



Retail Entitlement Offer Document

Pursuant to s708AA(2) *Corporations Act 2001* (Cth)

An accelerated non renounceable pro rata entitlement offer to existing shareholders of Metals X Limited of 1 new fully paid ordinary shares for every 6 Shares held at an Issue Price of \$0.15 to raise up to approximately \$17.23 million before costs of the Offer.

Retail Shareholders who apply for their full Retail Entitlement will also be entitled to apply for additional New Shares to be allocated out of any shortfall.

Important notice

This document is not a prospectus. This document does not contain all of the information that an investor may require in order to make an informed investment decision regarding the New Shares offered by this document. The New Shares offered by this document should be considered speculative.

This document should be read in its entirety. If after reading this document you have any questions about the Offer or the New Shares then you should consult your stockbroker, accountant or other professional advisor.

Not for release to US wire services or distribution in the United States



Joint Lead Managers and Underwriters



Important information

Offer statistics

Number of New Shares to be issued under the Placement: 103,359,076

Number of New Shares to be issued under the Entitlement Offer: up to 114,843,418*

Issue Price:\$0.15 per New Share

*Excludes any New Shares which may be issued in the event that any Existing Options are exercised prior to the Record Date.

Key dates for investors

Trading halt (before market open): 19 September 2019

Announcement of Entitlement Offer and Appendix 3B and
cleansing statement lodged: 19 September 2019

Institutional Entitlement Offer opens: 19 September 2019

Institutional Entitlement Offer closes: 20 September 2019

Announcement of results of Institutional Entitlement Offer and
release of Retail Entitlement Offer Document to ASX
(before commencement of trading following the trading halt): 23 September 2019

Announcement of Placement (before commencement of
trading following the trading halt): 23 September 2019

Trading halt lifted and resume trading on an ex-entitlement basis: 23 September 2019

Record Date for Retail Entitlement Offer: 23 September 2019

Retail Entitlement Offer Document
and Entitlement and Acceptance Form despatched: 25 September 2019

Retail Entitlement Offer opens: 25 September 2019

Settlement of Institutional Entitlement Offer and Placement: 26 September 2019

Quotation of New Shares issued under the
Institutional Entitlement Offer and Placement: 27 September 2019

Retail Entitlement Offer expected to close: 7 October 2019

Commencement of trading of New Shares issued
under the Retail Entitlement Offer on ASX: 14 October 2019

Expected date for despatch of New Shareholding statements for New Shares
issued under the Retail Entitlement Offer: 14 October 2019

Further details regarding the timetable for the Entitlement Offer are set out in section 1.6. All dates are subject to change and accordingly are indicative only. In particular, the Company has the right to vary the dates of the Retail Entitlement Offer without prior notice. Investors are encouraged to submit their Entitlement and Acceptance Forms as soon as possible after the Retail Entitlement Offer opens.

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Important notices

The Retail Entitlement Offer made pursuant to this Retail Entitlement Offer Document is for a rights issue of continuously quoted securities (as defined in the *Corporations Act 2001* (Cth) (**Corporations Act**)) of the Company. This Retail Entitlement Offer Document is not a disclosure document for the purposes of chapter 6D of the *Corporations Act*. The Company is offering the securities under this Retail Entitlement Offer Document without disclosure to investors under chapter 6D of the *Corporations Act* pursuant to section 708AA of the *Corporations Act*, as notionally modified by ASIC Corporations (Non-Traditional Rights Issues) Instrument 2016/84. Accordingly, the level of disclosure contained in this Retail Entitlement Offer Document is significantly less than that required under a prospectus and Eligible Retail Shareholders should consider all relevant facts and circumstances, including their knowledge of the Company and disclosures made to the ASX, and should consult their professional advisors before deciding whether to accept the Retail Entitlement Offer.

This Retail Entitlement Offer Document is dated 23 September 2019 and was lodged with the ASX on that date. The ASX does not take any responsibility for the contents of this Retail Entitlement Offer Document.

Securities will only be issued on the basis of this Retail Entitlement Offer Document in accordance with the terms set out in this Retail Entitlement Offer Document.

As at the date of this Retail Entitlement Offer Document, the Company has complied with:

- the provisions of chapter 2M of the *Corporations Act*, as they apply to the Company; and
- section 674 of the *Corporations Act*.

The Retail Entitlement Offer is only made to those Shareholders who are Eligible Retail Shareholders on the Record Date (being Shareholders who have a registered address in Australia, New Zealand, Hong Kong and People's Republic of China).

No excluded information

As at the date of this Retail Entitlement Offer Document the Company is not aware of any excluded information of the kind which would require disclosure in this Retail Entitlement Offer Document pursuant to subsections 708AA(8) and (9) of the *Corporations Act*.

Foreign shareholders

This document does not constitute an offer of New Shares in any jurisdiction in which it would be unlawful. New Shares may not be offered or sold in any country outside Australia except to the extent permitted below.

The Company has decided that it is unreasonable to make offers under the Entitlement Offer to Shareholders with registered addresses outside of Australia and New Zealand and a limited number of Shareholders with registered addresses in Hong Kong and People's Republic of China having regard to the number of Shareholders in those places, the number and value of the New Shares they would be offered and the cost of complying with the legal and regulatory requirements in those places. Accordingly, the Retail Entitlement Offer is not being extended to, and does not qualify for distribution

or sale by, and no New Shares will be issued to Shareholders having registered addresses outside of Australia and New Zealand and a limited number of Shareholders in Hong Kong and People's Republic of China.

The Company has not made any investigation as to the regulatory requirements that may prevail in the countries outside of Australia, New Zealand, Hong Kong and People's Republic of China in which the Company's Shareholders may reside. It is the responsibility of overseas Applicants to ensure compliance with all laws of any country relevant to their Acceptance. The Retail Entitlement Offer may only be accepted by Eligible Retail Shareholders and does not constitute an offer in any place in which or to any person to whom, it would be unlawful to make such an offer.

The distribution of this Retail Entitlement Offer Document in jurisdictions outside Australia, New Zealand, Hong Kong and People's Republic of China may be restricted by law and persons who come into possession of this Retail Entitlement Offer Document should observe those restrictions. Any failure to comply with restrictions might constitute a violation of applicable securities laws. In particular, this document may not be released or distributed in the United States. This Retail Entitlement Offer Document does not constitute an offer to sell, or a solicitation of an offer to buy, securities in the United States. Any securities described in this Retail Entitlement Offer Document have not been, and will not be, registered under the US Securities Act and may not be offered or sold in the United States except in transactions exempt from, or not subject to, registration under the US Securities Act and applicable US State securities laws.

See section 1.22 for further information on Retail Entitlement Offer restrictions with respect to Shareholders who do not have registered addresses in Australia, New Zealand, Hong Kong or People's Republic of China.

China

The information in this document does not constitute a public offer of the New Shares, whether by way of sale or subscription, in the People's Republic of China (excluding, for purposes of this paragraph, Hong Kong Special Administrative Region, Macau Special Administrative Region and Taiwan). The New Shares may not be offered or sold directly or indirectly in the PRC to legal or natural persons other than directly to "qualified domestic institutional investors", sovereign wealth funds and quasi-government investment funds.

Hong Kong

WARNING: The contents of this document have not been reviewed by any Hong Kong regulatory authority. You are advised to exercise caution in relation to the offer. If you are in doubt about any contents of this document, you should obtain independent professional advice.

New Zealand

The New Shares are not being offered to the public within New Zealand other than to existing shareholders of the Company with registered addresses in New Zealand to whom the offer of these securities is being made in reliance on the Financial Markets Conduct Act 2013 and the Financial Markets Conduct (Incidental Offers) Exemption Notice 2016.

This document has been prepared in compliance with Australian law and has not been registered, filed with or approved by any New Zealand regulatory authority. This document is not a product disclosure statement under New Zealand law and is not required to, and may not, contain all the information that a product disclosure statement under New Zealand law is required to contain.

How to accept your Retail Entitlement to New Shares

Retail Entitlements to New Shares can be accepted by Eligible Retail Shareholders in full or in part by completing and returning the Entitlement and Acceptance Form which is accompanying this Retail Entitlement Offer Document with cheque, bank draft or money order or making payment of Acceptance money by BPAY® in accordance with the instructions set out in this Retail Entitlement Offer Document and on the Entitlement and Acceptance Form.

This Retail Entitlement Offer Document is available in electronic form on the internet at <https://MetalsXOffer.thereachagency.com>. If you wish to obtain a free copy of this Retail Entitlement Offer Document, please contact the Company's Share Registry on the numbers below.

Enquiries

If you are an Eligible Retail Shareholder and have any questions in relation to the Retail Entitlement Offer, please contact your stockbroker or professional adviser. If you have questions in relation to the Shares upon which your Entitlement has been calculated, or how to complete the Entitlement and Acceptance Form, take up your Entitlement, please call the Share Registry on:

- (a) 1300 850 505 for callers within Australia; or
- (b) +61 3 9415 4000 for overseas callers.

Deciding to accept the Retail Entitlement Offer

No person named in this Retail Entitlement Offer Document, nor any other person, guarantees the performance of the Company, the repayment of capital or the payment of a return on the New Shares.

Please read this document carefully before you make a decision to invest. An investment in the Company has a number of specific risks which you should consider before making a decision to invest. Some of these risks are summarised in section 4. This Retail Entitlement Offer Document is an important document and you should read it in full before deciding whether to invest pursuant to the Retail Entitlement Offer. You should also have regard to other publicly available information about the Company, including ASX announcements, which can be found at the Company's website: <http://www.metalsx.com.au>.

Terms used

A number of terms and abbreviations used in this Retail Entitlement Offer Document have defined meanings, which are explained in the definitions and glossary in section 7.

Money as expressed in this Retail Entitlement Offer Document is in Australian dollars unless otherwise indicated.

Forward looking statements

Some of the information contained in this Retail Entitlement Offer Document constitutes forward-looking statements that are subject to various risks and uncertainties. Forward-looking statements include those containing such words as 'anticipate', 'estimate', 'should', 'will', 'expects', 'plans' or similar expressions. These statements discuss future objectives or expectations concerning results of operations or financial conditions or provide other forward-looking information. The Company's actual results, performance or achievements could be significantly different from the results or objectives expressed in, or implied by, those forward-looking statements. This Retail Entitlement Offer Document details some important factors that could cause the Company's actual results to differ from the forward-looking statements made in this Retail Entitlement Offer Document.

No representations

No person is authorised to give any information or to make any representation in connection with the Retail Entitlement Offer which is not contained in this Retail Entitlement Offer Document. Any information or representation in connection with the Retail Entitlement Offer not contained in this Retail Entitlement Offer Document may not be relied on as having been authorised by the Company or its officers. This Retail Entitlement Offer Document does not provide investment advice or advice on the taxation consequences of accepting the Retail Entitlement Offer. The Retail Entitlement Offer and the information in this Retail Entitlement Offer Document, do not take into account your investment objectives, financial situation and particular needs (including financial and tax issues) as an investor.

Managing Director's letter

23 September 2019

Dear Shareholder,

On behalf of the Directors I am pleased to invite you to take up your entitlement to new ordinary fully paid shares (**New Shares**) in Metals X Limited (**Entitlement Offer**).

The Company is making an accelerated non-renounceable entitlement offer of 1 Share for every 6 Shares held in Metals X Limited on the Record Date at an Issue Price of \$0.15 per Share, to raise up to approximately \$17.23 million before the costs of this Entitlement Offer. This Issue Price represents a 16.8% discount to the Theoretical Ex-Rights Price (**TERP**) of A\$0.18 and a 21.1% discount to the Company's last closing price of A\$0.19 per share as at 18 September 2019.

The Entitlement Offer comprises both an accelerated institutional component for eligible institutional shareholders (**Institutional Entitlement Offer**), and a retail component for eligible retail shareholders (**Retail Entitlement Offer**). The Institutional Entitlement Offer was completed on 20 September 2019 raising approximately \$9.14 million, together with a placement to sophisticated investors at the Issue Price, to raise a further approximately \$15.50 million. This offer document (**Retail Entitlement Offer Document**) relates to the Retail Entitlement Offer, being for approximately \$8.09 million.

It is proposed that the funds raised from the Entitlement Offer and the Placement will be applied to the implementation of various workstreams required to execute the Company's reset plan for its Nifty copper operations (**Nifty**), regional exploration at Nifty in the Paterson Province and general working capital requirements (refer Section 1.7 of this Retail Entitlement Offer Document).

The Directors holding interests in Shares intend to take up their entitlement to New Shares (refer Section 3.4(a) of this Retail Entitlement Offer Document).

Pursuant to the *Corporations Act*, Metals X Limited is not required to prepare a prospectus for the Entitlement Offer. A summary of the key information with respect to the Retail Entitlement Offer is set out in this Retail Entitlement Offer Document. Please read the Retail Entitlement Offer Document carefully before deciding whether or not to invest. If there is any matter on which you require further information, you should consult your stockbroker, accountant or other professional advisor.

A personalised Entitlement and Acceptance Form is attached to this Retail Entitlement Offer Document and sets out the number of New Shares you are entitled to subscribe for as an Eligible Retail Shareholder (**Entitlement**). Entitlements to New Shares can be accepted in full or in part by completing and returning the Entitlement and Acceptance Form or making payment of Acceptance money by BPAY in accordance with the instructions set out below and on the Entitlement and Acceptance Form. Subscription money for the New Shares must be received by the Company at its Share Registry by the Closing Date. Please refer to the timetable for the important dates of the Offer.

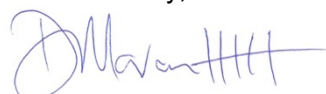
If you take up your full Entitlement, you can also apply for additional New Shares (**Additional New Shares**) under a Shortfall Facility (refer to Section 1.15 of this Retail Entitlement Offer Document for more information) (the **Shortfall Facility**).

The Entitlement Offer is non-renounceable and therefore your Entitlements will not be tradeable on the ASX or otherwise transferable.

Canaccord Genuity (Australia) Limited and Hartleys Limited are the Joint Lead Managers of the Entitlement Offer and have underwritten the Offer. The Company will work with the Joint Lead Managers to place any shortfall to new investors of New Shares not subscribed for by Eligible Retail Shareholders.

On behalf of the Directors, I thank you for your continued support and I invite you to consider this investment opportunity.

Yours sincerely,



Mr Damien Marantelli, Managing Director
Metals X Limited

1. Offer details

1.1 The Offer

The Entitlement Offer is an accelerated non-renounceable rights issue of approximately 114,843,418 New Shares at an Issue Price of \$0.15 per New Share, on the basis of 1 New Share for every 6 Shares held by Eligible Shareholders, to raise approximately \$17.23 million.

The Entitlement Offer has two components:

- (a) the Institutional Entitlement Offer - an initial offer to Eligible Institutional Shareholders; and
- (b) the Retail Entitlement Offer - an offer to Eligible Retail Shareholders.

This Retail Entitlement Offer Document is for the Retail Entitlement Offer component of the accelerated non-renounceable rights issue of approximately 53,921,289 New Shares at an Issue Price of \$0.15 per New Share, on the basis of 1 New Share for every 6 Shares held by Eligible Retail Shareholders as at the Record Date, to raise approximately \$8.09 million.

On 19 September 2019 the Company also announced a Placement pursuant to its available Listing Rule 7.1 capacity, to raise \$15.50 million at the same Issue Price of \$0.15 per New Share.

Both the Institutional Entitlement Offer and the Retail Entitlement Offer are non-renounceable. Accordingly, Entitlements cannot be traded on the ASX, nor can they be sold, transferred or otherwise disposed of. If you do not participate in the Entitlement Offer, you will not receive any value for your Entitlement.

The Entitlement Offer is an offer to Eligible Shareholders only.

The Issue Price of \$0.15 per New Share represents a 16.8% discount to the TERP of A\$0.18 and a 21.1% discount to the Company's last closing price of A\$0.19 per share as at 18 September 2019.

The Entitlement Offer may be increased by a total of 4,862,200 New Shares if holders of Existing Options exercise their Existing Options prior to the Record Date.

On the same date as announcing the Entitlement Offer, the Company applied to the ASX for the New Shares to be granted official quotation on the ASX. Official quotation of the New Shares under the Institutional Entitlement Offer and Placement is expected to occur on or about 27 September 2019. Official quotation of the New Shares under the Retail Entitlement Offer is expected to occur on or about 14 October 2019.

The Directors may at any time decide to withdraw this Retail Entitlement Offer Document and the offer of New Shares made under this Retail Entitlement Offer Document, in which case the Company will return all Application Money (without interest) within 28 days of giving notice of such withdrawal.

1.2 Institutional Entitlement Offer

The Company has already raised \$9.14 million under the Institutional Entitlement Offer. Contemporaneously, the Company also raised \$15.50 million pursuant to a sophisticated and institutional investor Placement.

New Shares issued under the Institutional Entitlement Offer and the Placement will be issued at the same price and at the same ratio as those being offered under the Retail Entitlement Offer.

The results of the Institutional Entitlement Offer and the Placement was announced on 23 September 2019 and the issue of New Shares under the Institutional Entitlement Offer and Placement is expected to occur on 26 September 2019.

1.3 Retail Entitlement Offer

The Retail Entitlement Offer constitutes an offer to Eligible Retail Shareholders only. The Retail Entitlement Offer will raise up to \$8,088,193.

Eligible Retail Shareholders who are on the Company Register on the Record Date are entitled to acquire 1 New Share for every 6.

Fractional Entitlements will be rounded up to the nearest whole number of New Shares.

The Retail Entitlement Offer is non-renounceable. Accordingly, Retail Entitlements do not trade on the ASX nor can they be transferred or otherwise disposed of.

Eligible Retail Shareholders should be aware that an investment in the Company involves risks. The key risks identified by the Company are summarised in Section 1.9 and set out in Section 4 of this Retail Entitlement Offer Document.

1.4 Eligibility of Retail Shareholders

The Retail Entitlement Offer is being offered to all Eligible Retail Shareholders only. Eligible Retail Shareholders are Retail Shareholders on the Record Date who:

- (a) have a registered address in Australia or New Zealand, or a registered address in Hong Kong or the People's Republic of China and meet certain eligibility requirements, or in another country that the Company has otherwise determined is eligible to participate;
- (b) are not in the United States and are not a person (including a nominee or custodian) acting for the account or benefit of a person in the United States; and
- (c) are eligible under all applicable securities laws to receive an offer under the Retail Entitlement Offer without any requirement for a prospectus or other disclosure document to be lodged or registered.

The Retail Entitlement Offer is not being extended to the Ineligible Retail Shareholders because of the small number of such Shareholders, the number and value of Shares that they hold and the cost of complying with the applicable regulations in jurisdictions outside Australia, New Zealand, Hong Kong and People's Republic of China.

1.5 Minimum subscription

There is no minimum subscription to the Entitlement Offer.

1.6 Important dates

Trading halt (before market open)	19 September 2019
Announcement of Entitlement Offer and Appendix 3B and section 708AA cleansing statement lodged	19 September 2019
Institutional Entitlement Offer opens	19 September 2019
Institutional Entitlement Offer closes	20 September 2019 at 4.00pm (Perth time)
Announcement of results of Institutional Entitlement Offer, Placement and release of Retail Entitlement Offer Document to ASX (before commencement of trading following the trading halt) and application for official quotation of New Shares	23 September 2019
Trading halt lifted and Existing Shares resume trading on an ex-entitlement basis	23 September 2019
Record Date for the Retail Entitlement Offer	23 September 2019 at 7.00pm (Sydney time)
Dispatch of Retail Entitlement Offer Document and Acceptance Form	25 September 2019

Opening Date of Retail Entitlement Offer	25 September 2019 at 9.00am (Sydney time)
Settlement of Institutional Entitlement Offer and Placement	26 September 2019
Section 708A Notice given to ASX	26 September 2019
Updated Appendix 3B for New Shares issued under the Institutional Entitlement Offer lodged (if required) and Placement	26 September 2019
Quotation of New Shares issued under the Institutional Entitlement Offer and Placement	27 September 2019
Last day to extend Retail Entitlement Offer close date	2 October 2019
Closing Date of Retail Entitlement Offer	7 October 2019 at 5.00pm (Sydney time)
Announcement of results of Retail Entitlement Offer	9 October 2019
Settlement of Retail Entitlement Offer	11 October 2019
Issue of New Shares	11 October 2019
Updated Appendix 3B for New Shares issued under the Retail Entitlement Offer lodged (if required)	11 October 2019
Commencement of trading of New Shares on ASX under Retail Entitlement Offer	14 October 2019
Despatch of New Shares holding statements issued under the Retail Entitlement Offer	14 October 2019

The dates set out in this table are subject to change and are indicative only. The Company reserves the right to alter this timetable at any time, subject to the *Corporations Act* and the Listing Rules, without notice.

The Directors, subject to the requirements of the Listing Rules and the *Corporations Act*, reserve the right to:

- (a) withdraw the Retail Entitlement Offer without prior notice; or
- (b) vary any of the important dates set out in this Retail Entitlement Offer, including extending the Retail Entitlement Offer.

1.7 Purpose of the Entitlement Offer

The Directors intend to apply the proceeds from the Entitlement Offer and the Placement to the implementation of various workstreams required to execute the Company's reset plan for its Nifty copper operations (**Nifty**), regional exploration activities at Nifty in the Paterson Province and for general working capital requirements. The proceeds from the Entitlement Offer (assuming it is fully subscribed), together with the proceeds from the Placement, available cash (as at 31 August 2019) and the Company's existing debt facility, the Citi Loan Facility, are expected to total approximately \$79,200,000 (before the costs of the Entitlement Offer and the Placement), comprise:

Sources of Funds	A\$M
Available cash on hand (as at 31 August 2019)	15.5
Citi Loan Facility*	31
Gross Entitlement Offer proceeds	17.2
Gross Placement proceeds	15.5
Total (maximum raising)	79.2

* \$22.5 million drawn down on 11 September 2019, with a further \$12.5 million drawn down under the Citi Loan Facility on 20 September 2019, net of fees.

Those funds are proposed to be allocated in the following manner:

Proposed use of funds	A\$M
Nifty – capital expenditure to enable increase in mining rate to 2 Mtpa	25
Nifty - underground drive development and drilling	5
Nifty - regional exploration	5
Working capital and general corporate purposes*	44.2
Total (assuming maximum Placement and Entitlement Offer raising)	79.2

* Assumes that the Offer is fully subscribed and is inclusive of the costs of the Entitlement Offer and the Placement (refer to section 6.5)

The above statement is a statement of current intentions as at the date of this Retail Entitlement Offer Document. However, in the event that circumstances change or other better opportunities arise the Directors reserve the right to vary the proposed use of funds to maximise the benefit to Shareholders.

1.8 Investment highlights

The Company recently announced an Investor Presentation to the ASX on 13 September 2019 containing an update as to its progress on the reset plan at its Nifty Copper Operations (initially announced to the ASX on 1 May 2019), its operations at the Renison tin mine and its Wingellina nickel-cobalt project. A copy of the Investor Presentation, and other update announcements made to ASX, are available on www.asx.com.au.

1.9 Risk factors

Eligible Shareholders should be aware that an investment in the Company is subject to investment and other known and unknown risks, including possible loss of income and the principal invested. Investors should carefully read the section on risk factors outlined in section 4. An investment of this kind involves a number of risks, a number of which are specific to the Company and the industry in which it operates.

However, these risks should not be taken to be exhaustive of the risks faced by the Company or its shareholders. Those risk factors referred to section 4, and others not specifically referred to in section 4, may materially affect the financial performance of the Company and the value of its Shares in the future.

The Company has implemented strategies, actions, systems and safeguards for known risks. However, some risks are beyond its control. Consequently, the prevailing price or value of New Shares issued under the Entitlement Offer may be more or less than the Issue Price.

The New Shares offered under this Retail Entitlement Offer carry no guarantee of profitability, dividends, return of capital or the price at which they may trade on ASX. The past performance of the Company should not necessarily be considered a guide to their future performance.

1.10 New Share terms

Each New Share will rank equally with all existing Shares then on issue. Full details of the rights and liabilities attaching to the Shares are set out in the Company's Constitution, a copy of which is available for inspection at the Company's registered office during normal business hours.

1.11 No rights trading

Entitlements to New Shares pursuant to the Entitlement Offer are non-renounceable and accordingly will not be traded on the ASX.

1.12 **Acceptance of Retail Entitlement to New Shares**

The number of New Shares to which each Eligible Retail Shareholder is entitled is calculated as at the Record Date and is shown on the personalised Entitlement and Acceptance Form accompanying this Retail Entitlement Offer Document. This Retail Entitlement Offer Document is for the information of Eligible Retail Shareholders who are entitled to and may wish to apply for the New Shares. Fractional Entitlements will be rounded up to the nearest whole number.

Retail Entitlements to New Shares can be accepted in full or in part by completing and returning the Entitlement and Acceptance Form which is attached to this Retail Entitlement Offer Document in accordance with the instructions set out below and on the Entitlement and Acceptance Form.

1.13 **Joint Lead Managers**

The Company has entered a mandate with Canaccord Genuity (Australia) Limited and Hartleys Limited (together, **Joint Lead Managers**) pursuant to which the Joint Lead Managers have been appointed as joint lead managers to the Entitlement Offer and the Placement (**Mandate Agreement**). The joint lead managers will provide a number of services to the Company in respect of the Retail Entitlement Offer and has the right (but not the obligation) to allocate any Shortfall in consultation with and subject to the agreement of the Company.

The Joint Lead Managers will provide a number of services to the Company in respect of the Retail Entitlement Offer and has the right (but not the obligation) to allocate any Shortfall in consultation with and subject to the agreement of the Company.

The Company has agreed to pay the joint lead managers a capital raising management fee of 1% of the funds raised and a selling fee of 5% of the funds raised under the Entitlement Offer and the Placement (**Management Fee**). The Management Fee shall only be payable by the Company in the event that the Offer completes.

The Company has agreed to reimburse the Joint Lead Managers in respect of expenses incurred incidental to the Offer, and further indemnify the Joint Lead Managers and related persons against losses, liabilities and claims in respect of the Offer.

The Mandate Agreement makes provisions (inter alia) for certain covenants to be observed by the Company. The Joint Lead Managers may terminate the Mandate Agreement at any time by 30 days' notice to the Company.

The Company may terminate the Mandate Agreement at any time prior to lodgement of the Retail Entitlement Offer Document and after lodgement of the Retail Entitlement Offer Document in the event of a material default of the Joint Lead Managers which has not been remedied after seven days' notice or if the Company withdraws the Retail Entitlement Offer Document or Entitlement Offer or announces it will not proceed with the Entitlement Offer or any similar capital raising.

The Joint Lead Managers have entered into an Underwriting Agreement with the Company (refer Sections 1.17 and 5.1).

1.14 **Shortfall**

In the event that there is a Shortfall in subscriptions under the Retail Entitlement Offer, the Directors reserve the right, as contemplated within the Listing Rules, to allocate any Shortfall of New Shares (**Additional New Shares**) in their discretion in consultation with the Joint Lead Managers. They will do so in a manner which will ensure that no Shareholder or other investor will as a consequence of taking up their Entitlement and being issued any Shortfall hold a relevant interest of more than 19.99% of all of the Shares in the Company after this Entitlement Offer.

Any Shortfall will be issued within three months after the Closing Date at an Issue Price being not less than the Offer Price.

1.15 **Shortfall Facility**

Each Eligible Retail Shareholder may apply for Additional New Shares, in addition to their Entitlement, at an issue price of \$0.15 per New Share (**Shortfall Offer**).

Any New Shares not taken up under the Retail Entitlement Offer (**Shortfall**) may be made available to those Eligible Retail Shareholders who took up their full Entitlement and applied for Additional New Shares under the Shortfall Facility.

There is no guarantee that such Eligible Retail Shareholders will receive the number of Additional New Shares applied for or, indeed, any Additional New Shares at all.

The Directors, in consultation with the Joint Lead Managers, shall allot and issue Additional New Shares in accordance with the allocation policy for the Shortfall set out in Section 1.16.

The Company, in consultation with the Joint Lead Managers, may reject any Application for Additional New Shares or allocate fewer Additional New Shares than applied for by Eligible Retail Shareholders for Additional New Shares.

The ability for the Company to issue Additional New Shares is dependent upon the extent of any Shortfall. Applications for Additional New Shares must be made in the Additional New Shares section on the Entitlement and Acceptance Form accompanying this Retail Entitlement Offer Document.

1.16 **Allotment and allocation policy**

The Company will proceed to allocate New Shares as soon as possible after the Closing Date and receiving ASX permission for official quotation of the New Shares.

In the case that there is less than full subscription by Eligible Retail Shareholders to their Entitlements under this Retail Entitlement Offer Document, the Directors in consultation with the Joint Lead Managers reserve the right, as contemplated within the Listing Rules, to issue any Shortfall at their discretion.

Successful Applicants will be notified in writing of the number of New Shares allocated to them as soon as possible following the allocation being made.

It is the responsibility of Applicants to confirm the number of New Shares allocated to them prior to trading in New Shares. Applicants who sell New Shares before they receive notice of the number of New Shares allocated to them do so at their own risk.

1.17 **Underwriting**

The Shortfall under the Retail Entitlement Offer is fully underwritten by Canaccord Genuity (Australia) Limited and Hartleys Limited (the **Underwriters**).

The Underwriting Agreement contains standard commercial terms and conditions for a firm underwriting agreement for a capital raising of this size and type. It also contains customary covenants, indemnities and representations and warranties by the Company and terminating events which if they occur, will relieve the Underwriter of its underwriting obligations. The termination events are outlined in further detail in Section 5.1.

Under the terms of the Underwriting Agreement, the Company will pay in aggregate, the Underwriters a fee of 4.8% of the Institutional Entitlement Offer and Placement proceeds, and a management and selling fee of 1.2% in relation to the institutional component of the Entitlement Offer and the Placement, and 4.8% of the Retail Entitlement Offer proceeds, and a management and selling fee of 1.2% in relation to the retail component of the Entitlement Offer. If these fees become payable, no other management or selling fees are payable to the Underwriters in any capacity in relation to the Entitlement Offer (including under the Mandate Agreement).

The Company has agreed to reimburse the Underwriters for all reasonable out-of-pocket expenses incurred in connection with the Entitlement Offer, including executive time on an hourly basis (**Expenses**). If at any stage the Company terminates the agreement (unless due to default of the Underwriter) or withdraws the Entitlement Offer, the Company will be liable to reimburse the Underwriters in full for the Expenses which have accrued up until a termination or withdrawal.

Under the Underwriting Agreement, the Underwriters are responsible for paying any commission and other fees, where applicable, to any appointed sub-underwriters.

1.18 **Potential effects of Underwriting on Control**

The Placement and Entitlement Offer is fully underwritten by the Underwriters pursuant to the terms of the Underwriting Agreement. The Underwriters do not currently hold any Shares or have any Relevant Interest in the Company. If the Underwriters are required to subscribe for the entire Underwritten Amount, it is possible that the Underwriters may be issued with 218,202,494 New Shares, which would represent 24.05% of the voting power in the Company. There is a takeover threshold of 20% so that any investor acquiring a Relevant Interest in more than 20% of the voting power of the Company would be in breach of the *Corporations Act* unless it could rely on one of the exceptions to that rule. In this case there are no applicable exceptions to this rule. Accordingly the Underwriters will not subscribe for more New Shares than equal to the lesser of:

- (a) the Shortfall; and
- (b) the number of New Shares such that the Underwriters would as a result in aggregate hold not more than 20% of the voting power of the Company following the issue and allotment of all New Shares.

In addition, the Institutional Entitlement allotment and Placement is scheduled to complete on 26 September 2019, and the Shortfall under the Retail Entitlement Offer is sub-underwritten by various parties to disperse the Shortfall. Eligible Retail Shareholders are also entitled to apply for Additional New Shares. Therefore the effects on control are expected to be minimal. For further information regarding underwriting, sub-underwriting and potential effects on control, refer to Sections 3 and 5.3.

1.19 **ASX listing**

On the same date as announcing the Retail Entitlement Offer, the Company applied to the ASX for the New Shares to be issued pursuant to this Retail Entitlement Offer Document to be listed for official quotation by the ASX. If granted, quotation of the New Shares will commence as soon as practicable after allotment of the New Shares to Applicants. It is the responsibility of the Applicants to determine their allocation of New Shares prior to trading.

Should the New Shares not be granted official quotation on the ASX within three months after the date of this Retail Entitlement Offer Document, none of the New Shares offered under this Retail Entitlement Offer Document will be issued and all acceptance money will be refunded without interest to Applicants within the time prescribed by the *Corporations Act*.

1.20 **CHESS**

The Company will apply for the New Shares to participate in CHESS, in accordance with the ASX Listing Rules and ASX Settlement Operating Rules.

The Company will not issue certificates to Shareholders with respect to the New Shares. After allotment of the New Shares, Shareholders who are issuer sponsored will be provided with an issuer sponsored statement and those who are CHESS Holders will receive an allotment advice.

The CHESS statements, which are similar in style to bank account statements, will set out the number of New Shares allotted to each successful applicant pursuant to this Retail Entitlement Offer Document. The statement will also advise holders of their holder identification number. Further statements will be provided to holders which reflect any changes in their holding in the Company during a particular month.

1.21 **Option Holders**

Option Holders will not be entitled to participate in the Retail Entitlement Offer unless they:

- (a) have become entitled to exercise their Existing Options under the terms of their issue and do so prior to the Record Date; and

- (b) participate in the Retail Entitlement as a result of being an Eligible Retail Shareholder at 7.00pm (Sydney time) on the Record Date.

There are currently 29,173,202 Existing Options on issue. These options have exercise dates which expire during the period from 20 January 2020 to 30 June 2024 and have exercise prices ranging from \$nil (although these zero priced options are all subject to vesting and performance conditions which have not been met) to \$1.32 (refer Section 3.2 for details). If all Option Holders elect to exercise their Existing Options prior to the Record Date to participate in the Retail Entitlement Offer, a further 4,862,200 New Shares may be issued under this Retail Entitlement Offer Document.

1.22 Overseas Shareholders

The Company has not made investigations as to the regulatory requirements that may prevail in the countries outside of Australia, New Zealand, Hong Kong and People's Republic of China in which the Company's Shareholders reside in connection with this Retail Entitlement Offer.

This Retail Entitlement Offer Document and accompanying forms do not, and are not intended to, constitute an offer of New Shares in any place outside of Australia and New Zealand and a limited number of Shareholders in Hong Kong and People's Republic of China in which, or to any person to whom, it would not be lawful to make such an offer or to issue this Retail Entitlement Offer Document or the accompanying forms.

The distribution of this Retail Entitlement Offer Document and the accompanying forms in jurisdictions outside of Australia and New Zealand and to certain shareholders in Hong Kong and People's Republic of China may be restricted by law and persons who come into possession of this Retail Entitlement Offer Document and the accompanying form should observe those restrictions. Any failure to comply with those restrictions may constitute a violation of applicable securities laws.

The Company has decided that it is unreasonable to make offers under the Retail Entitlement Offer to Shareholders with registered addresses outside of Australia and New Zealand and a limited number of Shareholders in Hong Kong and People's Republic of China (**Ineligible Retail Shareholders**) having regard to the small number of Shareholders in those places, the number and value of the New Shares they would be offered and the cost of complying with the legal and regulatory requirements in those places. Accordingly, the Entitlement Offer is not being extended to, and does not qualify for distribution or sale by, Ineligible Shareholders and no New Shares will be issued to Ineligible Shareholders.

In particular the Retail Entitlement Offer is not being made in the United States or to persons (including nominees or custodians) acting for the account or benefit of a person in the United States, or to any person who is ineligible under applicable securities laws in any country to receive an offer under the Retail Entitlement Offer Document without any requirement for a prospectus to be lodged or registered. This Retail Entitlement Offer Document does not constitute an offer of New Shares of the Company in any jurisdiction in which it would be unlawful. In particular, this Retail Entitlement Offer Document may not be distributed to any person, and the New Shares may not be offered or sold, in any country outside Australia except to the extent permitted below.

China: The information in this Retail Entitlement Offer Document does not constitute a public offer of the New Shares, whether by way of sale or subscription, in the People's Republic of China (excluding, for purposes of this paragraph, Hong Kong Special Administrative Region, Macau Special Administrative Region and Taiwan). The New Shares may not be offered or sold directly or indirectly in the PRC to legal or natural persons other than directly to "qualified domestic institutional investors", sovereign wealth funds and quasi-government investment funds.

Hong Kong: WARNING: The contents of this Retail Entitlement Offer Document have not been reviewed by any Hong Kong regulatory authority. You are advised to exercise caution in relation to the offer. If you are in doubt about any contents of this Retail Entitlement Offer Document, you should obtain independent professional advice.

New Zealand: The New Shares are not being offered to the public within New Zealand other than to existing shareholders of the Company with registered addresses in New Zealand to whom the offer of these securities is being made in reliance on the Financial Markets Conduct Act 2013 and the Financial Markets Conduct (Incidental Offers) Exemption Notice 2016.

This Retail Entitlement Offer Document has been prepared in compliance with Australian law and has not been registered, filed with or approved by any New Zealand regulatory authority. This Retail Entitlement Offer Document is not a product disclosure statement under New Zealand law and is not required to, and may not, contain all the information that a product disclosure statement under New Zealand law is required to contain.

1.23 **Notice to nominees and custodians**

The Retail Entitlement Offer is being made to all Eligible Retail Shareholders. Nominees with registered addresses in the eligible jurisdictions, irrespective of whether they participate under the Institutional Entitlement Offer, may also be able to participate in the Retail Entitlement Offer in respect of some or all of the beneficiaries on whose behalf they hold Shares, provided that the applicable beneficiary would satisfy the criteria for an Eligible Retail Shareholder.

Nominees and custodians which hold Shares as nominees or custodians will have received, or will shortly receive, a letter from the Company. Nominees and custodians should consider carefully the contents of that letter and note in particular that the Retail Entitlement Offer is not available to:

- beneficiaries on whose behalf they hold Shares who would not satisfy the criteria for an Eligible Retail Shareholder;
- Eligible Institutional Shareholders who received an offer to participate in the Institutional Entitlement Offer (whether they accepted their Entitlements or not); or
- Ineligible Shareholders who were ineligible to participate in the Institutional Entitlement Offer.

Due to legal restrictions, nominees and custodians may not send copies of this Retail Entitlement Offer Document or accept the Retail Entitlement Offer on behalf of any person in the United States or other jurisdiction outside Australia and New Zealand, except with the Company's consent, to (i) certain beneficial Shareholders in Hong Kong or the People's Republic of China as contemplated by Section 1.22 of this Retail Entitlement Offer Document, (ii) certain beneficial Shareholders who are institutional or professional investors in those foreign countries referred to in the paragraph "Placement and Institutional Offer" in the Company's ASX Release entitled "Metals X Launches A\$32.7m Equity Raising" dated 19 September 2019 or (iii) such other beneficial Shareholders as the Company may otherwise permit in compliance with applicable law.

The Company is not required to determine whether or not any registered Shareholder is acting as a nominee or the identity or residence of any beneficial owners of Shares. Nominees and custodians may not distribute this Retail Entitlement Offer Document, and may not permit any beneficial shareholder to participate in the Retail Entitlement Offer, in any country outside Australia and New Zealand except, with the consent of the Company, to beneficial Shareholders resident in certain other countries where the Company may determine it is lawful and practical to make the Offer.

1.24 **Electronic Offer Document**

An electronic version of this Retail Entitlement Offer Document is available on the Internet at <https://MetalsXOffer.thereachagency.com>.

The Entitlement and Acceptance Form may only be distributed together with a complete and unaltered copy of the Retail Entitlement Offer Document. The Company will not accept a completed Entitlement and Acceptance Form if it has reason to believe that the investor has not received a complete paper copy or electronic copy of the Retail Entitlement Offer Document or if it has reason to believe that the Entitlement and Acceptance Form or electronic copy of the Retail Entitlement Offer Document has been altered or tampered with in any way.

While the Company believes that it is extremely unlikely that in the Retail Entitlement Offer period the electronic version of the Retail Entitlement Offer Document will be tampered with or altered in any way, the Company cannot give any absolute assurance that it will not be the case. Any investor in doubt concerning the validity or integrity of an electronic copy of the Retail Entitlement Offer Document should immediately request a paper copy of the Retail Entitlement Offer Document directly from the Share Registry.

2. How to apply

2.1 How to accept your entitlement

Eligible Retail Shareholders may accept their Retail Entitlement either in whole or in part. Additional New Shares can be applied for under the Shortfall Facility.

The number of New Shares to which Eligible Retail Shareholders are entitled to is shown on the Entitlement and Acceptance Form which accompanies this Retail Entitlement Offer Document.

Ineligible Retail Shareholders may not take up any of their Retail Entitlement.

If Eligible Retail Shareholders take no action in respect of their Retail Entitlement they will have no right to subscribe for the New Shares pursuant to this Retail Entitlement Offer.

Retail Entitlements to New Shares can be accepted in full or in part by completing and returning the Entitlement and Acceptance Form which is attached to this Retail Entitlement Offer Document in accordance with the instructions set out on the Entitlement and Acceptance Form and forwarding the completed Form together with payment for the full amount so as to reach the Share Registry by no later than 5.00pm (Sydney time) on the Closing Date. Payment may be made by cheque, bank draft or BPAY®. The Issue Price of \$0.15 per New Share is payable in full on acceptance of part or all of your Retail Entitlement.

Cheques should be in Australian currency and made payable to Metals X Limited - Retail Entitlement Account" and crossed "not negotiable".

Completed Forms and accompanying cheques should be lodged at or forwarded to the following address:

Computershare Investor Services Pty Limited
Metals X Limited Offer
GPO Box 505 Melbourne Victoria 3001 Australia

Entitlement and Acceptance Forms will not be accepted at the Company's registered office.

No brokerage, handling fees or stamp duty is payable by Applicants in respect of their applications for New Shares under this Retail Entitlement Offer Document. The amount payable on acceptance will not vary during the period of the Retail Entitlement Offer and no further amount is payable on allotment. Application Money will be held in trust in a subscription account until allotment of the New Shares. The subscription account will be established and kept by the Company on behalf of the Applicants. Any interest earned on the Application Money will be retained by the Company irrespective of whether allotment takes place.

If you do not wish to accept all or any part of your Retail Entitlement, do not take any further action and that part of your Retail Entitlement will lapse. If you do not take up all of your Retail Entitlement in accordance with the instructions set out above, any New Shares that you would have otherwise been entitled to under the Retail Entitlement Offer may be issued pursuant to Shortfall Facility or placed by the Directors to third parties. See Sections 1.15 and 3.3 for further details.

2.2 Binding effect of Entitlement and Acceptance Form

A completed and lodged Entitlement and Acceptance Form, or a payment made through BPAY, constitutes a binding offer to acquire New Shares on the terms and conditions set out in this Retail Entitlement Offer Document and, once lodged or paid, cannot be withdrawn. If the Entitlement and Acceptance Form is not completed correctly it may still be treated as a valid application for New Shares. The Directors' decision whether to treat an acceptance as valid and how to construe, amend or complete the Entitlement and Acceptance Form is final.

By completing and returning your personalised Entitlement and Acceptance Form with the requisite Application Money or making a payment by BPAY, you will also be deemed to have acknowledged, represented and warranted on your own behalf or on behalf of each person on whose account you are acting that:

- (a) you are an Eligible Retail Shareholder;
- (b) if you are a natural person, you are over 18 years of age and have full legal capacity and power to perform all of your rights and obligations under your personalised Entitlement and Acceptance Form;
- (c) you have read and understand this Retail Entitlement Offer Document and your personalised Entitlement and Acceptance Form in their entirety;
- (d) you have read the key risks summarised in Section 1.9 and set out in Section 4 of this Retail Entitlement Offer Document, and you acknowledge that an investment in the Company is subject to risk;
- (e) all details and statements in the personalised Entitlement and Acceptance Form are complete and accurate;
- (f) you were the registered holder(s) at the Record Date of the Shares indicated on the personalised Entitlement and Acceptance Form as being held by you on the Record Date;
- (g) the law of any place does not prohibit you from being given this Retail Entitlement Offer Document and the personalised Entitlement and Acceptance Form, nor does it prohibit you from making an application for New Shares and that you are otherwise eligible to participate in the Retail Entitlement Offer;
- (h) you acknowledge that the New Shares have not been, and will not be, registered under the US Securities Act or under the laws of any other jurisdiction outside of Australia;
- (i) you have not and will not send any materials relating to the Retail Entitlement Offer to any person in the United States or to any person (including nominees or custodians) acting for the account or benefit of a person in the United States;
- (j) you acknowledge that the New Shares may only be offered, sold and resold outside the United States in 'offshore transactions' (as defined in Rule 902(h) under the US Securities Act) in reliance on Regulation S;
- (k) if you decide to sell or otherwise transfer any New Shares, you will only do so in regular way transactions on the ASX where neither you nor any person acting on your behalf knows, or has reason to know, that the sale has been pre-arranged with, or that the purchaser is, a person in the United States;
- (l) if you are acting as a nominee or custodian, each beneficial holder on whose behalf you are submitting the Entitlement and Acceptance Form is not in the United States, and you have not sent this Retail Entitlement Offer Document, the Entitlement and Acceptance Form or any information relating to the Retail Entitlement Offer to any such person in the United States;
- (m) if you are in the People's Republic of China, you are a (i) "qualified domestic institutional investor" as approved by the relevant PRC regulatory authorities to invest in overseas capital markets or (ii) sovereign wealth fund or quasi-government investment fund that has the authorisation to make overseas investment;

- (n) if you (or any person for whom you are acquiring the New Shares) are in the People's Republic of China, and you are not an investor described in (m) above, you (and any such person) approached the Company on your own initiative and are not subscribing for the New Shares as a result of any marketing by the Company or any person acting on its behalf in the People's Republic of China; and
- (o) acknowledge that the information contained in this Retail Entitlement Offer Document and the Entitlement and Acceptance Form is not investment advice nor a recommendation that New Shares are suitable for you given your investment objectives, financial situation or particular needs, and is not a prospectus or product disclosure statement, does not contain all of the information that you may require in order to assess an investment in the Company and is given in the context of the Company's past and ongoing continuous disclosure announcements to ASX.

3. Control issues arising from the Entitlement Offer on the Company

3.1 Present position

At the date of this Retail Entitlement Offer Document the Company is of the view that there is no one entity who controls the Company.

The Shareholders who hold more than 5% of the Shares prior to the date of this Retail Entitlement Offer Document are as follows:

Name	As at the date of this Retail Entitlement Offer Document	
	Shares	%
Sun Hung Kai Investment Services Limited on behalf of APAC	72,417,615	10.51%
Mitsubishi UFJ Financial Group	61,508,894	8.93%
IOOF Holdings Limited	52,686,625	7.65%
Jinchuan Group Ltd	44,000,000	6.39%
Total Shares on issue	689,060,508	

3.2 Capital structure

Assuming full subscription under the Entitlement Offer, and the issue of shares pursuant to the Placement, the share capital structure of the Company immediately following the Entitlement Offer assuming the Entitlement Offer is fully subscribed will be as follows:

	Shares	
	Number	%
Ordinary Shares on issue at launch of the Entitlement Offer	689,060,508	75.95%
Ordinary Shares to be issued pursuant to Placement	103,359,076	11.39%
Maximum number of New Shares under the Entitlement Offer ¹	114,843,418	12.66%
Total:	907,263,002	100%

Notes:

1. If any of the Existing Options are exercised prior to the Record Date, additional New Shares will be issued under the Retail Entitlement Offer under this Retail Entitlement Offer Document. If all Existing Options on issue as at the date of this Retail Entitlement Offer Document were exercised prior to the Record Date, the Company's issued shares would increase by 29,173,202.

As at the date of this Retail Entitlement Offer Document, the Company has a total of 29,173,202 Existing Options on issue as follows:

No of options	Exercise price	Vesting date/performance hurdle	Expiry date
4,150,000	\$0.76	N/A	20 January 2020
5,650,000	\$1.32	N/A	30 November 2020
1,000,000	\$0.54	20 January 2020	22 January 2022
1,000,000	\$0.56	20 January 2021	22 January 2023
1,000,000	\$0.58	20 January 2022	22 January 2024
1,185,094	Nil	30 June 2020*	30 June 2022
1,185,094	Nil	30 June 2021*	30 June 2023
14,003,014	Nil	30 June 2022*	30 June 2024

* Performance options are subject to the following performance conditions:

- Relative Total Shareholder Return (“Relative TSR”) (50%); and
- Return on Capital Employed (“ROCE”) (50%).

Relative Total Shareholder Return Performance Condition

Total Shareholder Return is the percentage growth in shareholder value, which takes into account factors such as changes in share price and dividends paid. The Relative TSR performance condition measures Metals X’s ability to deliver superior shareholder returns relative to its peer companies by comparing the TSR performance of Metals X against the performance of the S&P/ASX Metals and Mining Index.

The Board considers that TSR is an appropriate performance hurdle because it ensures that a proportion of each participant’s remuneration is explicitly linked to shareholder value and ensures that participants only receive a benefit where there is a corresponding direct benefit to shareholders.

The vesting schedule for the Relative TSR measure is as follows:

Relative TSR Performance	% Contribution to the Number of Employee Options to Vest
Below Index	0%
Equal to the Index	50%
Above Index and below 15% above the Index	Pro-rata from 50% to 100%
15% above the Index	100%

Return on Capital Employed Performance Condition

ROCE measures the efficiency with which management uses capital in seeking to increase shareholder value.

The Board considers ROCE as an appropriate measure as it focuses executives on generating earnings that efficiently use shareholder capital as the reinvestment of earnings.

The vesting schedule for the ROCE measure is as follows:

ROCE Performance	% Contribution to the Number of Employee Options to Vest
Less than or equal to the average annual weighted average cost of capital (“WACC”)	0%
WACC (calculated as above) + 3%	50%
WACC (calculated as above) + between 3% and 6%	Pro-rata from 50% to 100%
WACC (calculated as above) + 6%	100%

3.3 Potential effect of the Offer

The Entitlement Offer is a pro-rata offer so that if all Eligible Shareholders take up their Entitlements and none of the Option Holders exercise their Existing Options and participate in the Entitlement Offer, the voting power of all Eligible Shareholders will remain the same. In that event, there will be no actual or potential effect or consequences arising from the Entitlement Offer on the control of the Company.

As shown in Section 3.2 above, the Placement was also announced on 19 September 2019 which, upon completion, will dilute Existing Shareholders who did not participate in the Placement. The Placement was conducted at the same offer price as the Entitlement Offer.

However, Eligible Retail Shareholders who do not take up all of their Entitlements will have their interest in the Company diluted. In addition, the proportional shareholdings of Shareholders who are not Eligible Shareholders may be diluted as those Shareholders are not entitled to participate in the Entitlement Offer.

While the final percentage interests held by Shareholders of the Company is entirely dependent on the extent to which they are Eligible Shareholders and to the extent to which the other Shareholders take up their Entitlements, the Company expects that the potential effect of the issue of Shares under the Entitlement Offer on the control of the Company will be minimal.

In the event of a Shortfall, the Directors reserve the right to place the Shortfall at their sole discretion subject to the provisions of the Mandate Agreement, the Underwriting Agreement, the *Corporations Act* and the Listing Rules.

3.4 Underwriting and potential effects on control

The Underwriters currently do not have a Relevant Interest in the Company's Shares. If at completion of the Entitlement Offer and Placement, the Underwriters were required to subscribe for the entire Underwritten Amount it is possible that the Underwriters may be issued with up to a maximum of 218,202,494 New Shares, which would represent approximately 24.05% of the voting power in the Company.

This is prior to taking into consideration the acceptance of Entitlements by any other shareholder under the Entitlement Offer or the allocation of New Shares to the sub-underwriters.

There is a takeover threshold of 20% so that any investor acquiring a Relevant Interest in more than 20% of the Voting Power of the Company would be in breach of the *Corporations Act* unless it could rely on one of the exceptions to that rule. In this case there are no applicable exceptions to this rule.

Under the terms of the Underwriting Agreement, the interests of the Underwriters cannot exceed 20%, however, the Underwriters will not subscribe for more New Shares than equals the lesser of:

- (a) the Shortfall; and
- (b) the number of New Shares such that the Underwriters would as a result hold no more than 20% of the voting power of the Company in aggregate following the issue and allotment of all New Shares.

Accordingly, to the extent that the voting power of the Underwriters may exceed 20%, the number of New Shares able to be issued to the Underwriters will be limited to the number of New Shares that the Underwriters can receive without exceeding a 20% voting power in the Company.

The underwriting is however expected to have a minimal effect on any potential control effect of the Offer, on the basis of the following:

- (a) the results of the Institutional Entitlement Offer and Placement has been announced (on 23 September 2019) and if allotment is scheduled to complete on 26 September 2019;

- (b) the Underwriters have obtained sub-underwriting commitments totalling \$8,088,193, being the amount to be raised under the Retail Entitlement Offer, on usual commercial terms from various parties including some entities who are related parties of the Company as further outlined below; and
- (c) the Company has included the Shortfall Facility in this Retail Entitlement Offer Document.

3.5 Director interests

As at the date of this Retail Entitlement Offer Document, some of the Directors have either a direct or indirect interest in Shares. Each of the Directors who has a Relevant Interest in Shares has indicated that he will take up his Entitlement under the Entitlement Offer.

As set out in Sections 1.17 and 5.1, the Entitlement Offer is being underwritten by Canaccord Genuity (Australia) Limited and Hartleys Limited.

Set out below is a table summarising the Entitlement of each Director based on their current holding of Shares in the Company (assuming that no Existing Options are exercised prior to the Record Date), and their maximum commitment under a sub-underwriting commitment as noted in Section 5.3.

Director	Shares	New Share Entitlement	Sub-underwriting commitment in Shortfall (maximum Shares)
Peter Newton ¹	16,070,217	2,678,370	6,666,667
Damien Marantelli	-	-	1,333,333
Simon David Heggen ²	6,689	1,115	-
Yimin Zhang	-	-	-

Notes:

- Interest held by All-States Finance Pty Ltd, an entity of which Mr Newton is a director.
- Interest held by Tarra Valley Nominees Pty Ltd <ATF the SDH Superannuation Fund> of which Mr Heggen is a beneficiary.

4. Risk factors

4.1 Introduction

The activities of the Company, as in any business, are subject to risks which may impact on its future performance. The Company has appropriate actions, systems and safeguards for known risks; however, some are outside its control.

Prior to making any decision to accept the Retail Entitlement Offer, Eligible Retail Shareholders should carefully consider the risk factors which the Company has previously disclosed (many of which are listed below), as well as those risks of which the Eligible Retail Shareholder is aware, or should be aware of through their own knowledge and enquiries.

Some of the risks may be mitigated by the Company using safeguards and appropriate systems and taking certain actions. However, as noted above and previously, some of the risks are outside the control of the Company and are not capable of mitigation. There are also general risks associated with any investment in shares.

The risks listed below (and previously disclosed by the Company) should not be taken as exhaustive of the risks faced by the Company. Factors other than those listed may in the future materially affect the financial performance of the Company and the value of the New Shares. Eligible Retail Shareholders should read this Retail Entitlement Offer Document in its entirety and consult their stockbroker, accountant or other professional advisor without delay before deciding whether to accept the Retail Entitlement Offer.

4.2 General risks

The New Shares that are to be issued pursuant to the Retail Entitlement Offer are speculative because of the nature of the business of the Company, being the production of commodities. The value of shares can go up as well as down and a dividend may or may not be paid in the future, depending on the Company's operating successes. As the holding of the Company's securities can involve certain risks, Eligible Shareholders in doubt as to the course they should follow should consult their stockbroker, accountant or other professional advisor without delay.

A summary of the major general risks are described below:

Nature of investment

Any potential investor should be aware that subscribing for New Shares involves risks. The New Shares to be issued pursuant to this Retail Entitlement Offer carry no guarantee with respect to the payment of dividends, return on capital or the market value of those New Shares. An Applicant may not be able to recoup his or her initial investment. More specifically, the risks are that:

- (a) the price at which the Applicant is able to sell the New Shares is less than the price paid due to changes in market circumstances;
- (b) the Applicant is unable to sell the New Shares; and
- (c) the Company is placed in receivership or liquidation making it reasonably foreseeable that Shareholders could receive none, or only some, of their initial investment.

Stock market

The New Shares may trade on the ASX at higher or lower prices than the Issue Price during or following the Entitlement Offer. Investors who decide to sell their New Shares may not receive the entire amount of their original investment.

The Shares are currently listed on the ASX. However, there can be no guarantee that there is or will be an active market in the Shares or that the price of the New Shares will increase.

The price at which the New Shares trade on the ASX may be affected by the financial performance of the Company and by external factors over which the Directors and the Company have no control. These factors include movements on international share markets, local interest rates and exchange rates, domestic and international economic conditions, government taxation, market supply and demand and other legal, regulatory or policy changes.

Economic factors

The operating and financial performance of the Company is influenced by a variety of general economic and business conditions including the levels of consumer confidence and spending, business confidence and investment, employment, inflation, interest rates, exchange rates, commodity prices, access to debt and capital markets, fiscal policy, monetary policy and regulatory policies. A prolonged deterioration in any number of the above factors may have a material adverse impact on the Company's business and financial performance.

Management actions

The Directors will, to the best of their knowledge, experience and ability (in conjunction with their management) endeavour to anticipate, identify and manage the risks inherent in the activities of the Company, but without assuming any personal liability for same, with the aim of eliminating, avoiding and mitigating the impact of risks on the performance of the Company and its securities.

The Company's success depends to a significant extent upon its key management personnel, as well as other management personnel. The loss of the services of such personnel could have a material adverse effect upon the Company. To address this risk the Company has secured a number of key personnel by service and consultancy contracts.

Unforeseen expenses

While the Company is not aware of any expenses that may need to be incurred that have not been taken into account, if such expenses were subsequently incurred, the expenditure proposals of the Company may be adversely affected.

Additional capital requirements

The Company's ability to effectively implement its business strategy over time may depend in part on its ability to raise additional funds. There can be no assurance that any such equity or debt funding will be available to the Company on favourable terms or at all. If adequate funds are not available on acceptable terms, the Company may not be able to take advantage of opportunities or otherwise respond to competitive pressures. In the event the Company fails to obtain sufficient financing when required, the Company may be forced to delay or eliminate its potential future development activities, sell existing assets or reduce its operations. The Company is also party to the Citi Loan Facility which is secured by all material assets of the Metals X group, excluding direct joint venture interests and tenements at Renison, and guaranteed by Metals X and all its subsidiaries. Default of covenants under the Citi Loan Facility may give rise to enforcement of security or guarantees.

Regulatory risk, Government policy

Changes in relevant policy, taxation, interest rates, other legal, legislative and administrative regimes and Government policies in Australia, may have an adverse affect on the assets, operations and ultimately the financial performance of the Company and the market price of its securities. The activities of the Company will be subject to various federal, state and local laws governing prospecting, development, production, environmental remediation of mining activities, taxes, labour standards and occupational health and safety, climate change and other matters.

4.3 Risks specific to an investment in the Company

In addition to the general risks noted in section 4.2, Eligible Retail Shareholders should be aware of risks specific to an investment in the Company, which may include, but are not limited to the following:

Commodity price fluctuations

Commodity prices fluctuate and are affected by numerous factors beyond the control of the Company. These factors include world demand for commodities, forward selling by producers and the level of production costs in major commodity-producing regions. Moreover, commodity prices are also affected by macroeconomic factors such as expectations regarding inflation, interest rates and global and regional demand for, and supply of, commodities.

Contractual arrangements

The Company is a party to a number of material contracts and may be advanced in the finalisation of other contracts. Failure by any other party to a contract with the Company to comply with their obligations could have a material adverse effect on the Company. Additionally, the failure by the Company to finalise and execute contracts presently under negotiation or to finalise conditions arising under existing conditional material contracts could have a material adverse effect on the Company.

Joint venture partners

Financial failure or default by any participant in a joint venture to which the Company is a party may have a material adverse effect on the Company insofar as it may have to bear that share of the joint venture costs which would otherwise have been borne by the relevant participant in the joint venture.

Project Delay

To the extent that operational, construction and development activities are delayed for any of the production or development projects in which the Company is the operator or is to be granted management rights, this may affect the total development costs and the timing and level of proceeds derived from the operation which may have a material adverse effect on the Company.

Environmental Risks

The operations and activities of the Company are subject to State and Commonwealth laws and regulations concerning the environment. As with most exploration projects and mining operations, the Company's activities are expected to have an impact on the environment, particularly if advanced exploration or mine development proceeds. Such impact can give rise to substantial costs for environmental rehabilitation, damage, control and losses. Further, where there are environmental rehabilitation conditions attaching to the mining tenements of the Company, failure to meet such conditions could lead to forfeiture of these tenements.

Tenure and native title risks

Interests in exploration and mining tenements in Australia are governed by State legislation and are evidenced by the granting of leases or licences. Each lease or licence is for a specific term and carries with it annual expenditure and reporting conditions as well as other conditions requiring compliance. These conditions include the requirement, for exploration licences, for reduction in the area held under licence from time to time unless it is considered that special circumstances apply. Consequently the Company could lose title to, or its interest in, its tenements if licence conditions are not met or if expenditure commitments are not met.

It is possible that, in relation to tenements in which the Company has an interest or may acquire such an interest, there may be areas over which legitimate native title rights of Aboriginal Australians exist. If native title rights do exist, the ability of the Company to obtain the consent of any relevant land owner, or to progress from the exploration phase to the development and mining phases of the operation, may be adversely affected.

It is possible that there will exist on the Company's mining tenements, areas containing sacred sites or sites of significance to Aboriginal people subject to the provisions of the *Aboriginal Heritage Act 1972* (WA), the *Northern Territory Aboriginal Sacred Sites Act 1989* (NT), the *Aboriginal Heritage Act 1988* (SA), the *Aboriginal Relics Act 1975* (Tas) and the *Aboriginal Cultural Heritage Act 2003* (Qld), or areas subject to the *Native Title Act 1993* (Cth) in Australia. As a result land within the tenements may be subject to exploration, mining or other restrictions as a result of claims of Aboriginal heritage sites or native title.

Exploration and development

There can be no assurance that any exploration or development activity in regard to the Company's properties, or any properties that may be acquired in the future, will result in the discovery or exploitation of an economic resource.

Mineral exploration, development and mining/extraction may be hampered by circumstances beyond the control of the Company. The planned increase in mining rate and mining production at the Nifty Copper Operations may be hampered by delay or unforeseen circumstances or costs.

Exploration risks

Exploration is a high risk activity that requires large amounts of expenditure over extended periods of time. The Company's exploration activities will be subject to all the hazards and risks normally encountered in the exploration of minerals, including climatic conditions, hazards of operating vehicles and plant, risks associated with operating in remote areas and other similar considerations. Conclusions drawn during exploration and development are subject to the uncertainties associated with all sampling techniques and to the risk of incorrect interpretation of geological, geochemical, geophysical, drilling and other data.

Resource and Reserve Estimates

Resource and reserve estimates are expressions of judgment based on knowledge, experience and industry practice. Estimates, which were valid when originally calculated, may alter when new information or techniques become available. In addition, by their very nature, resource estimates are imprecise and depend to some extent on interpretations, which may prove to be inaccurate. As further information becomes available through additional fieldwork and analysis, the estimates may change. Accordingly, the actual resources may materially differ from these estimates and assumptions and no assurances can be given that the resource estimates and the underlying assumptions will be realised. This could result in alterations to development and mining/extraction plans, which may, in turn, affect the Company's operations and ultimately the Company's financial performance and value.

Production and cost estimates and forecasts

The Company undertakes its business planning using a range of estimates and forecasts using information available to it at that point in time. These plans include estimates of future production and of the cash costs and capital costs of that production. The ability of the Company to achieve production targets, or meet operating or capital expenditure budgets or estimates cannot be assured. Actual costs of production may be impacted by factors such as variations in ore grade, mine operating conditions, including geotechnical conditions, metallurgical recoveries, labour costs and availability, as well as accidents, poor performance and general economic factors. A failure to realise estimated forecasts and plans could have a material adverse impact on the Company's financial and operating performance.

Operational and technical risks

The operations of the Company may be affected by various factors, including failure to locate or identify mineral deposits, failure to achieve predicted grades and/or resources in exploration and mining, operational and technical difficulties encountered in mining and extraction, difficulties in commissioning and operating plant and equipment, mechanical failure or plant breakdown, unanticipated metallurgical or recovery problems which may affect extraction costs, adverse weather conditions, industrial and environmental accidents, industrial disputes, and unexpected shortages or increases in the costs of consumables, spare parts, plant and equipment.

Exchange rate fluctuations

International prices of most commodities are denominated in United States dollars, whereas the income and expenditure of the Company, whilst operating on Australian projects, will be in Australian currency, exposing the Company to the fluctuations and volatility of the rate of exchange between the United States dollar and the Australian dollar, subject to any currency hedging that might be undertaken.

General economic conditions

Economic conditions, both domestic and global, may affect the performance of Company. Factors such as fluctuations in currencies, commodity prices, inflation, interest rates, supply and demand and industrial disruption may have an impact on operating costs and share market prices. The Company's future possible revenues and share price can be affected by these factors, all of which are beyond the control of the Company.

Equity market conditions

Securities listed on the stock market, and in particular securities of mining and exploration companies, including the Company, can experience extreme price and volume fluctuations that are often unrelated to the operating performances of such companies. The market price of securities may fall as well as rise and may be subject to varied and unpredictable influences on the market for equities in general.

General factors that may affect the market price of securities include economic conditions in both Australia and internationally, investor sentiment, local and international share market conditions, changes in interest rates and the rate of inflation, variations in commodity prices, the global security situation and the possibility of terrorist disturbances, changes to government regulation, policy or legislation (including any changes adopted to address climate change issues), changes which may occur to the taxation of companies as a result of changes in Australian and foreign taxation laws, changes to the system of dividend imputation in Australia, and changes in exchange rates.

Other

Other risk factors include those normally found in conducting business, including litigation resulting from the breach of agreements or in relation to employees (through personal injuries, industrial matters or otherwise) or any other cause, strikes, lockouts, loss of service of key management or operational personnel, weather and climate, non-insurable risks, delay in resumption of activities after reinstatement following the occurrence of an insurable risk and other matters that may interfere with the business or trade of the Company.

Shareholders should consider that the investment in the Company is speculative and should consult their professional advisers before deciding whether to apply for the New Shares.

5. Material contracts

5.1 Underwriting Agreement

By an agreement between Canaccord Australia (Genuity) Limited and Hartleys Limited (the **Underwriters**) and the Company (**Underwriting Agreement**) dated 23 September 2019, the Underwriters have agreed to fully underwrite the Entitlement Offer and Placement (together being the **Offer**) to the amount of \$32,730,374 (**Underwritten Amount**).

The key terms of the Underwriting Agreement including the fees the Company has agreed to pay the Underwriter are outlined in Section 1.17.

All definitions and clauses referred to in the below summary are as applied in the Underwriting Agreement. The Company has given warranties and covenants to the Underwriter which are of the type and form that is usual in an underwriting agreement of this nature.

Termination

The obligation of the Underwriter to fully underwrite the Offer to the Underwritten Amount is subject to certain events of termination. The Underwriter may terminate its obligations under the Underwriting Agreement if any of the following events occurs:

- (a) the ASX announces that the Company will be removed from the official list or any Offer Shares will be delisted or suspended from quotation by ASX for any reason;
- (b) the ASX/S&P 300 Metals and Mining Index, the price of copper by reference to the London Metals Exchange copper price, or the price of tin by reference to the London Metals Exchange tin price is at a level that is 10% or more below its level as at the close of business on the Trading Day prior to the date of the Underwriting Agreement at the close of business on any Trading Day from the date of the Underwriting Agreement to (and including) the Second Settlement Date;
- (c) the Debt Facility is terminated, rescinded or varied in a material respect without the prior written consent of the Underwriters;
- (d) ASX does not, or states that it will not, agree to grant official quotation of all the Offer Shares on an unconditional basis (or on a conditional basis provided such condition would not, in the opinion of the Underwriters (acting reasonably), have a material adverse effect on the Offer) by the time required in the Timetable or, if permission for the official quotation of the Offer Shares is granted before the date of allotment and issue of the relevant Offer Shares, the approval is subsequently withdrawn, qualified (other than by way of customary conditions) or withheld;
- (e) the Company alters its capital structure without the consent of the Underwriters, other than by issuing Shares pursuant to the terms of the Offer (or as otherwise permitted under the Underwriting Agreement);
- (f) the Offer Documents include any forecast, expression of opinion, belief, intention or expectation which is not based on reasonable grounds (including having regard to ASIC Regulatory Guide 170);
- (g) any event specified in the Timetable is delayed by the Company for more than 1 Business Day, without the prior written consent of the Underwriters;
- (h) the Company withdraws the Offer or any component of it or indicates that it does not intend to or is unable to proceed with the Offer or any component of it;
- (i) any Certificate which is required to be furnished by the Company under this agreement is not furnished when required or a statement in that Certificate is false, misleading, untrue or incorrect in a material respect (including by omission);
- (j) the Company (or any of its Related Bodies Corporate) being or stating that it is unable to pay its debts as and when they fall due; or failing to comply with a statutory demand;
- (k) any step being taken which will or is likely to result in any of the following (except, in the case of matters affecting Related Bodies Corporate of the Company, as part of restructuring in the ordinary course of the Group's business):

- (1) the appointment of a liquidator, provisional liquidator, administrator, receiver, receiver and manager or other similar official in relation to, or to any property of, the Company (or any of its Related Bodies Corporate); or
 - (2) the Company (or any of its Related Bodies Corporate) being wound up or dissolved or entering into a scheme, moratorium, composition or other arrangement with, or to obtain protection from, its creditors or any class of them or an assignment for the benefit of its creditors or any class of them;
 - (3) circumstances existing which would permit a presumption of insolvency in relation to the Company (or any of its Related Bodies Corporate) under subsection 459C(2) of the Corporations Act, or
 - (4) anything analogous or having a substantially similar effect occurring in relation to the Company (or any of its Related Bodies Corporate), including under the laws of any other jurisdiction;
- (l) there is a material adverse change, or an event occurs which is likely to give rise to a material adverse change, in the assets, liabilities, financial position, results, condition, operations or prospects of the Group from the position fairly disclosed by the Company to ASX before the date of this agreement or in the announcement to be made pursuant to the Offer;
 - (m) there is an event or occurrence, including any statute, order, rule, regulation, directive or request of any Government Agency which makes it illegal for an Underwriter to satisfy an obligation under this agreement, or to market, promote, underwrite or settle the Offer;
 - (n) a statement contained in the Offer Materials is or becomes misleading or deceptive (including by omission) or likely to mislead or deceive, or the Offer Materials omit any information they are required to contain (having regard to section 708AA and section 708A of the Corporations Act and any other applicable requirements), or any expression of opinion or intention in the Offer Materials is not (or ceases to be) fairly and properly supportable or there are no (or there ceases to be) reasonable grounds for the making of any statement in the Offer Materials relating to future matters;
 - (o) the Company or any of its affiliates, directors or officers (as those terms are defined in the Corporations Act) engage in any fraudulent conduct or activity whether or not in connection with the Offer;
 - (p) a director or senior manager of the Company is charged with an indictable offence relating to financial or corporate matters or a director of the Company is disqualified from managing a corporation;
 - (q) a third party commences legal proceedings against the Company or any of its directors or officers in relation to the Offer (noting that each Underwriter has the right but not an obligation to terminate the Underwriting Agreement by written notice to the Company);*
 - (r) a change in the senior management or board of directors of the Company occurs (other than a potential change that the Underwriters were aware of prior to the Announcement Date);
 - (s) any of the following:
 - (1) ASIC issues or threatens to issue proceedings in relation to the Offer or commences any formal inquiry or investigation into the Offer (or announces its intention to do so);
 - (2) there is an application to any other Government Agency (which, in the Underwriters' bona fide opinion, is a serious action with reasonable prospects of success) for any order, declaration or other remedy, or any other Government Agency commences any other investigation or hearing or announces its intention to do so, in each case in connection with the Offer (or any part of it);*

- (3) ASIC or any other Government Agency commences or gives notice of any intention to commence a prosecution of the Company or any director or employee of the Company;* or
- (4) ASIC or any other Government Agency commences or gives notice of an intention to commence a hearing or investigation into the Company;*
- (t) the Company is in breach of any terms and conditions of the Underwriting Agreement;*
- (u) any representation or warranty is or becomes incorrect, untrue or misleading;*
- (v) the Working Group Report or any information supplied by or on behalf of the Company to the Underwriters for the purposes of the Due Diligence Investigations, the Offer Materials or the Offer, is or becomes false, misleading or deceptive, or is or becomes likely to mislead or deceive (including, in each case, by omission);*
- (w) a scheme of arrangement or reconstruction is announced by the Company, or another offer to Shareholders is announced by another person, which, if implemented, may result in a person and their associates acquiring a beneficial interest in, or voting power of, 50% of more of the interests in the Company;
- (x) an obligation arises on the Company to give ASX a notice in accordance with section 708AA(12)(a) of the Corporations Act (as included in the Corporations Act by ASIC Corporations (Non-Traditional Rights Issues) Instrument 2016/84) or section 708A(10) of the Corporations Act;
- (y) an event or circumstance occurs or becomes known that would, in the reasonable opinion of the Underwriters, have required the Company to give ASX a notice in accordance with section 708AA(12)(a) of the Corporations Act (as included in the Corporations Act by ASIC Corporations (Non-Traditional Rights Issues) Instrument 2016/84) or section 708A(10) of the Corporations Act had the Cleansing Statement been lodged on the Announcement Date on the basis of information known at that time;*
- (z) there is introduced, or there is a public announcement of a proposal to introduce, into the Parliament of Australia or any State of Australia a new law, or the Reserve Bank of Australia, or any Commonwealth or State authority or ASIC, adopts or announces a proposal to adopt a new policy (other than a law or policy which has been announced prior to the date of this agreement) any of which does or is likely to prohibit or regulate the Offer, capital markets or stock markets;*
- (aa) if any of the obligations of the relevant parties under any of the contracts that are material to the business of the Group are not capable of being performed in accordance with their terms (in the reasonable opinion of the terminating Underwriter) or if all or any part of any of such contracts
 - (1) is amended or varied without the consent of the Underwriters;*
 - (2) is terminated;
 - (3) is breached;*
 - (4) ceases to have effect otherwise than in accordance with its terms; or
 - (5) is or becomes void, voidable, illegal, invalid or unenforceable (other than by reason only of a party waiving any of its rights) or capable of being terminated, rescinded or avoided or of limited force and effect, or its performance is or becomes illegal;
- (bb) either:
 - (1) a contravention by the Company of the Corporations Act, its Constitution, any of the ASX Listing Rules, any other applicable law or regulation (as amended or varied) or order or request made by or on behalf of ASIC, ASX or any Government Agency;*
 - (2) any aspect of the Offer does not comply with the Corporations Act or the ASX Listing Rules;* or
 - (3) the Company is prevented from allotting and issuing the Offer Shares under the Listing Rules, applicable laws, an order of a court of competent jurisdiction or a Government Agency;

- (cc) trading of all securities quoted on ASX, HKEx, LSE, NZX, NASDAQ or NYSE is suspended or limited in a material respect;*
- (dd) a general moratorium on commercial banking activities in Australia, New Zealand, the People's Republic of China, Hong Kong, the United States of America or the United Kingdom is declared by the relevant central banking authority in any of those countries or there is a material disruption in commercial banking or Share settlement or clearance services in any of those countries;*
- (ee) any adverse change or disruption to the existing financial markets, political or economic conditions of Australia, Hong Kong, the European Union, the United States of America, the United Kingdom or the international financial markets or any change in national or international political, financial or economic conditions;*
- (ff) hostilities not presently existing commence (whether war has been declared or not) or a major escalation in existing hostilities occurs (whether war has been declared or not) involving any one or more of Australia, New Zealand, the United States of America, United Kingdom, Japan, North Korea, Russia, any member state of the European Union, Israel, the People's Republic of China or Hong Kong or a major terrorist act is perpetrated anywhere in the world.*

5.2 Those events above in paragraph 5.1 marked with an asterisk (“*”) can only be enlivened (and therefore the Underwriting Agreement able to be terminated) by the Underwriters if the event has, or is likely to have, a material adverse effect on the success of the Offer, the value of the Shares, or leads or is likely to lead to a contravention or liability for that Underwriter under the Corporations Act or any Applicable Law.

5.3 Sub-underwriting Agreements

The Underwriter has entered into various sub-underwriting agreements in relation to the Underwritten Amount, including with each of the following related parties of the Company:

- (a) an entity associated with Peter Newton for the amount of \$1,000,000; and
- (b) an entity associated with Damien Marantelli for the amount of \$200,000.

Under these sub-underwriting agreements, the Underwriters have agreed to pay a percentage fee of the funds sub-underwritten to the sub-underwriters, however the relevant related parties above (associated with directors of the Company) have waived that fee.

5.4 Citi Loan Facility

Metals X Limited entered into a finance agreement with Citibank N.A. for an A\$35M secured term loan facility (**Citi Loan Facility**) on 29 August 2019. The funds from the Citi Loan Facility will be used principally for funding development expenditures relating to the Company's Nifty Copper Operations and for capital expenditure and working capital.

The key terms of the Citi Loan Facility are summarised below. The facility is for a principal amount of A\$35M over a 4 year loan term. Repayments are quarterly in arrears commencing 31 December 2019 with accelerated prepayment from cash sweep commencing 30 June 2020. Early repayment is allowed, without penalty, at any time. Interest and charges are at competitive commercial terms. Security has been granted over all material assets of the Metals X group, excluding its Renison direct joint venture interests and other interests secured under the joint venture. The facility involves a reserve account of approximately A\$8M. The borrower under the facility is Bluestone Mines Tasmania Pty Ltd, a 100%-owned subsidiary of Metals X Limited. The facility is guaranteed by Metals X Limited and the subsidiaries under which the Company holds its interests in its copper and tin assets.

The key covenants include mandatory tin hedging, minimum liquidity and standard debt service ratios. As a condition precedent to drawdown of the facility, Bluestone Mines has forward sold 3,310 tonnes of tin which will realise an average price of over A\$25,000 per tonne for approximately 50% of production over the next 18 months.

An initial A\$22.5M was drawn down from the Citi Loan Facility on 11 September 2019 and the A\$12.5M balance was drawn down on 20 September 2019.

6. Additional information

6.1 Section 708AA Corporations Act

The Company is a disclosing entity and therefore subject to regular reporting and disclosure obligations under the *Corporations Act*. Under those obligations, the Company is obliged to comply with all applicable continuous disclosure and reporting requirements in the Listing Rules.

This Retail Entitlement Offer is being undertaken pursuant to section 708AA of the *Corporations Act*. This section enables disclosing entities to undertake a rights issue in relation to securities in a class of securities which has been quoted by ASX at all times during the 12 months before the date of the Retail Entitlement Offer. Apart from formal matters a notice under section 708AA(2)(f) need only:

- (a) contain information that is excluded information as at the date of the Retail Entitlement Offer Document pursuant to section 708AA(8) and (9); and
- (b) state:
 - (1) the potential effect the issue of the New Shares will have on the control of the Company; and
 - (2) the consequences of that effect.

A notice under section 708AA(2)(f) was lodged with the ASX on 19 September 2019.

In addition, as a result of ASIC Corporations (Non-Traditional Rights Issues) Instrument 2016/84, section 708AA(12) requires that if, after the notice required under section 708AA(2)(f) (**Cleansing Notice**) has been lodged and before the New Shares are issued (**Relevant Period**) the Company becomes aware of:

- (a) any information that would be Excluded Information for the purpose of the Cleansing Notice; or
- (b) a material change to the potential effect the issue of the relevant securities will have on the control of the Company or the consequences of that effect,

(**Additional Information**), the Company must disclose that Additional Information to the ASX as soon as practicable and before the end of the Relevant Period.

Accordingly, the Company will disclose by announcement to the ASX any Additional Information that it becomes aware of during the Relevant Period.

6.2 Annual General Meeting

The Company intends to hold its 2019 annual general meeting on 24 October 2019. As announced to ASX on 12 September 2019, meeting materials will be sent to Shareholders on or about 23 September 2019, which will include usual annual general meeting business, proposed ratification of the Placement pursuant to Listing Rule 7.1, as well as consideration of the resolution to appoint a new director as requested by APAC, a shareholder holding greater than 5% in the Company. As announced on 2 September 2019, Mr Peter Newton, a Director of the Company, intends to resign as a Director at the annual general meeting. The Company has announced that it is presently undertaking a board refresh and review process.

6.3 Ineligible Shareholders

All Shareholders who do not satisfy the criteria to be an Eligible Retail Shareholder or an Eligible Institutional Shareholder, are Ineligible Shareholders. Ineligible Shareholders are not entitled to participate in the Entitlement Offer, unless the Company otherwise determines. The restrictions upon eligibility to participate in the Entitlement Offer arise because the Company has determined, pursuant to ASX Listing Rule 7.7.1(a) and section 9A(3)(a) of the *Corporations Act*, that it would be unreasonable to extend the Entitlement Offer to Ineligible Shareholders. This decision has been made after taking into account the relatively small number and value of New Shares to which those Shareholders would otherwise be entitled and the potential costs of complying with legal and regulatory requirements in the jurisdictions

in which the Ineligible Shareholders are located in relation to the Entitlement Offer. The Company, in its absolute discretion, may extend the Retail Entitlement Offer to any Shareholder if it is satisfied that the Retail Entitlement Offer may be made to the Shareholder in compliance with all applicable laws. The Company, in its absolute discretion, reserves the right to determine whether a Shareholder is an Ineligible Retail Shareholder. To the maximum extent permitted by law, the Company disclaims all liability in respect of such determination. The price at which the Ineligible Entitlements will be sold is the Issue Price. Accordingly, Ineligible Shareholders will not receive any value as a result of the issue of any of those New Shares they would have been entitled to subscribe for had they been eligible to participate in the Entitlement Offer.

6.4 **Rights and liabilities attaching to New Shares**

The New Shares will have from issue the same rights attaching to all existing Shares on issue. The rights attaching to ownership of the New Shares are set out in the Company's Constitution, a copy of which is available for inspection at the registered office of the Company during business hours.

This Retail Entitlement Offer Document does not contain a summary of the principal rights and liabilities of holders of the New Shares.

6.5 **Expenses of the Offer**

All expenses connected with the Entitlement Offer are being borne by the Company. Total expenses of the Entitlement Offer are estimated to be in the order of \$2 million (assuming that the Offer is fully subscribed).

6.6 **Consents and disclaimers**

Written consents to the issue of this Retail Entitlement Offer Document have been given and at the time of this Retail Entitlement Offer Document have not been withdrawn by the following parties:

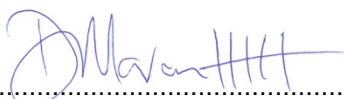
Computershare Investor Services Pty Ltd has given and has not withdrawn its consent to be named in this Retail Entitlement Offer Document as the Share Registry of the Company in the form and context in which it is named. It has had no involvement in the preparation of any part of this Retail Entitlement Offer Document other than recording its name as share registrar to the Company and it takes no responsibility for any part of the Retail Entitlement Offer Document other than the references to its name.

HopgoodGanim Lawyers has given and has not withdrawn its consent to be named in this Retail Entitlement Offer Document as solicitors to the Entitlement Offer in the form and context in which it is named. It takes no responsibility for any part of the Retail Entitlement Offer Document other than references to its name.

Canaccord Genuity (Australia) Limited and Hartleys Limited have given and have not withdrawn their consent to be named in this Retail Entitlement Offer Document as Joint Lead Managers and Underwriters to the Offer in the form and context in which they are named. They take no responsibility for any part of the Retail Entitlement Offer Document other than references to its name and pursuant to the Mandate Agreement and the Underwriting Agreement.

6.7 **Directors' statement**

This Retail Entitlement Offer Document is issued by Metals X Limited. Each director has consented to the lodgement of the Retail Entitlement Offer Document with ASX. Signed on the date of this Retail Entitlement Offer Document on behalf of Metals X Limited by:



.....
Mr Damien Marantelli, Director

7. Definitions and glossary

Terms and abbreviations used in this Retail Entitlement Offer Document have the following meaning:

Acceptance	An acceptance of Entitlements
Additional New Shares	Means additional New Shares issued under a Shortfall Facility
Applicant	A person who submits an Entitlement and Acceptance Form
Application Money	The Issue Price multiplied by the number of New Shares applied for
ASX	ASX Limited ACN 008 624 691
ASX Settlement Operating Rules	The operating rules of ASX Settlement Pty Ltd
Board	The board of Directors of the Company
Citi Loan Facility	Means the loan facility from Citibank N.A. for A\$35 million as described in Section 5.4 of this Retail Entitlement Offer Document.
CHESS	Means the Clearing House Electronic Sub-register System, an automated transfer and settlement system for transactions in securities quoted on the ASX under which transfers are effected in paperless form
Closing Date	The date by which valid acceptances must be received by the Share Registrar being 5.00pm (Sydney time) on 7 October 2019 or such other date determined by the Board
Company or MLX	Metals X Limited ACN 110 150 055
Constitution	The Constitution of the Company
Corporations Act	<i>Corporations Act 2001</i> (Cth)
Directors	The Directors of the Company
Eligible Institutional Shareholder	A Shareholder who: <ul style="list-style-type: none"> (a) is an institutional or sophisticated Shareholder on the commencement of the Institutional Entitlement Offer with a registered address in Australia, New Zealand, Canada (British Columbia, Ontario and Quebec provinces only), China, Germany, Hong Kong, Norway, Singapore, Switzerland and United Kingdom, and (b) has received an offer under the Institutional Entitlement Offer (either directly or through a nominee)
Eligible Shareholder	A shareholder who is an Eligible Institutional Shareholder or an Eligible Retail Shareholder
Eligible Retail Shareholder	Has the meaning given in 1.4 of this Retail Entitlement Offer Document
Entitlement and Acceptance Form or Form	An entitlement and acceptance form in the form attached to this Retail Entitlement Offer Document

Entitlement Offer	The offer and issue of New Shares to: (a) Eligible Institutional Shareholders in accordance with the Institutional Entitlement Offer conducted before the date of this Retail Entitlement Offer Document; and (b) Eligible Retail Shareholders in accordance with this Retail Entitlement Offer Document.
Entitlements	The entitlement to accept New Shares under this Retail Entitlement Offer Document and under the Institutional Entitlement Offer
Existing Options	All existing options to subscribe for Shares currently on issue as at the date of this Retail Entitlement Offer Document
Ineligible Retail Shareholder	A Shareholder (or beneficial holder of Shares) on the commencement of the Retail Entitlement Offer with a registered address outside Australia, New Zealand, Hong Kong or China, or any other jurisdiction that the Company agrees that ASX Listing Rule 7.7.1(a) applies to
Ineligible Shareholder	A Shareholder who is not an Eligible Shareholder
Institutional Entitlement Offer	The offer and issue of New Shares to Eligible Institutional Shareholders by the Company on 19 September 2019 and which completed on 20 September 2019
Institutional Entitlements	The Entitlement of Eligible Institutional Shareholders under the Institutional Entitlement Offer
Issue Price	\$0.15 each New Share applied for
Listing Rules	The official listing rules of the ASX
Joint Lead Managers	Canaccord Genuity (Australia) Limited and Hartleys Limited
Mandate Agreement	The mandate agreement between the Company and Canaccord Genuity (Australia) Limited and Hartleys Limited as varied on 12 September 2019, appointing Canaccord Genuity (Australia) Limited and Hartleys Limited as the Joint Lead Managers of the Offer
New Shares	Shares proposed to be issued under the Entitlement Offer, and where applicable, the Placement
Nifty Copper Operations or Nifty	Means the underground copper sulphide mine with an associated 2.5Mtpa copper concentrator and related operations fully owned by the Company and located in Western Australia
Nifty Reset Plan	Means the roadmap plan implemented by the Company to improve the operational performance of the Nifty Copper Operations, as announced to the ASX on 1 May 2019, and as updated from time to time including 4 September 2019 and 13 September 2019
Opening Date	The date of commencement of the Offer, expected to be 25 September 2019
Option Holders	The holders of the Existing Options
Options	Options on issue in the Company from time to time
Placement	The issue of 103,359,076 Shares at \$0.15 per Share as announced on 19 September 2019, scheduled to be allotted on the same day as the New Shares under the Institutional Entitlement Offer

Record Date	23 September 2019 at 7.00pm Sydney time
Register	The company register of the Company
Relevant Interest	Has the meaning given to that term in the <i>Corporations Act</i>
Renison Tin Operations or Renison	Means the underground tin concentrate mine and related operations 50% owned by the Company in a joint venture with YT Parksong Australia Holding Pty Ltd ACN 141 125 920 and located in Tasmania
Retail Entitlement	Entitlements under the Retail Entitlement Offer
Retail Entitlement Offer	The offer and issue of New Shares to Eligible Retail Shareholders in accordance with this Retail Entitlement Offer Document
Retail Entitlement Offer Document	This retail entitlement offer document dated 23 September 2019 as modified or varied by the Company
securities	Has the same meaning as in section 92 of the <i>Corporations Act</i>
Share Registry or CIS	Computershare Investor Services Pty Limited ABN 48 078 279 277
Shares	The ordinary shares on issue in the Company from time to time
Shareholder or Shareholders	The holders of Shares from time to time
Shortfall	Those New Shares for which the Entitlement pursuant to the Retail Entitlement Offer lapses
TERP	Theoretical Ex-Rights Price
Underwriter	Canaccord Genuity (Australia) Limited and Hartleys Limited, as to 50% each
Underwritten Amount	\$32,730,374, being the Entitlement Offer and the Placement
Underwriting Agreement	The underwriting agreement between the Company and Canaccord Genuity (Australia) Limited and Hartleys Limited dated 23 September 2019, appointing Canaccord Genuity (Australia) Limited and Hartleys Limited as Underwriters for the Underwritten Amount
US Securities Act	The US Securities Act of 1933, as amended.

Corporate directory

Directors and Company Secretary	Solicitors to the Entitlement Offer
<p>Mr Peter Newton (Non-Executive Chairman)</p> <p>Mr Damien Marantelli (Managing Director)</p> <p>Mr Simon David Heggen (Non-Executive Director)</p> <p>Mr Yimin Zhang (Non-Executive Director)</p> <p>Mrs Fiona Van Maanen (Company Secretary and CFO)</p>	<p>HopgoodGanim Lawyers</p> <p>Level 27 Allendale Square 77 St Georges Terrace Perth WA 6000</p>
Administration and Registered Office	Share Registry
<p>Level 5, 197 St Georges Terrace Perth WA 6000</p> <p>Tel: (08) 9220 5700 Fax: (08) 9200 5757 http://www.metalsx.com.au</p>	<p>Computershare Investor Services Pty Limited</p> <p>Level 11, 172 St Georges Terrace, Perth WA 6000</p>
Joint Lead Managers	
<p>Canaccord Genuity (Australia) Limited</p> <p>Level 62, MLC Centre 19 Martin Place Sydney NSW 2000</p> <p>Hartleys Limited 141 St Georges Terrace Perth WA 6000</p>	


MLX
MR SAM SAMPLE
123 SAMPLE STREET
SAMPLETOWN VIC 3000

For all enquiries:

Phone:
 (within Australia) 1300 850 505
(outside Australia) 61 3 9415 4000

Web:
 www.investorcentre.com/contact

Make your payment:

 See overleaf for details of the Offer and how to make your payment

Retail Entitlement Offer — Entitlement and Acceptance Form

 **Your payment must be received by 5:00pm (Sydney time) Monday, 7 October 2019**

This is an important document that requires your immediate attention. It can only be used in relation to the shareholding represented by the details printed overleaf. If you are in doubt about how to deal with this form, please contact your financial or other professional adviser.

Step 1: Registration Name & Offer Details

Details of the shareholding and entitlements for this Offer are shown overleaf.

Please check the details provided and update your address via www.investorcentre.com if any of the details are incorrect.

If you have a CHESS sponsored holding, please contact your Controlling Participant to notify a change of address.

Step 2: Make Your Payment

You can apply to accept either all or part of your Entitlement. If you accept your full Entitlement, you can also apply for Additional New Shares under a Shortfall Facility. Enter the number of New Shares you wish to apply for and the amount of payment for those New Shares.

By making your payment you confirm that you agree to all of the terms and conditions as detailed in the Retail Entitlement Offer Document dated 23 September 2019.

Choose one of the payment methods shown below.

BPAY®: See overleaf. Do not return the payment slip with BPAY payment.

By Mail: Complete the reverse side of the payment slip and detach and return with your payment. Make your cheque, bank draft or money order payable in Australian dollars to "**Metals X Limited**" and cross "**Not Negotiable**". The cheque must be drawn from an Australian bank. Cash is not accepted.

Payment will be processed on the day of receipt and as such, sufficient cleared funds must be held in your account as cheques received may not be re-presented and may result in your Application being rejected. Paperclip (do not staple) your cheque(s) to the payment slip. Receipts will not be forwarded. Funds cannot be debited directly from your account.

Entering your contact details is not compulsory, but will assist us if we need to contact you.


Turn over for details of the Offer →

Entitlement and Acceptance Form with Additional New Shares

X 9999999991

I ND

STEP 1 Registration Name & Offer Details

 For your security keep your SRN/
HIN confidential.

Registration Name: MR SAM SAMPLE
123 SAMPLE STREET
SAMPLETOWN VIC 3000


Entitlement No: 12345678

Offer Details: Existing shares entitled to participate as at
7:00pm (Sydney time) Monday, 23 September 2019:

Entitlement to New Shares
on a 1 for 6 basis:

Amount payable on full acceptance
at \$0.15 per New Share:

STEP 2 Make Your Payment

	Billir Code: 300111 Ref No: 1234 5678 9123 4567 89
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Pay by Mail:



Make your cheque, bank draft or money order payable to "**Metals X Limited**" and cross "**Not Negotiable**".

Return your cheque with the below payment slip to:

Computershare Investor Services Pty Limited
GPO BOX 505 Melbourne Victoria 3001 Australia

Contact your financial institution to make your payment from your cheque or savings account.

Lodgement of Acceptance

If you are applying for New Shares and your payment is being made by BPAY, you do not need to return the payment slip below. Your payment must be received by no later than 5:00pm (Sydney time) Monday, 7 October 2019. Applicants should be aware that their own financial institution may implement earlier cut off times with regards to electronic payment, and should therefore take this into consideration when making payment. Neither Computershare Investor Services Pty Limited (CIS) nor Metals X Limited accepts any responsibility for loss incurred through incorrectly completed BPAY payments. It is the responsibility of the applicant to ensure that funds submitted through BPAY are received by this time.

If you are paying by cheque, bank draft or money order the payment slip below must be received by CIS by no later than 5:00pm (Sydney time) Monday, 7 October 2019. You should allow sufficient time for this to occur. A reply paid envelope is enclosed for shareholders in Australia. Other Eligible Shareholders will need to affix the appropriate postage. Return the payment slip below with cheque attached. Neither CIS nor Metals X Limited accepts any responsibility if you lodge the payment slip below at any other address or by any other means.

Privacy Notice

The personal information you provide on this form is collected by Computershare Investor Services Pty Limited (CIS), as registrar for the securities issuers (the issuer), for the purpose of maintaining registers of securityholders, facilitating distribution payments and other corporate actions and communications. In addition, the issuer may authorise us on their behalf to send you marketing material or include such material in a corporate communication. You may elect not to receive marketing material by contacting CIS using the details provided above or emailing privacy@computershare.com.au. We may be required to collect your personal information under the Corporations Act 2001 (Cth) and ASX Settlement Operating Rules. We may disclose your personal information to our related bodies corporate and to other individuals or companies who assist us in supplying our services or who perform functions on our behalf, to the issuer for whom we maintain securities registers or to third parties upon direction by the issuer where related to the issuer's administration of your securityholding, or as otherwise required or authorised by law. Some of these recipients may be located outside Australia, including in the following countries: Canada, India, New Zealand, the Philippines, the United Kingdom and the United States of America. For further details, including how to access and correct your personal information, and information on our privacy complaints handling procedure, please contact our Privacy Officer at privacy@computershare.com.au or see our Privacy Policy at <http://www.computershare.com/au>.

Detach here -----

Metals X Limited Acceptance Payment Details

Entitlement taken up:

Number of Additional New Shares applied for:

Amount enclosed at \$0.15 per New Share: **A\$**



Entitlement No: 12345678

Payment must be received by 5:00pm (Sydney time) Monday, 7 October 2019

MR SAM SAMPLE
123 SAMPLE STREET
SAMPLETOWN VIC 3000

Contact Details

Contact Name _____ **Daytime Telephone** _____

Cheque Details

Drawer	Cheque Number	BSB Number	Account Number	Amount of Cheque
<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	A\$ <input type="text"/>

123456789123456789+0000000001-3051+14