

QUARTERLY REPORT

FOR THE QUARTER ENDING
31 DECEMBER 2023



Metals X Limited (**Metals X** or the **Company**) presents its activities report for the quarter ended 31 December 2023.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE

- The Bluestone Mines Tasmania JV Renison Tin Operation (**Renison**) reported three (3) Recordable Injuries during the quarter (Q3 CY2023: Nil).
- The overall Renison site safety performance saw an increase in the 12-month rolling TRIFR¹ to 5.6 (Q3 CY2023: 2.7) and the LTIFR² increased to 2.8 (Q3 CY2023: 1.8).
- Safety initiatives undertaken during the quarter include:
 - Review and redevelopment of the Critical Risk Management (**CRM**) program completed by an external consultant with training and implementation of the program initiated;
 - Serious Potential Incident (**SPI**) investigation review program successfully delivered on a weekly basis providing valuable feedback.
- Development of a psychosocial risk assessment to manage psychosocial hazards in the workplace is nearing completion.
- Environmental improvement initiatives for Renison such as the Contaminated Water Treatment Plant (**CWTP**) have contributed to a 36% reduction in non-compliances in CY2023 compared to CY2022.
- The Mt Bischoff Closure Design plan continued with planned submission extended to Q4 CY2024.

QUARTERLY HIGHLIGHTS

- Renison produced 2,714 tonnes of tin-in-concentrate during the quarter (Q3 CY2023: 2,545 tonnes of tin-in-concentrate) of which Metals X 50% share is 1,357 tonnes of tin-in-concentrate.
- Renison shipped 2,622 tonnes of tin-in-concentrate during the quarter (Q3 CY2023: 2,345 tonnes of tin-in-concentrate). Metals X received 49.7% of tin-in-concentrate tonnes shipped during the quarter (Q3 CY2023: 50.8%). Metals X shipped 1,303 tonnes of tin-in-concentrate (Q3 CY2023: 1,292 tonnes) to the Thailand Smelting and Refining Co. Ltd (**Thaisarco**) and the Malaysian Smelter Corporation (**MSC**).
- Metals X 50% share of imputed revenue is \$50.29 million. At quarter end, \$41.88 million of the imputed value remained in inventory (at cost) and tin receivables (Q2 CY2023: \$42.44 million). Following quarter end, Metals X has received \$12.54 million relating to the realisation of these balances. Table 2 provides a reconciliation of Metals X cash movement for the quarter.
- Metals X entered into a new offtake agreement with Yunnan Tin Group (**YTG**) for 2024. Shipments under the new agreement will commence during Q1 2024 following the completion of contractual obligations to Thaisarco. The new agreement materially improves payment terms of trade for the realisation of tin sales.
- Closing cash for the quarter increased by \$18.81 million to \$143.04 million (Q3 CY2023: increase of \$0.20 million to \$124.23 million). The increase in cash includes \$1.61 million of interest received on \$100 million held in (4) 90-day term deposits (Q3 CY2023: \$1.36 million).
- Metals X announced its updated 2023 Renison Ore Reserve and Life of Mine Update³ highlighting a 10+ year mine life from 2024 with an annual production average of 10,191t of recovered tin metal in concentrate with the bulk of ore mined coming from the high-grade Area 5 and Leatherwood ore bodies.

¹ Total Recordable Injury Frequency Rate.

² Lost Time Incident Frequency Rate.

³ Refer ASX announcement 19 December 2023, *Renison Ore Reserve and Life of Mine Update*.

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- The LME tin spot price closed higher at US\$25,500 per tonne on 31 December 2023 (Q3 CY2023: US\$24,450). At quarter end, the USD had depreciated against the AUD resulting in a lower AUD imputed tin price for Q4 CY2023 of A\$37,063 (Q3 CY2023: A\$40,667 per tonne of tin).

OPERATIONS REVIEW

RENISON TIN OPERATION

Metals X owns a 50% equity interest in Renison through its 50% stake in the Bluestone Mines Tasmania Joint Venture (BMTJV). All data in this report is 100% of Renison unless stated as 'MLX 50% share'.

Tin production for the quarter was 2,714 tonnes of tin-in-concentrate (Q3 CY2023: 2,545 tonnes), marking a notable 7% increase compared to Q3 CY2023 with an increase in ore tonnes milled and improved mill recovery. Grade of ore mined increased in line with the mine plan with access to the higher-grade Area 5 and Leatherwood stopes well established.

The final Thermal Upgrade Plant (TUP) Furnace Technology selection, and submission of a revised notice of intent (NOI) to inform permitting are scheduled for Q2 CY2024. Key activities completed in the quarter included trials and studies on TUP Furnace Technology, infrastructure engineering for accommodation and energy, and tailings/water management. Other aspects of the study including geotechnical work at the proposed dam site remain ongoing.

TABLE 1 – RENISON TIN OPERATION PERFORMANCE (100% BASIS) – DECEMBER 2023 QUARTER

Physicals and Imputed Financials ⁽¹⁾		Dec 2023 Quarter	Sep 2023 Quarter	Rolling 12-months
Ore mined	t ore	190,801	189,410	778,638
Grade of ore mined	% Sn	1.84	1.77	1.65
Ore milled (after sorter upgrade)	t ore	160,035	151,580	649,548
Grade of ore processed	% Sn	2.17	2.18	1.92
Mill recovery	%	78.03	77.02	76.27
Tin produced	t Sn	2,714	2,545	9,532
Imputed tin price ⁽²⁾	A\$/t Sn	\$37,063	\$40,667	\$39,003
Imputed sales and marketing costs	A\$/t Sn	\$5,615	\$4,629	\$4,825
C1 cash production costs	A\$/t Sn	\$16,067	\$16,771	\$17,668
Imputed EBITDA	A\$/t Sn	\$15,381	\$19,267	\$16,510
All-in sustaining costs (AISC) ⁽³⁾	A\$/t Sn	\$26,552	\$26,893	\$27,723
All-in cost (AIC) ⁽⁴⁾	A\$/t Sn	\$28,112	\$29,057	\$30,643
Imputed net cash inflow	A\$/t Sn	\$8,950	\$11,610	\$8,360
Imputed revenue⁽¹⁾		\$100.57	\$103.50	\$371.77
Imputed sales and marketing costs		\$15.24	\$11.78	\$45.99
C1 cash production costs		\$43.60	\$42.68	\$168.41
Imputed EBITDA		\$41.74	\$49.04	\$157.37
AISC		\$72.05	\$68.44	\$264.25
AIC		\$76.28	\$73.95	\$292.08
Imputed net cash in flow		\$24.29	\$29.55	\$79.69

⁽¹⁾ Imputed revenue and imputed net cash flow assume 100% of tin-in-concentrate tonnes produced during the quarter is sold. At quarter end, 746 tonnes of tin produced remained in inventory at cost (Q3 CY2023: 503 tonnes) and 384 tonnes in receivables (Q3 CY2023: 285 tonnes).

⁽²⁾ Source: LME Tin cash bid average per tonne of tin produced.

⁽³⁾ AISC includes C1 cash production costs, imputed sales and marketing costs, and sustaining capital.

⁽⁴⁾ AIC includes AISC plus project and exploration costs.

PRODUCTION AND COSTS (100% BASIS)

- The AISC for the quarter decreased to \$26,552 per tonne of tin-in-concentrate (Q3 CY2023: \$26,893 per tonne). The AIC decreased to \$28,112 per tonne of tin-in-concentrate (Q3 CY2023: \$29,057 per tonne). The decrease in cost for the quarter was a factor of increased tin production.
- An 8.9% decrease in the AUD imputed tin price resulted in a lower imputed EBITDA of \$41.74 million (Q3 CY2023: EBITDA \$49.04 million) and imputed net cash flow of \$24.29 million (Q3 CY2023: \$29.55 million).

CAPITAL PROJECT UPDATE

The Area 5 upgrade projects have been successfully completed within the approved capital allocations.

Scheduled paste fill delivery has continued without unplanned interruption, with the underground reticulation issues being successfully rectified.

Key activities during the quarter included:

- Ventilation upgrade
 - The reaming of the upper leg of the Leatherwoods Fresh Air Raise (**FAR**) has been completed. Overall progress on this raise was impacted by cracked drill rods and slower than anticipated reaming penetration rates.
 - The lower leg recovery drive, at 1315 level, has been completed, and the reaming head chamber mined. The raisebore contractor is currently relocating the rig back to the original drill site and will recommence reaming during Q1 CY2024. Reaming of the Leatherwoods FAR is expected to be completed in early Q2 CY2024
 - Geotechnical drilling for the new Leatherwoods Return Air Raise (**RAR**) has been completed. Detailed design work will commence once the suitability of the proposed raisebore location has been confirmed.
- Mine dewatering
 - The mining, civil and mechanical installation of the new North Renison Decline pump stations (1036 and 1121 levels) has been completed. Electrical installations will be finalised during Q1 CY2024.
 - The design and independent review of the mine-wide pumping system upgrade was completed during Q3 CY2023. Project costing, schedule development, and early long lead time item procurement are now underway.
- Surface projects
 - Mechanical installation of the new 12m thickener has been successfully completed. Electrical installations are ongoing, and the project remains on schedule for commissioning in Q1 CY2024.
 - Ongoing defect rectification works in the HV switchyard, detailed design of the tailings dam overhead powerline, and sitewide environmental improvements are in progress.

MINE RESOURCE DRILLING PROGRAM

During the quarter, 13,475 metres of underground drilling was completed. Drilling included grade control from Area 5 in the 1036 and 1140 levels, reserve definition drilling from the Houn North 1450 and geotechnical drilling from the Murchison Area.

For the upcoming Q1 CY2024, underground drilling plans to drill from the Leatherwood 1250, Huon 1414, Area 5 1140, Houn North 1450 and the Central Federal Basset 1660. The Leatherwood 1250 HWDD North platform will also be extended for additional reserve definition drilling of the North Leatherwood and Regnans area. Planned programs will focus on both resource definition and grade control drilling.

RENTAILS PROJECT

The Rentails project has continued to progress in-line with the major objectives of the 2023 study plan approved by the BMTJV Committee⁴. Selection of the final TUP Furnace Technology selection, and submission of a revised NOI are scheduled for later in CY2024.

Key activities during the quarter included:

- TUP Furnace Technology selection:
 - The Box fuming furnace trial at Yunnan Tin Group's (YTG) Gejiu smelter recommenced following commissioning of modifications to address the gas supply and fuel rate limitations encountered during 2023. Consistent results were achieved and adequate data to inform the purposes of the TUP Furnace Technology selection produced.

Data analysis of the trial results is now underway, with reporting expected to be complete early Q1 CY2024.
 - The Ausmelt Top Submerged Lance (TSL) trial report was finalised by engineering consultant, Metso. Results from the trial demonstrate very low tin losses to slag and a high-grade tin fume product can be robustly achieved.
 - The Metso Ausmelt TSL furnace process study was completed, with all deliverables finalised and issued for use. A key deliverable from the study was Metso's proposed performance warranties with respect to tin losses to slag, tin fume quality and fuel consumption for the full scale Rentails TUP installation; these reflected the positive trial and process study outcomes.
 - Commencement of the ENFI Box fumer process study is expected to commence in Q1 CY2024. The overall TUP techno-economic study will be progressed in parallel with this, with the final TUP furnace technology selection expected mid CY2024.
- Infrastructure Engineering:
 - Engagement with various stakeholders with respect to accommodation and energy requirements continued.
 - Assessment of additional permanent and temporary infrastructure requirements including construction and operations accommodation will be further progressed during Q1 and Q2 CY2024.
 - Preparation of the water balance/s to support the definition of additional water requirements was well progressed by the end of Q4 CY2023.
- Tailings Reclaim, Tailings and Water Management:
 - Analysis and reporting of the geotechnical and hydrogeological drill programs was completed during the quarter. This work highlighted the need for a small additional geotechnical/hydrogeological drilling program in the proposed area to fully inform groundwater modelling and engineering requirements.
 - The geotechnical/hydrogeological drilling program was fully defined, and approval granted by Mineral Resources Tasmania (MRT) to complete this as an extension to the 2023 programme permit conditions with completion expected during Q1 CY2024.
 - Development of baseline surface, groundwater, and geo-chemistry models was completed.
 - Ground monitoring and the surface water monitoring programs continued.
 - Strength testing of A-B and C Dam tailings to inform detailed tailings reclaim planning was completed.
 - Preliminary Tailings Storage Facility (TSF) engineering to assess spillway options and water management issues continued.

⁴ Refer ASX announcement: 16 January 2023, Rentails Thermal Upgrade Plant Trials.

- Safety, Health, Environment and Community:
 - Studies to meet the revised NOI 2024 submission schedule were progressed.
 - Further targeted natural values surveys of threatened species to support the previous natural values assessment report were completed. These surveys will continue in CY2024.
 - Stakeholder engagement activities continued, with initial engagement with all key stakeholders, including the Environmental Protection Authority (EPA), completed.
 - The socio-economic baseline assessment was validated through consultation with affected parties and assessment of impacts.

Further stakeholder engagement activities will be progressed over Q1 and Q2 CY2024.

NEAR MINE EXPLORATION

A total of 2,248m of exploration drilling was completed for Q4 CY2023, of which 1,179m was targeting Down Hole Electro Magnetic (DHEM) conductors, and 1,069m was targeting Ringrose.

The Company expects to announce the results of the Ringrose drilling in Q1 CY2024. Mineralisation at Ringrose is located about 750m south of existing development and occurs over approximately 200m down dip and 250m strike length. Mineralisation is open to the north, south and at depth. Drilling to continue in Q1 and Q2 CY2024.

Further surface diamond drilling is continuing for the DHEM phase 3 program with five holes planned for 2,070m.

Two \$70,000 Exploration Drilling Grant Initiative (EDGI) grants were awarded from the Tasmanian Government to contribute to the drilling costs of testing the DC and Tunnel Hill targets.

The DHEM survey was completed in Q4 CY2023 with 4 holes surveyed for 2,993m. A total of 161 stations for 8,000m line metres of surface Fixed-Loop Electromagnetic (FLEM) Survey was also completed in Q4 CY2023. A final report is expected in Q1 CY2024.

Planning of a new FLEM survey along the northern extent of the Federal Fault was completed in Q4 CY2023 with work expected to commence on the survey in Q1 and Q2 CY2024.

CORPORATE REVIEW

INVESTMENTS – CONVERTIBLE NOTES, SHARES AND OPTIONS

The Company continues to hold \$36.00 million in aggregate in convertible notes issued by Cyprium Metals Limited (ASX: CYM) with an annual coupon rate of 4.0%.

Further details on the activities and of CYM are available from their ASX releases.

Following completion of the sale of the Company's Nickel Asset portfolio to Nico Resources Limited (NICO) (ASX: NC1) and subsequent IPO, Metals X held 21,100,000 fully paid ordinary shares (Shares) and 25,000,000 options in NICO.

At 31 December 2023, Metals X continues to hold:

- 8,540,000 Shares.
- 700,000 Shares escrowed until 19 January 2024.
- 25,000,000 options, exercisable at \$0.25 each, escrowed until 19 January 2024, expiring 3 years after grant and exercisable after 19 January 2024 and on, or before, 3 November 2024.

On 19 September 2023, NICO announced a fully underwritten pro-rata non-renounceable entitlement offer of one (1) new NC1 share for every five (5) NC1 shares at an issue price of \$0.40 per new share. Metals X took up its entitlement of 1,540,000 new NC1 shares for a consideration of \$0.62 million. During the quarter, following the allotment of new shares, Metals X retains an 8.46% interest in NICO.

Metals X holds 34,400,000 shares in Tanami Gold NL (ASX:TAM) acquired at an average price of approximately \$0.03 cents per share for a cost of \$1.17 million (net of transaction costs).

CASH GENERATION AND RECONCILIATION

At quarter end, Metals X closing cash at bank increased by \$18.81 million to \$143.04 million (Q3 CY2023: increased by \$0.02 million to \$124.23 million). Metals X has tin receivables of \$12.69 million after treatment costs (Q3 CY2023: \$9.97 million), inventory of \$17.26 million⁵ (Q3 CY2023: \$17.21 million) and trade and other payables of \$16.22 million (Q3 CY2023: \$11.00 million).

TABLE 2 – CASH MOVEMENT RECONCILIATION Q4 CY2023

	A\$(m)	A\$(m)
Opening cash at bank		124.23
(a) Imputed cash flows		
Add MLX 50% share of imputed revenue ⁽¹⁾ (Table 1)	50.29	
Less cash calls paid to Renison	(23.75)	
Net imputed cash flow		26.54
(b) Adjustments to net imputed cash flow		
Add movement in tin metal inventory ⁽²⁾⁽⁴⁾	1.93	
Less movement in tin receivables ⁽²⁾⁽⁴⁾	(4.36)	
Less selling costs (not included in imputed revenue) ⁽³⁾	(3.57)	
Net adjustments to imputed cash flow		(6.00)
(c) Other cash flow movements		
Add Interest income ⁽⁵⁾	1.61	
Less royalty and freight payments	(2.65)	
Less corporate costs	(0.69)	
Net other cash flow movements		(1.73)
Closing cash at bank		143.04

(1) Metals X 50% share of imputed revenue is calculated using the imputed tin price of A\$37,063 x 1,357 tonnes of tin-in-concentrate.

(2) Imputed revenue assumes 100% of tin produced is sold and cash received by quarter end. Metals X adjusts imputed revenue for tin inventory and receivables, at quarter end.

(3) Selling costs include treatment costs for Q4 CY2023 tin produced and sold during the quarter, actual vs imputed pricing differences and USD to AUD forex conversion costs.

(4) During Q4 CY2023, Metals X received \$36.81 million relating to tin produced during Q3 CY2023. At quarter end, Metals X has tin inventory with an imputed value of \$27.65 million and receivables of \$12.69 million after treatment costs. At the date of this report, Metals X has received \$12.54 million relating to the realisation of these balances since quarter end.

(5) Cash flows for interest received on \$100 million held in (4) 90-day term deposits.

⁵ Tin metal inventory represents all tin offsite, on water and in transit at quarter end.

This quarterly report has been authorised by the board of directors of Metals X Limited.

ENQUIRIES

Mr Brett Smith - Executive Director
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Competent Person Statement

The information in this report that relates to Exploration Results has been compiled by Bluestone Mines Tasmania Joint Venture Pty Ltd technical employees under the supervision of Mr Colin Carter B.Sc. (Hons), M.Sc. (Econ. Geol), AusIMM. Mr Carter is a full-time employee of the Bluestone Mines Tasmania Joint Venture Pty Ltd and has sufficient experience which is relevant to the style of mineralisation and types of deposit under consideration and to the activities which he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the “Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves”. The Company confirms it is not aware of any new information or data that materially affects the information included in the relevant market announcement.

The information in this report that relates to Ore Reserves has been compiled by Bluestone Mines Tasmania Joint Venture technical employees under the supervision of Mr Philip Bremner, B Engineering (Mining Engineering), AusIMM. Mr Bremner is a principal mining consultant at Oroteck Mining Solutions. Mr Bremner has sufficient experience which is relevant to the style of mineralisation and types of deposit under consideration and to the activities which he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the “Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves”. The Company confirms that all material assumptions underpinning the production targets and forecast financial information derived from the production targets set out in the announcement released on 19 December 2023 continue to apply and have not materially changed.