bottlenecks were not resolved. In particular, the operation suffered from:

- Inadequate planning;
- Insufficient development outside the Central Zone;
- Inadequate geological models outside of the Central Zone; and
- Insufficient ventilation and paste distribution.

As a result, the operation has consistently underperformed the expectations Metals X had on acquisition.

Over the past four months the Board and Executive Team of Metals X has undertaken a comprehensive review of Nifty in order to produce the Nifty Reset Plan.

RESET PLAN

The Nifty Reset is a two-phased plan to increase production at Nifty to become a long-term, profitable copper mine.

Phase 1 of the Reset Plan targets throughput rates of 2Mtpa to be achieved by the March 2020 quarter to deliver an annualised production rate of approximately 28,000tpa copper in concentrate.

The following components have been the focus of Phase 1, with many having already commenced during the review period:

- Fit for purpose organisational structure to increase efficiency and reduce labour costs;
- Improved workforce culture, skills and rigour for stronger execution and delivery;
- Strengthened technical services team;
- Prioritisation of development to new mining areas;
- Investment in ventilation solutions and paste distribution to new mining areas;
- Accelerated grade control and resource definition drilling programs;
- Improved operational performance and productivity of the mine;
- Investment in electrical infrastructure and a reticulation upgrade to improve reliability; and
- Continued reduction of costs through the recently implemented continuous improvement program.

Dedicated, focused teams have been allocated responsibility for the key project and development work streams in the Reset Plan. Each work stream is supported by a detailed action plan.

Phase 2 of the Reset Plan targets a continued increase in throughput rate to 2.5 Mtpa to deliver approximately 35,000tpa copper in concentrate by the March 2021 quarter.

The key enablers of Phase 2 are:

- Creation of additional new mining fronts through the planned drilling programs; and
- Further optimisation of the mine sequencing, cycle time reductions and productivity improvements.

These critical success factors for Phase 2 will be addressed during Phase 1 to facilitate a continuous ramp-up of production.

The key deliverables for the Reset Plan are show in TABLE 1.



TABLE 1. NIFTY RESET PLAN SUMMARY

Measure	Units	Year 1 2019/20	Year 2 2020/21	Year 3 2021/22	TOTAL 3 YEARS
Mining	Mt ore	1.9	2.4	2.5	6.8
	% Cu	1.48%	1.48%	1.48%	1.48%
Processing recovery	% Cu	94%	94%	94%	94%
Copper production	Kt Cu	26.5	33.7	34.7	94.9
All-in-sustaining cost (AISC)*	\$/t Cu	7,200-7,700	6,500-7,000	6,400-6,900	6,600-7,100
Project capital	\$M	17.6	5.3	4.1	27.0
Regional exploration	\$M	2.0	7.0	7.0	16.0

* Excludes treatment charges and refining charges, as in accordance with periodic reporting. Includes \$350/t Cu royalties. Includes sustaining capital.

The scope of activities in the Reset Plan are shown in FIGURE 1 with 300m zones defined both to the west and east of the Central Zone (historic mining area). The Central Zone, despite 15 years of mining, still retains substantial copper endowment. The key objective of Phase 1 is to redevelop the underground mine such that the Western and Eastern Zones each provide at least 35% of production respectively, with the balance of mined tonnes drawn from the Central Zone to exploit the remaining significant residual, high grade material there.

The figure demonstrates the strategy of expanding mining activities in Western Zone 1 and Eastern Zone 1, while continuing resource definition drilling into Eastern Zone 2 and beyond.

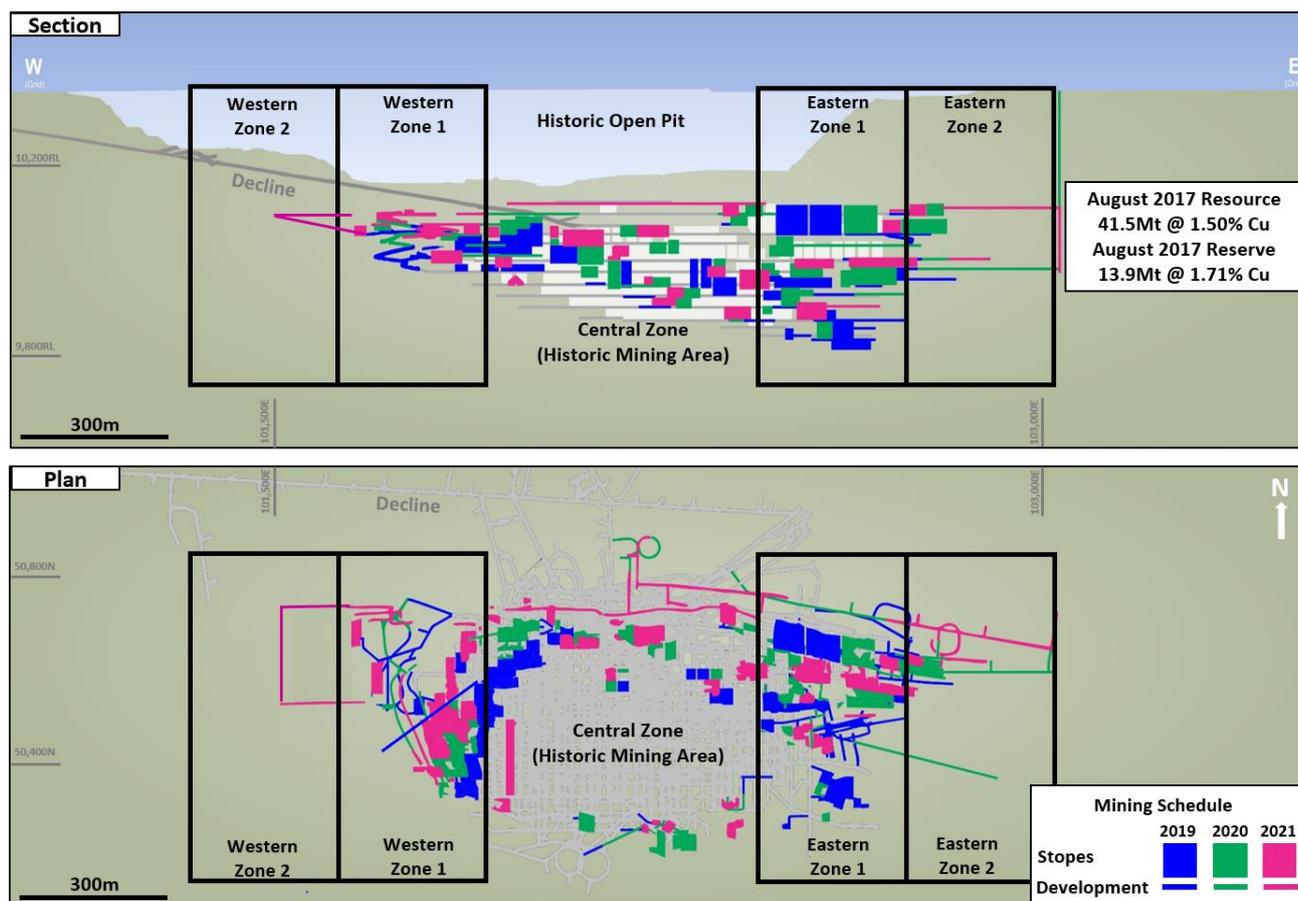


FIGURE 1. NIFTY PLAN AND LONGSECTION SHOWING DEVELOPMENT AND STOPING 2019 - 2021

Note: August 2017 Mineral Resource estimate as announced on ASX on 12 October 2017.

The extension of activities both west and east, as depicted in FIGURE 1, evidences the challenges faced at Nifty in regard to ventilation. Historically the mine was designed to deliver surface air into the Central Zone, not to the periphery of the east and west. Over the next two quarters, as the Company expands production into the Western and Eastern Zones, its activities will continue to be limited by the ability to redirect air in quantities



sufficient to allow concurrent multiple activities. Ventilation solutions are being progressed, with the ramp-up of production in the Reset Plan incorporating the requisite time and cost for implementation. FIGURE 1 also shows the contemplation of a future new exhaust rise for the Eastern Zones beyond year 3 of the plan.

The long section in FIGURE 1 shows that in 12 months' time, Metals X will be in a position to be operating in multiple areas across the multiple zones. In contrast, for the majority of 2019, operations will be limited to tight single areas in the east and west.

Underground development rates are a key success factor for the Reset Plan. Sustained monthly development of approximately 475 metres is required to achieve 2Mtpa mining rates, a development rate at which Nifty is already consistently operating. Development rates will be increased to approximately 550 metres per month during 2020 to lift production capacity to achieve 2.5Mtpa, with development steady at approximately 500 metres per month thereafter.

As part of the planning process undertaken in this review, Metals X has established high level leading indicators for Nifty which will support successful operations into the future, including:

- 18 months of grade controlled drilled material ahead of mining;
- 6 months of material fully developed ahead of mining; and
- At least 6 mining fronts available across the period of Life of Mine.

The mine is currently operating well below the target for these leading indicators; addressing the shortfall represents a key aspect of the Phase 1 work plan.

CAPITAL EXPENDITURE

The capital required for the first 3 years of the Reset Plan is shown in TABLE 2. Additional capital expenditure will be incurred as the mine continues to expand into the Eastern Zone.

TABLE 2. NIFTY RESET PLAN CAPITAL EXPENDITURE

Category	Capital item	Year 1 2019/20	Year 2 2020/21	Year 3 2021/22	TOTAL 3 YEARS
Property, plant & equipment					
Sustaining capital	Services & infrastructure	0.6	5.3	5.3	11.1
	Equipment rebuilds & replacements	1.4	2.8	3.5	7.7
	Sub-total: sustaining capital	2.0	8.0	8.8	18.8
Project capital	Paste plant, reticulation & tailings retrieval	4.0	0.5	0.5	4.9
	Ventilation and vertical development	3.3	1.2	2.3	6.9
	Services & infrastructure	3.0	1.2	1.4	5.6
	Electrical	4.0	-	-	4.0
	Underground works	1.0	-	-	1.0
	Sub-total: project capital	15.2	2.9	4.1	22.3
Total property, plant & equipment		17.3	10.9	12.9	41.1
Capital development					
Sustaining capital		30.9	31.7	32.5	95.1
Project capital		2.4	2.4	-	4.7
Total capital development		33.3	34.1	32.5	99.9
Resource definition & exploration drilling					
Resource definition drilling (sustaining capital)		1.5	2.0	2.0	5.6
Regional exploration		2.0	7.0	7.0	16.0
Total resource definition & exploration drilling		3.5	9.0	9.0	21.6
Total capital expenditure	Sustaining *	34.5	41.7	43.3	119.5
	Project	17.6	5.3	4.1	27.0
	Regional exploration	2.0	7.0	7.0	16.0
	Total capital	54.1	54.0	54.4	162.5

* Sustaining capital is included in All-in-sustaining-cost (AISC). Rounding may result in slight discrepancies in totals.



The Reset Plan requires project capital of \$27 million over 3 years to enable the expansion of mining to a steady-state 2.5 Mtpa. The key components of the project capital are:

- \$4.9 million in paste plant reticulation and tailings retrieval;
- \$6.9 million to increase ventilation in the west and east of the mine;
- \$6.6 million in additional underground works, services and infrastructure including pumping;
- \$4.0 million in electrical enhancements including power reticulation; and
- \$4.7 million in capital development (in addition to sustaining capital development) to provide sufficient access to mining areas for the increased production rates.

The key sustaining capital item is capital development of between \$30 million and \$33 million per year to ensure adequate access to mining areas to achieve the planned production profile.

In addition to the sustaining capital development, Nifty will increase resource definition drilling to approximately 18,000 metres per year (\$2 million) to support the production ramp-up.

FUNDING

Given the consistent cash flow generated from its Renison Tin Operations, and the profile of expenditure required for the Nifty Reset Plan, Metals X intends to fund its capital requirements through a mix of cash flow and debt facilities.

The Company has an undrawn, uncommitted borrowing base debt facility with the following key terms:

- Counterparty: Citibank N.A;
- Amount: US\$20 million;
- Facility type: Uncommitted secured revolving borrowing base facility;
- Security: Cash, copper inventory and copper receivables (borrowing base).

The Company is currently in discussion with financiers to ensure that minimum liquidity is in place to adequately fund the Reset Plan.

RESOURCE DEVELOPMENT AND EXPLORATION UPSIDE

The substantial geological upside potential at Nifty was one of the main driving factors behind the Metals X acquisition decision. Some 70,000m of resource definition drilling has been undertaken to date, expanding the defined Measured, Indicated and Inferred Resources by 15% to 41.5Mt at 1.50% Cu for 622,000 tonnes of copper with a subsequent 144% increase in Proven and Probable Reserve to 13.9Mt at 1.71% Cu for 237,500 tonnes of copper (refer to ASX Announcement dated 12 October 2017) (FIGURE 2).

The Nifty Resource Estimate is currently being updated to incorporate drilling completed during 2018 and is planned to be released in mid-2019. Another key work stream in the Reset Plan will be to conduct the mine planning work necessary to increase the conversion rate of this resource into reserve.

The Reset Plan identified key areas outside of the current Ore Reserve envelope that provide significant upside and potential to extend the mine life. The opportunity exists to convert further significant portions of the Indicated and Inferred Resources to Ore Reserve through grade control drilling programs within Western and Eastern Zones 1 & 2 (FIGURE 3). In addition, there is also the opportunity to define new resources down plunge to the east, within Eastern Zones 3 & 4 where mineralisation remains open and very limited deep drilling from surface has intersected encouraging copper mineralisation up to 700m down-plunge (refer ASX Announcement dated 9 August 2017).

As part of the Reset Plan, detailed drilling programs have been developed with the following aims;

- Complete grade control drilling for the first 18 months of the Reset Plan and then replace depleted Ore Reserves on an annual basis;
- Undertake extensional drilling programs into Western Zone 2 and Eastern 2 from specifically developed underground drilling platforms; and
- Complete exploration from surface drilling positions into Eastern Zones 3 & 4 to confirm potential and allow mid-to longer term planning of underground infrastructure.

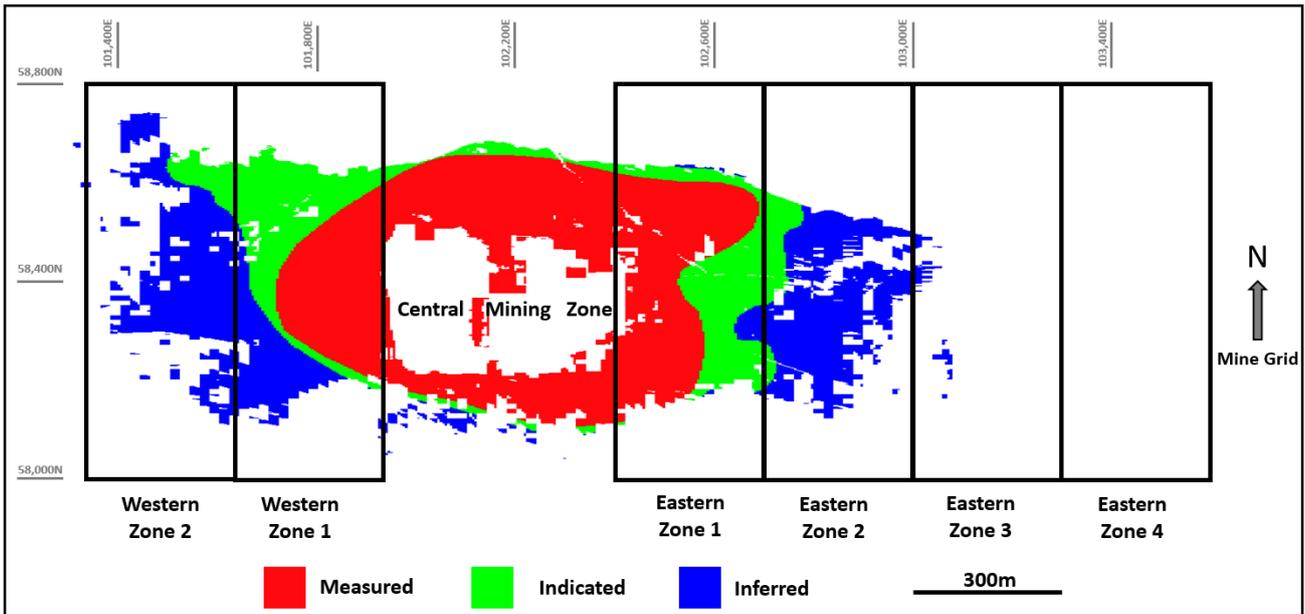


FIGURE 2. DEPARTMENT OF MEASURED, INDICATED AND INFERRED RESOURCES, RELATIVE TO THE CENTRAL MINING ZONE, SHOWING LOCATIONS OF KEY WORK AREAS

Within the first 12 months of the Reset Plan some 30,000m of underground drilling, predominantly for grade control purposes, and 8,000m of surface drilling has been scheduled.

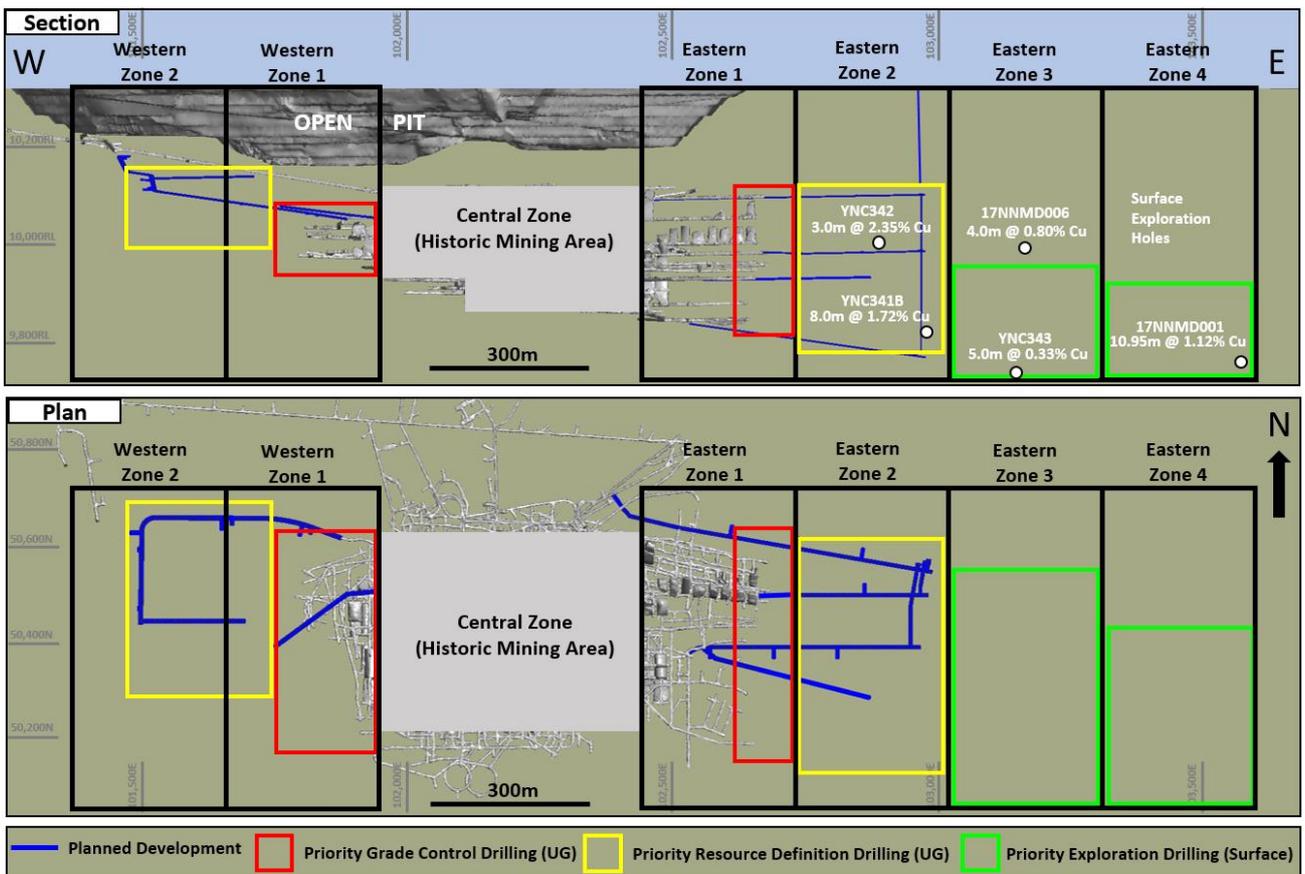


FIGURE 3. PLAN AND LONGSECTION SHOWING LOCATION OF PRIORITY DRILLING PROGRAMS

In addition to the planned in-mine and near-mine drilling programs, the Company intends to continue regional exploration across its large and highly prospective ground holdings. Recent exploration success in the Paterson Province by Rio Tinto at the Winu copper prospect, and by Greatland Gold at the Havieron copper-gold prospect, continues to highlight the relatively low exploration maturity in this region. Metals X remains confident that additional discoveries will be made within its 3000km² licence area.



PRODUCTION TARGETS

The production targets for Nifty are based on Measured and Indicated Resources (and associated Ore Reserves) as follows:

Measured Mineral Resource - 65%

Indicated Mineral Resource - 35%

The estimated Ore Reserves and Mineral Resources underpinning the production targets have been prepared by Competent Persons in accordance with the requirements of the JORC Code 2012. The Company confirms that the form and context in which the Competent Persons findings are presented have not been materially modified from the original market announcement dated 12 October 2017.

PRIORITIES FOR 2019

The high priority activities for the balance of 2019 are as follows:

- Complete the recruitment of the new technical services team;
- Continue development into new mining areas;
- Complete the immediate electrical, ventilation and paste distribution activities,
- Accelerate the grade control and resource definition drilling programs;
- Continue to focus on improved operational performance and productivity of the mine;
- Continue to focus on cost reductions; and
- Progressively addressing the current shortfall in performance against the key mine leading indicators.

Metals X intends to provide regular updates to the market to report on progress against these immediate priorities, and the overall Reset Plan as it looks to re-establish Nifty as a flagship asset.

ENDS

Further Information

Damien Marantelli
Managing Director
E: damien.marantelli@metalsx.com.au

Rod Corps
Manager – Investor Relations
E: rod.corps@metalsx.com.au

Media Enquiries

Michael Weir / Cameron Gilenko
Citadel-MAGNUS
M: +61 413 355 997



FORWARD LOOKING STATEMENTS

This announcement contains certain “forward-looking statements”. Forward looking statements can generally be identified by the use of forward looking words such as “anticipate”, “expect”, “likely”, “intend”, “should”, “could”, “may”, “propose”, “will”, “believe”, “forecast”, “estimate”, “target”, “outlook”, “guidance” and other similar expressions within the meaning of securities laws of applicable jurisdictions and include, but are not limited to, the future performance of the Company. Forward-looking statements, opinions and estimates provided in this announcement are inherently uncertain and are based on assumptions and estimates which are subject to certain risks, uncertainties and change without notice, as are statements about market and industry trends, which are based on interpretation of market conditions. Actual results and performance may vary materially because events and actual circumstances frequently do not occur as forecast and future results are subject to known and unknown risk such as changes in market conditions and in regulations. Investors should form their own views as to these matters and any assumptions on which any of the forward-looking statements are based and not place reliance on such statements. To the maximum extent permitted by law, the Company and its directors, officers, employees, advisers, agents and intermediaries disclaim any obligation or undertaking to release any updates or revisions to the information to reflect any change in expectations or assumptions. An investment in the Company’s shares is subject to investment and other known and unknown risks, some of which are beyond the control of the Company, including possible loss of income and capital invested.

CURRENCY

Assume all currencies in this announcement are in Australian Dollars (AU\$) unless stated otherwise.

CONFERENCE CALL AND LIVE AUDIO STREAM

The Company will be hosting a conference call to discuss the overview of the Reset Plan.

The conference call will take place at 11.00 am AEST on Wednesday, 1 May 2019.

A live audio stream of the conference call will be available on an Audience URL by clicking the following link – <https://webcast.openbriefing.com/5224/>

Access to the webcast for shareholders is not possible until 15 minutes prior to the scheduled start time for the event.

The audio stream is ‘listen only’. The audio stream will also be uploaded to Metals X website shortly after the conclusion of the call and can be accessed at any time.