

16 NOVEMBER 2016

DEMERGER UPDATE

As previously announced, Metals X Limited (**Metals X** or **Company**) intends, subject to shareholder approval, to give effect to a demerger of its gold assets with the aim of creating a separate ASX-listed gold entity, Westgold Resources Limited (**Westgold**), while Metals X will continue to hold its base metals assets (**Demerger**).

The Notice of Meeting for the upcoming Extraordinary General Meeting to be held at 10.00 am (Perth time) on Thursday, 24 November 2016, where Metals X shareholders will vote on whether to approve the Demerger (by way of Capital Reduction and In Specie distribution of Westgold Shares), has been sent to shareholders and is available on the Company's website or via the ASX Announcements Platform (refer announcement 17 October 2016).

If the Demerger is approved by Metals X shareholders and the Demerger conditions satisfied, Eligible Shareholders will receive 1 Westgold Share for every 2 Metals X Shares held on the Record Date (with Ineligible Overseas Shareholders receiving cash proceeds for their entitlements).

In addition to Metals X shareholder approval, the key conditions to the Demerger are receipt of ASX approval for the conditional admission of Westgold Shares to quotation on the ASX and receipt of a favourable draft class ruling from the ATO in regards to the Demerger. Subject to the timing of satisfaction of the Demerger conditions, the Demerger is expected to take place in accordance with the following timetable:

Indicative timetable*	
Extraordinary General Meeting to approve Demerger	24 November 2016
Last day of trading in Metals X Shares on a "cum" basis	28 November 2016
Trading of Metals X Shares on an "ex" basis and trading of Westgold Shares on a deferred settlement basis commences	29 November 2016
Record Date for Demerger	30 November 2016
In Specie Distribution of Westgold Shares / Dispatch Date	1 December 2016
Anticipated commencement of normal trading of Westgold Shares	2 December 2016

* As set out in the Notice of Meeting, the above timetable is indicative only, and may be changed at the discretion of the Directors (subject to the ASX Listing Rules) or as may be required by the ASX. Trading in Metals X Shares will not commence trading on an "ex" basis until all Demerger conditions are satisfied.

The Metals X board will separately update the market as to the status of Demerger conditions and, once a formal determination of the Record Date is made, will announce the detailed timetable for implementation of the Demerger.

As set out in the Notice of Meeting, Metals X shareholders do not need to pay any cash consideration for their entitlement to Westgold Shares. The Westgold Shares will be transferred to Metals X Shareholders (save only for Ineligible Overseas Shareholders) pursuant to the In Specie distribution. Subject to satisfaction of the Demerger conditions it is expected that the last day for the normal trading of Metals X Shares will be 28 November 2016. Any Metals X Shares traded on and from the 'ex' date, expected to be 29 November 2016, will not carry an entitlement to Westgold Shares pursuant to the Demerger.

It is expected that Eligible Shareholders will be able to commence trading of their Westgold Shares on a deferred settlement basis on and from 29 November 2016, with normal trading expected to commence on 2 December 2016. It is the responsibility of Metals X Shareholders to determine their entitlement prior to trading in Westgold to avoid the risk of selling Westgold Shares they do not own. Metals X Shareholders selling Westgold Shares before they receive confirmation of their entitlement do so at their own risk.

The proceeds of the sale of Westgold Shares on behalf of Ineligible Overseas Shareholders will be remitted to each Ineligible Overseas Shareholder as soon as practicable following the sale of those shares.

For more information on the Demerger process, please see the Company's Notice of Meeting dated 17 October 2016 or alternatively you may contact Rod Corps, Investor Relations at rod.corps@metalsx.com.au.

ENQUIRIES

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