METALS X LIMITED

ASX RELEASE

9 AUGUST 2017

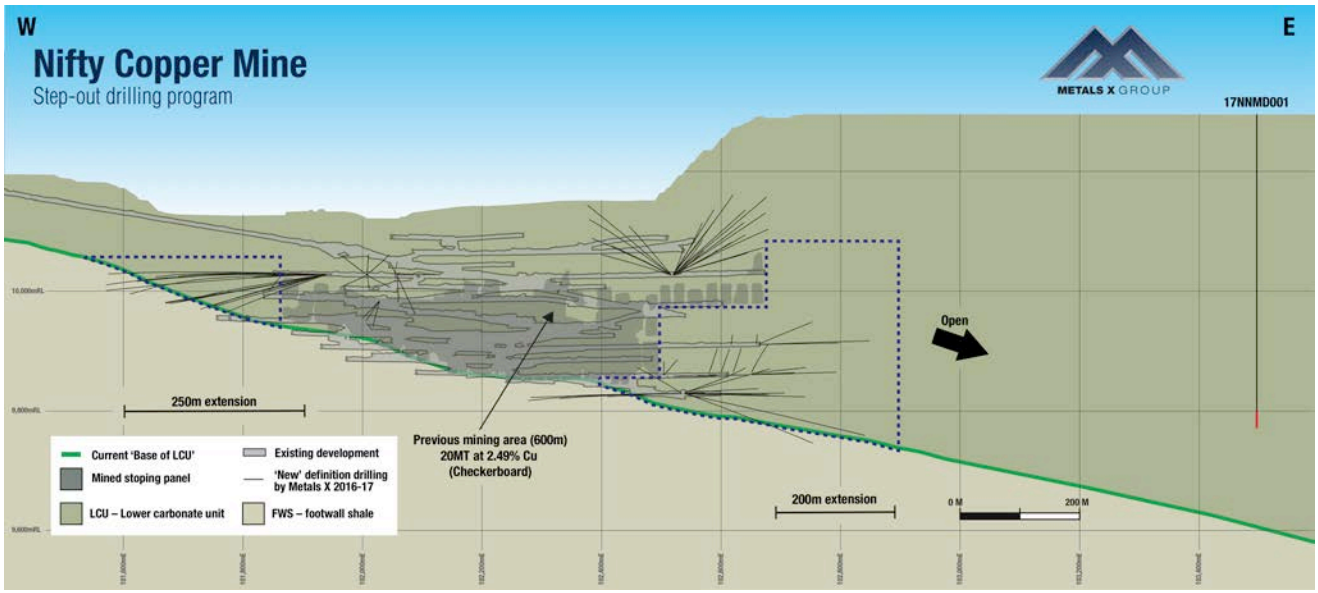
FIRST NIFTY STEP-OUT HOLE SHOWS POTENTIAL 1KM EXTENSION OF ORE SYSTEM

Metals X Limited (**Metals X** or the **Company**) is pleased to advise that its first step-out drill hole 1km down plunge of the current Nifty orebody has intercepted multiple mineralisation zones over 30m. The first hole, aimed at confirming the mine sequence stratigraphy as interpreted by the recent geophysics, has confirmed both the stratigraphy and has intercepted significant copper mineralisation in what is considered to be the same mineralised limb currently being mined at Nifty.

Multiple zones of copper mineralisation in 17NNMD001 have been intersected 30m downhole with higher grade zones including:

- 10.95m at 1.12% Cu from 531.47m including:
  - 4.34m at 1.50% Cu from 538.08m
- 3.56m at 1.73% Cu from 548.44m
  - 2.23m at 2.15% Cu from 548.44m

The objective of the current drilling program is to step out and test the position of mineralisation down-plunge of the current mining areas. The location of the completed drillhole is approximately 1km east of the current mine workings, 700m from the defined area of mineralisation and remains relatively shallow, as shown below.



LONG SECTION OF NIFTY UNDERGROUND COPPER MINE SHOWING RECENT EXPLORATION AND STEP-OUT DRILL HOLE

Significantly, this first hole, as planned, has intersected the northern limb of the Nifty Syncline. A further hole will be drilled to target the syncline keel which is the key mineralised area of the Nifty ore system.

As is depicted in the long section diagram above, the northern limb in the current mine has provided for more than 10 years of mining over a down-plunge distance of only 600m. The significance of such strong mineralisation in the first of our holes with a 1km step out is highly encouraging with the objective of mine-life extensions. Drilling is continuing.

Managing Director, Warren Hallam, said: "This is an exceptional and exciting result for Metals X as it clearly shows that mineralisation of Nifty continues down plunge well beyond the current orebody, further demonstrating our expectations that Nifty will become a very large long-life mine".

ENQUIRIES

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APPENDIX 1 – SIGNIFICANT DRILL INTERSECTIONS

Lode	Hole	Intercept N	Intercept E	Intercept RL	Intercept (Downhole Width)	From (m)	Dip	Azi
Nifty - North Limb	17NNMD001	7,603,147.5mN	353,445.2mE	10,300mRL	10.95m at 1.12% Cu	531.47	-71º	20.2º
		7,603,147.1mN	353,446.1mE	9,795.6mRL	Incl. 4.34m at 1.50% Cu	538.08	-56º	41.0º
Nifty – North Limb	17NNMD001	7,603,146.3mN	353,447.7mE	9,787.2mRL	3.56m at 1.73% Cu	548.44	-55º	41.7º
		7,603,146.3mN	353,447.7mE	9,787.2mRL	Incl. 2.23m at 2.15% Cu	548.44	-53º	42.7º

APPENDIX 2 – JORC TABLE 1

Information material to understanding the Exploration Results.

JORC Code, 2012 Edition

JORC TABLE 1: THE INFORMATION IN THIS TABLE REFERS TO THE NIFTY SULPHIDE, NIFTY OXIDE AND NIFTY HEAP LEACH DEPOSITS AT THE NIFTY COPPER OPERATION

Section 1: Sampling Techniques and Data

(Criteria in this section apply to all succeeding sections)

Criteria	JORC Code explanation	Commentary
Sampling techniques	o *Nature and quality of sampling (e.g. cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc.). These examples should not be taken as limiting the broad meaning of sampling.* o *Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.* o *Aspects of the determination of mineralisation that are Material to the Public Report.* o *In cases where 'industry standard' work has been done this would be relatively simple (e.g. 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay'). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (e.g. submarine nodules) may warrant disclosure of detailed information.*	o The deposit has been drilled and sampled using various techniques with diamond and reverse circulation drilling utilised for mineral estimation. This information comes from surface and underground and is on variable spacing along and across strike. The total metres within the immediate vicinity of the Deposit are 143,497m. The holes are drilled on most occasions to intersect as near as possible perpendicularly the synclinal east plunge mineralisation. o The drilling programs have been ongoing since initial discovery to both expand the mineralisation and provided control for mining. The hole collars were surveyed by Company employees/contractors with the orientation recorded. Down holes survey is recorded using appropriate equipment. The diamond core was logged for lithology and other geological features.
Drilling techniques	o *Drill type (e.g. core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc.) and details (e.g. core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc.).*	o The diamond core varied from HQ to NQ in diameter and mineralised intervals and adjacent locations were sampled by cutting the core in 1/2 based on observation from the core photographs. The RC samples were collected from the cyclone of the rig and spilt at site to approximate 2 to 3Kg weight. The preparation and analysis was undertaken at accredited commercial laboratories, ALS or Intertek Genalysis. Both laboratories have attained ISO/IEC 17025 accreditation. ALS uses the ME-ICP61 four acid digest methods using a sample of 0.2g with an ICPAES finish. Over limit results (>1% Cu) are re-analysed using the ME-OG62 method, which involves subjecting a 40g sample to a four acid digest with an ICPAES finish. Intertek Genalysis use a four acid digest using a 0.2g sample with an ICP-OES finish. Over limit results (>1% Cu) are re-assayed using an ore grade four acid digestion of 0.2g sample, and an AAS finish. More recent assays may also use ALS Fusion / XRF (ME-XRF15c) using a 0.4g sample which is fused into a disk and analysed using a wavelength dispersive X-Ray fluorescence spectrometer.
Drill sample recovery	o *Method of recording and assessing core and chip sample recoveries and results assessed.* o *Measures taken to maximise sample recovery and ensure representative nature of the samples.* o *Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.*	o The drilling was completed using a combination of surface and underground drilling. In general the orientation of the drilling is appropriate given the given the strike and dip of the mineralisation. o The core recovery is recorded in the database and in most instances was in excess of 95%. This was assessed by measuring core length against core run. There is no record of the quantity (weight) of RC chips collected per sample length.

Criteria	JORC Code explanation	Commentary
		o The ground conditions in the mineralised zone are competent. In areas of less competent material core return is maximised by controlling drill speed. In the case of RC samples areas of less competent material are identified in the log. o Whilst no assessment has been reported the competency of the material sampled would tend to preclude any potential issue of sampling bias.
Logging	o *Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies.* o *Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc.) photography.* o *The total length and percentage of the relevant intersections logged.*	o The routine logging of core and chips describes the general geology features including stratigraphy, lithology, mineralisation, alteration etc. For the majority of holes this information is sufficient and appropriate to apply mineralisation constraints. Some core drilling is orientated and structural measurements of bedding, joints, veins etc. has occurred as well as fracture densities. o Geological logging has recorded summary and detailed stratigraphy, lithology, mineralisation content, and alteration, some angle to core axis information, vein type, incidence and frequency, magnetic content. o The entire length of all holes, apart from surface casing, was logged.
Sub-sampling techniques and sample preparation	o *If core, whether cut or sawn and whether quarter, half or all core taken.* o *If non-core, whether riffled, tube sampled, rotary split, etc. and whether sampled wet or dry.* o *For all sample types, the nature, quality and appropriateness of the sample preparation technique.* o *Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.* o *Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/second-half sampling.* o *Whether sample sizes are appropriate to the grain size of the material being sampled.*	o All core to be sampled was ½ cored using a mechanical saw. It is not known if the core was consistently taken from the same side of the stick. o RC chip samples are collected via a cyclone which is cleaned with air blast between samples. The samples riffled to collect between 2 and 3kg. Most samples are dry with any moisture noted on the logs. o Field sub-sampling for chip samples appears appropriate as is the use of core cutting equipment for the submitted core. Procedures adopted in the laboratories are industry standard practises including that in the mine site facility. o In field riffles are cleaned between sampling using compressed air. The diamond cutting equipment is cleaned during the process using water. All laboratories adopt appropriate industry best practises to reduce sample size homogeneously to the required particle size. o No field duplicate information was observed. o The style of mineralisation and high sulphide content does not rely on grain size as being influential on grade. Thus there is confidence in the overall grade of the deposit being fairly represented by the sampling.
Quality of assay data and laboratory tests	o *The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.* o *For geophysical tools, spectrometers, handheld XRF instruments, etc., the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc.* o *Nature of quality control procedures adopted (e.g. standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (i.e. lack of bias) and precision have been established.*	o The assay techniques are appropriate for the determination of the level of mineralisation in the sample. The technique is 4 acid digest with ICP finish. o No geophysical tools were utilised to ascertain grade except where outlined in the sampling techniques section of this table. o Standard and Blanks are included with all samples sent for analysis in the rate of between 1 in 20 and 1 in 30. The most recent reporting covering the majority of holes used in the estimate provide support for the quality of the Cu assays.

Criteria	JORC Code explanation	Commentary
Verification of sampling and assaying	o *The verification of significant intersections by either independent or alternative company personnel.* o *The use of twinned holes.* o *Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.* o *Discuss any adjustment to assay data.*	o The extensive data set has been reviewed by various parties including Maxwell Geoscience and DataGeo and the intersections within the mineralisation have been confirmed. o No twinned holes observed but there is a significant amount of closely spaced supportive drilling results. o Field data is captured electronically, validated by the responsible geologist and stored on corporate computer facilities. Protocols for drilling, sampling and QAQC are contained with the company operating manuals. The information generated by the site geologists is loaded into a database by the company database manager and undergoes further validation at this point against standard acceptable codes for all variables.
Location of data points	o *Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation.* o *Specification of the grid system used.* o *Quality and adequacy of topographic control.*	o The collar positions were resurveyed by the Company surveyor or their contractors from a known datum. The survey is on a known local grid with demonstrated control. The orientation and dip at the collars is checked (aligned) by the geologist and down hole recording of azimuth and dip are taken at 30m intervals on most occasions using appropriate equipment. o The regional grid is GDA94 Zone 50 and the drilling is laid out on a local grid. o Topographic control is from surface survey - note the deposit modelled is totally underground and is not influenced by surface topography.
Data spacing and distribution	o *Data spacing for reporting of Exploration Results.* o *Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied.* o *Whether sample compositing has been applied.*	o The majority of drilling utilised is on 40m x 20m grid specifically targeting lithological and hence mineralisation sequence definition. o The geological sequence is well understood from the mining which supports the current drill spacing as adequate for both grade continuity assessment and lithological modelling o The sampling reflects the geological conditions. For mineral resource estimation a 1m composite length was chosen given that this is the dominant sample length in dataset.
Orientation of data in relation to geological structure	o *Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.* o *If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.*	o Given the shape of the sequence, the drilling as best as practically possible, is orientated to intersect the sequence perpendicularly. This is limited to drill sites from underground and surface. o No sampling bias is considered to have been introduced.
Sample security	o *The measures taken to ensure sample security.*	o The samples once collected and numbered are stored in the lockable site core yard. Each sample bag is securely tied with the sample number on the bag and inside on metal tags transported by commercial contractors to Perth. Upon receipt at the laboratory the samples are checked against the dispatch sheets to ensure all samples are present.
Audits or reviews	o *The results of any audits or reviews of sampling techniques and data.*	o Resources and reserves are routinely reviewed by the Metals X Corporate technical team. o Database management companies have over the past 2 years audited the drill hole database and found it representative of the information contained.

Section 2: Reporting of Exploration Results

(Criteria listed in the preceding section also apply to this section.)

Criteria	JORC Code explanation	Commentary
Mineral tenement and land tenure status	o *Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings.* o *The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area.*	o The Nifty deposit is situated on mining lease M271/SA, which is 100% held by Nifty Copper Pty Ltd, a wholly owned subsidiary of Metals X.
Exploration done by other parties	o *Acknowledgment and appraisal of exploration by other parties.*	o WMC Resources Ltd discovered Nifty in 1980 by using regional ironstone sampling and reconnaissance geology. Malachite staining of an outcrop and Cu-anomalous ironstones from dune swale reconnaissance sampling were the initial indicators. This was followed up by lag sampling on a 500 x 50m grid that detected a 2.5 x 1.5km Cu-Pb anomaly. Secondary Cu mineralisation was intersected in percussion drilling in mid-1981, with high grade primary ore (20.8m at 3.8% Cu) discovered in 1983. WMC commenced open pit mining of the secondary oxide ore in 1992 and continued mining until September 1998 when Nifty was sold to Straits Resources. o The project was subsequently purchased from Straits Resources by Aditya Birla Minerals Ltd in 2003. o Open pit mining ceased in June 2006. o Copper extraction using heap leaching ceased in January 2009. o Underground mining of the primary (chalcopyrite) mineralisation started in 2009. o The project was purchased from Aditya Birla in 2016 by Metals X Ltd.
Geology	o *Deposit type, geological setting and style of mineralisation.*	o The Nifty deposit is hosted within the folded late-Proterozoic Broadhurst Formation which is part of the Yeneena Group. The Broadhurst Formation is between 1000 m to 2000 m thick and consists of a stacked series of carbonaceous shales, turbiditic sandstones, dolomite and limestone. Structurally, the dominant feature is the Nifty Syncline which strikes approximately southeast-northwest and plunges at about 6-12 degrees to the southeast. The stratabound copper mineralisation occurs as a structurally controlled, chalcopyrite-quartz- dolomite replacement of carbonaceous and dolomitic shale within the folded sequence. The bulk of the primary mineralisation which is currently being mined is largely hosted within the keel and northern limb of the Syncline.
Drill hole Information	o *A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes:* o *easting and northing of the drill hole collar* o *elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar* o *dip and azimuth of the hole*	o Collar Details (GDA MGA94, Zone 51 o Northing: - 7,603,080.8mN o Easting: - 353,428.3mE o RL: - 10,300.0mRL o Dip: - 70.7º o Azimuth: - 020.2º o Total Length: - 642.8m o Intersection Depth: - 531.45m to 561.8m

Criteria	JORC Code explanation	Commentary
	o *down hole length and interception depth* o *hole length.* o *If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case.*	
Data aggregation methods	o *In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (e.g. cutting of high grades) and cut-off grades are usually Material and should be stated.* o *Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail.* o *The assumptions used for any reporting of metal equivalent values should be clearly stated.*	o NA
Relationship between mineralisation widths and intercept lengths	o *These relationships are particularly important in the reporting of Exploration Results.* o *If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.* o *If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (e.g. 'down hole length, true width not known').*	o NA
Diagrams	o *Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views.*	o Included in attached release
Balanced reporting	o *Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.*	o NA
Other substantive exploration data	o *Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.*	o NA
Further work	o *The nature and scale of planned further work (e.g. tests for lateral extensions or depth extensions or large-scale step-out drilling).* o *Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.*	o Open pit and underground feasibility works; o Validation drilling in areas of potential economic mineralisation; o Infill drill areas of data paucity proximal to the underground development. This will increase resource confidence and resultant classifications. o Validation of the underground void model.