



BOARD REFRESH UPDATE

HIGHLIGHTS

- ▶ Board refresh process well advanced with key criteria established, candidates reviewed, and short-list finalised;
- ▶ Mr Brett Smith, activist shareholder APAC Resources' nominee, has been thoroughly reviewed as part of Board refresh process and decision made not to shortlist. Accordingly, the Board continues to recommend that shareholders vote **AGAINST** Resolution 6 of the Notice of Annual General Meeting being the appointment of Mr Brett Smith as a Director;
- ▶ Balance sheet recently strengthened through successful A\$32.7 million fully underwritten capital raising evidencing support for management and strategy.

OVERVIEW

Metals X Limited (“**Metals X**” or the “**Company**”) is pleased to provide an update on the Board refresh process announced 2 September 2019.

With the assistance of national search firm Derwent, a shortlist of high-quality candidates has been assembled and is currently undergoing further assessment and evaluation.

Shortlisted candidates have been selected based on strict criteria established by the Board to add the necessary specific skills and experience that the Board requires. These criteria include:

- ▶ Relevant and recent operational experience, especially in underground mining turnaround situations;
- ▶ Independence and ability to represent the interests of ALL shareholders;
- ▶ Strong director capability and experience; and
- ▶ Financial capability and significant exposure to capital markets and corporate activity.

Commenting on the search, Managing Director Mr Damien Marantelli said:

“We are very pleased with the quality of the shortlisted candidates and look forward to announcing the appointment of the best candidates for the role as soon as possible.”

A further update on the process will be provided when it becomes available.

APAC Resources Notice

The Company refers to the notice received from activist shareholder APAC Resources Strategic Holdings Ltd (**APAC Resources**) (refer to ASX announcement ‘Receipt of Shareholder Notices’ dated 3 September 2019) and the request in that notice for Metals X to appoint a nominee of APAC’s choosing being Mr Brett Smith, a current Executive Director and the Deputy Chairman of APAC Resources. As outlined in the Company’s ASX announcement at the time of receipt, Metals X was happy to include Mr Brett Smith in the candidate search, alongside other candidates, and fully consider his potential appointment.

FURTHER ENQUIRIES

Damien Marantelli
Damien.marantelli@metalsx.com.au

CORPORATE DIRECTORY

Level 5, 197 St Georges Terrace
Perth WA 6000 Australia
PO Box 7248
Cloisters Square PO WA 6850
+61 8 9220 5700
reception@metalsx.com.au
www.metalsx.com.au
ASX Code: MLX

Metals X has reviewed Mr Brett Smith's credentials thoroughly, in line with the criteria established by the Board. The conclusion from that review is that Mr Brett Smith is not an appropriate fit for the Board of Metals X for a number of key reasons as outlined below.

Mr Brett Smith:

- ▶ Does not, in the view of the Company, have the combined background, experience and qualifications appropriate for the role. Specifically, Mr Smith does not have the depth and breadth of recent and relevant operational experience required to complement the current Board's mix of experience;
- ▶ Is not considered in any way independent or capable of acting independently given his current position as Executive Director and Deputy Chairman of activist shareholder APAC Resources. It should be noted that Metals X is not averse to appointing major shareholder representatives where they are appropriately qualified, and where their appointment would not be to the detriment of other shareholders. In this case, the Board of Metals X has concerns over the misalignment of the strategic intentions of APAC Resources with the Company's objectives and plans as they relate to the Nifty Copper Operations and the Nifty Reset Plan; and
- ▶ Declined to be interviewed by Metals X, making it difficult to appraise cultural fit.

Accordingly, the Board continues to recommend that shareholders vote **AGAINST** the appointment of Mr Brett Smith in the applicable resolution in the Notice of Annual General Meeting, being Resolution 6.

Metals X's Managing Director Mr Damien Marantelli said that the Company was always willing to consider shareholder feedback and take action accordingly if such action was considered to be justified and in the best interests of all shareholders. In the case of activist shareholder APAC Resources' request to appoint Mr Brett Smith to the Board however, following a thorough review of the candidate, the Board has determined that the appointment of Mr Brett Smith would not be in the best interests of the remaining Metals X shareholders.

"Metals X fully recognised and acknowledged the underperformance of Nifty last year. At that time, changes to the Board and subsequent changes to the executive team and Nifty management team were initiated by the Board members, certain of whom APAC Resources has recently demanded be removed."

"Following those changes, a thorough review of the Nifty operation was undertaken to assess the business case for continuing the operation. This resulted in the release of the Nifty Reset Plan in May 2019, which set out a well-defined roadmap and timeline to turn around the performance of the operation. The plan was clearly articulated to the market and we have been providing regular updates. The Board are pleased with progress against the plan and are confident that we remain on track to achieve our Phase 1 target of attaining throughput rates of 2Mtpa during the March 2020 Quarter."

"The move by APAC Resources to appoint one of its executives to the Board and its proposal to undertake a further review of Nifty, when we are on the cusp of delivering some meaningful changes in line with the Reset Plan, is both extremely disruptive to the plans currently being progressed and returns the business to ground covered in a thorough previous assessment conducted at the time that management changes were made."

"This is an unwanted and unnecessary diversion of our operational focus. We have a strong management team that is working well and delivering results."

"We've recently strengthened the balance sheet, are ticking all the boxes in regard to the Nifty Reset Plan, while our Renison Tin Operations continue to go from strength to strength."

"Our Board refresh process is progressing well and we will provide further details as and when available. However, in the meantime, the Board are unanimous in their view that the candidate put forward by APAC Resources is not an appropriate addition for the Board and continue to recommend that shareholders vote AGAINST that resolution (being Resolution 6) at the upcoming Annual General Meeting."

ENDS

ENQUIRIES

Damien Marantelli
Managing Director

E: damien.marantelli@metalsx.com.au

M: +61 413 355 997

MEDIA ENQUIRIES

Michael Weir / Cameron Gilenko
Citadel-MAGNUS

M: +61 402 347 032 / +61 466 984 953