

RENISON UPDATE: OUTSTANDING PERFORMANCE AND GROWTH POTENTIAL

Metals X Limited (**Metals X** or the **Company**) is pleased to provide an update on its Renison Tin Operations (**Renison**) in Tasmania. Renison is 50%-owned by Metals X through the Bluestone Mines Tasmania Joint Venture (**BMTJV**).

HIGHLIGHTS

▶ **Delivering on the plan – Building value over the past 12 months**

- ▶ Focus on safety systems and leadership starting to deliver positive results;
- ▶ Increased mill throughput capacity by 24% and increased mill feed grade by 22% with successful construction and commissioning of ore sorters - capital cost already repaid (12 month payback);
- ▶ Increased year-on-year tin production by 5.7% with FY2019 EBITDA of \$21.5M (50% basis). Realised sales price margin in June 2019 quarter of 37%;
- ▶ Area 5 Phase 1 ventilation works in progress and on track. When completed this upgrade will support increasing depth of operations and allow first ore to be mined from the upper parts of this high grade resource during the December 2019 quarter;
- ▶ Increased Mineral Resources by 22% and increased overall Mineral Resource grade by 14.5% through demonstrated commitment to resource definition drilling;
- ▶ Increased tin metal contained in Ore Reserves by 20% through improved mine planning and expanded Mineral Resource base. Importantly, this does not include the majority of the high-grade Area 5 zone which is the subject of an ongoing Mining Study; and
- ▶ Maintenance of greater than seven-year mine life, as per the Renison strategy, with further extensions likely.

▶ **Moving the plan forward – Focus on increased mine production and tin recovery**

- ▶ Continued emphasis on safety improvements with a focus on leadership engagement;
- ▶ Actively working towards a sustainable increase in mine production with a target of 1Mtpa;
- ▶ Targeting completion of the Area 5 Mining Study and revised Ore Reserve estimate early in the March 2020 quarter to enable scheduling of the high-grade ore with an associated increase in mill feed grade. Stopping planned to progressively increase in the second half of FY2020;
- ▶ Progressive completion of priority projects within the Metallurgical Improvement Program which aims to increase mill throughput rate and metallurgical recovery;
- ▶ Further extending mine life through continued commitment to resource definition drilling with resource upgrades expected in the Bell 50, Leatherwood and Huon North areas; and
- ▶ Accelerating surface exploration activities in the search for new mining opportunities.

Managing Director, Mr Damien Marantelli, commented:

“Renison is a long life, stable and high margin tin operation. The world-class high-grade intersections within Area 5, Bell 50 & Leatherwood, along with fresh sets of eyes looking hard at all operational aspects of the mine, have identified a number of opportunities to significantly improve the mine plan, mill feed grade, processing recovery and overall operational performance.

The importance of tin in emerging technologies, including its potential to extend the life of rechargeable batteries, provides enormous demand upside as the growth of these applications continues. We continue to work at pace to realise the substantial growth opportunities at Renison in order to benefit from this global growth in emerging technologies. I commend the work of our management team, employees and contractors at Renison as we look forward to further exciting times with this great mine.”



INTRODUCTION

The Company made the countercyclical purchase of Renison, which was mothballed at the time, in 2004 based on recognised geological upside and forecast growth in global tin demand. Although Renison did weather some difficulties in the earlier years post-acquisition, in recent years the BMTJV has grown Renison into a world-class, long-life and high margin mining operation. Renison is Australia's largest tin producer and one of the world's largest underground tin mines.

During FY2019, the BMTJV has focussed on further growing the Renison business through investment in infrastructure and accelerated resource definition drilling, leading to the delineation of new Mineral Resources and Ore Reserves.

The continued attention to optimising Renison has identified a number of opportunities to improve mill feed grade, processing recovery and overall operational performance. Throughout FY2020 a series of work streams and option studies will be undertaken to address these opportunities.

TIN MARKET

While 2019 has seen tin prices peaking at approximately US\$21,000 per tonne in February, the ongoing trade war between China and the USA, and perhaps more importantly the trade war between Japan and South Korea, has impacted tin prices over the past 4 months. This impact is a result of perceived reduction in demand for technology goods, which are a significant consumer of tin through the use of tin solder. Tin solder is effectively the "glue" which connects components in every electrical product.

The Company expects that market forces will restabilise and drive further tin demand. In response to the current market, the industry continues to address challenges in a positive way. This was keenly demonstrated in the past week when Bloomberg reported on 5 September 2019 that "Fourteen tin smelters in China, the world's biggest producer, have agreed to cut output this year by a combined 20,200 tons to counter a slump in prices that's eroded profits". The tin price increased by approximately 3% shortly following this announcement.

Irrespective of recent market volatility, the robustness of the economics of Renison across the past 12 months is demonstrated below in Figure 1, with the rolling 12-month all-in sustaining cost (AISC) well below even the recent market lows.

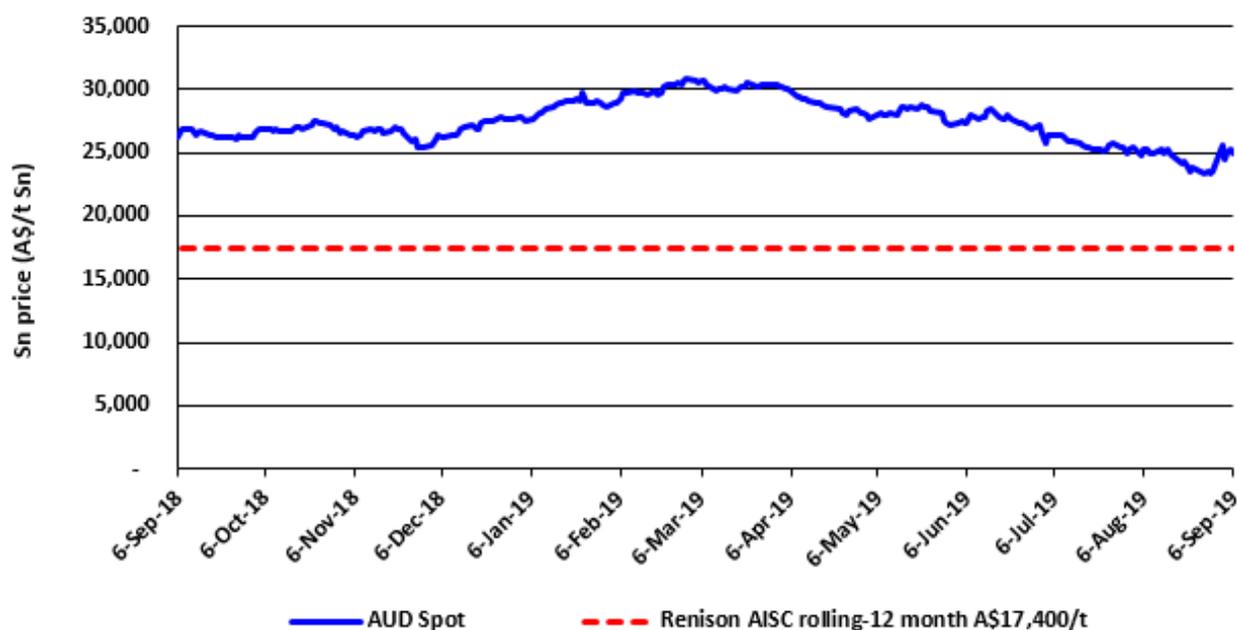


FIGURE 1 – 12 MONTH A\$ TIN PRICE CHART RELATIVE TO RENISON ROLLING 12 MONTH ALL-IN SUSTAINING COST

An important change in the tin market is the development of next-generation rechargeable batteries, which could use tin to optimize lithium anode performance. Research conducted by Cornell Energy Systems has demonstrated potentially very significant improvements in rechargeable battery life cycles with use of tin-doped electrolytes (refer Cornell Chronicle 10 April 2018).

With the increasing demand for electric vehicles and battery storage systems, tin is widely considered to be the metal likely to be most positively impacted by new technology.



ACHIEVEMENTS FY2019

Renison is a world-class, long-life, high margin underground mining operation delivering responsibly-sourced Tasmanian tin concentrate into the global market.

While the Operation is running well and delivering substantial value, the Company is focussed on increasing production and reducing costs while maintaining a 7-year mine life. A strategy and business plan to deliver on these aims has been developed and implemented with pleasing results during the past year.

Workforce Culture & Safety

The BMTJV remains focussed on the safety of all team members as a key enabler to increasing productivity. A series of safety initiatives were implemented during the year including the roll out of the INX Safety, Training and Environment Management System and commencement of Safety Leadership training focussing on safety intersections and risk management.

With an employee turnover rate of less than 9%, the stability of the Renison workforce is a key strength of the Operation and one of the main drivers of the ongoing operational improvements.



PHOTO 1 – AN UNDERGROUND MINING CREW AT RENISON

Increased Production

During FY2019 tin production increased year-on-year by 5.7% with a record quarterly production of 2,061 tonnes of tin in the March 2019 quarter.

Contributing to the increased production profile was the successful commissioning of the new crushing, screening and ore sorting plant representing a \$16.5m capital investment (100% basis). The Company is very pleased with the increased productivity provided by the ore sorters and notes that the capital was repaid in less than 12 months of operation.

Increasing Mineral Resources and Ore Reserves

A significant investment in resource definition drilling was maintained with two drill rigs, and at times three drill rigs, in operation to discover and further define new Mineral Resources.

This work has been very successful with a 22% increase in contained tin in Mineral Resources reported as at 31 March 2019 (refer ASX Release of 24 May 2019). Perhaps more importantly however, is the increase in average resource grade by 14% from 1.31% Sn to 1.50% Sn. This is an outstanding achievement for the year.

As shown in Figure 2, over the last 14 years the BMTJV has continued to replace and expand the Mineral Resource base at Renison and remains committed to maintaining an emphasis on resource definition drilling.

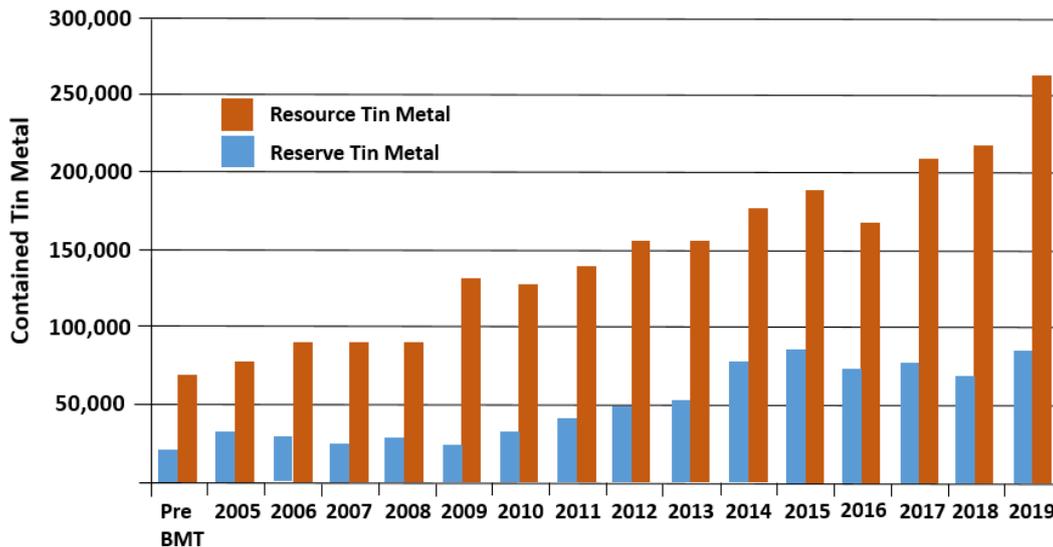


FIGURE 2 - MINERAL RESOURCES AND ORE RESERVES 2005 - 2019

The ongoing success of the resource definition drilling programs and improved mine planning has resulted in a 20% increase in tin metal contained in defined Ore Reserves at Renison (refer ASX release of 20 August 2019). Importantly, this Ore Reserve preserves the Company’s commitment to maintain a 7 year mine life.

While the increases to the 2019 Ore Reserve are impressive, it must be noted that only Mineral Resources above the 1095mRL within the new high-grade Area 5 zone were included. Until the Area 5 Mining Optimisation Study is completed, a further 2.1Mt at 2.07% Sn for 44,000 tonnes of contained tin in Measured and Indicated Resources are yet to be fully evaluated for conversion to Ore Reserve. Further information on Area 5 is provided below.

GROWTH PROJECTS IN PROGRESS

Area 5 Mining Optimisation Study

Resource definition drilling throughout 2018 and 2019 has defined very significant new high-grade tin resources in Area 5 (Figure 3). These Mineral Resources, which currently comprise some 4.47Mt at 1.91% Sn for 85,200 tonnes of tin, represent a substantial opportunity to increase both mine production and mill feed grade. As a result, the BMTJV has commenced an Area 5 Mining Optimisation Study with the aims of determining the mining plan and schedule to optimise the value of this opportunity.

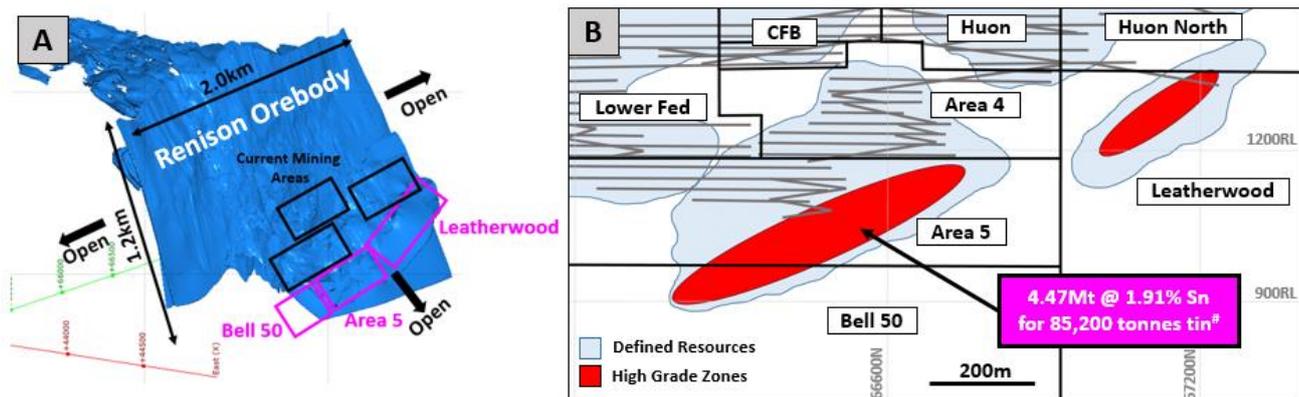


FIGURE 3 - (A) ISOMETRIC THROUGH RENISON OREBODY AND (B) SCHEMATIC LONG SECTION LOOKING WEST OF THE AREA 5 & BELL 50 REGIONS SHOWING DEFINED HIGH GRADE ZONE

Development of the Area 5 decline is advancing on schedule and is currently at 1048mRL. Cross cuts and some ore drives into the top of the orebody have already been completed delivering some impressive high grade development tonnes to the mill (Photo 2).

Potential ventilation restrictions into Area 5 were recognised early in the year and the Company has largely completed the Phase 1 ventilation works upgrade which will support increasing depth of operations and allow the first stope ore to be mined from the upper northern portion of Area 5 during the December quarter 2019.

Finalisation of the Area 5 Optimisation Study is expected during the March 2020 quarter.

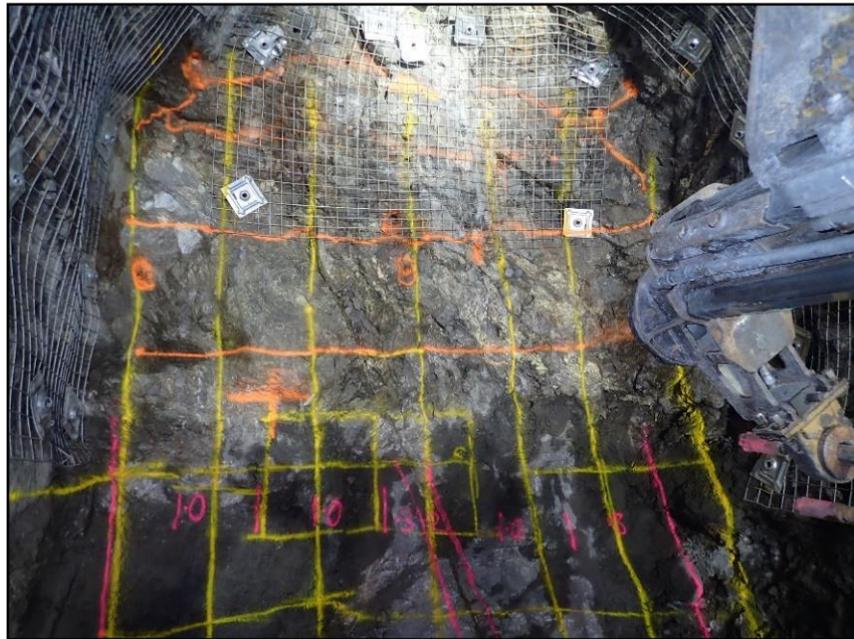


PHOTO 2 - AREA 5 1115 NORTH DRIVE F47 – 4.3M @ 12.07% Sn & 0.755 Cu

Resource Definition Drilling Programs

Based on the outstanding success of recent years’ resource definition drilling programs, the Company remains committed to ongoing drilling with a focus over the next 12 months on Bell 50, Leatherwood and the Huon North areas.

Highly encouraging drilling results continue to be returned, including a record drill intersection from Bell 50 of 30.1m at 4.58% Sn within hole U6966 reported to the ASX on 6 September 2019. Bell 50 is the down-plunge continuation of the high-grade Area 5 and represents an outstanding opportunity to expand the high-grade resources.

The Leatherwood and Huon North regions at the northern end of the mine also represent excellent opportunities to expand the Renison resource base with the development of a new hangingwall drill drive underway to allow the full investigation of these areas.

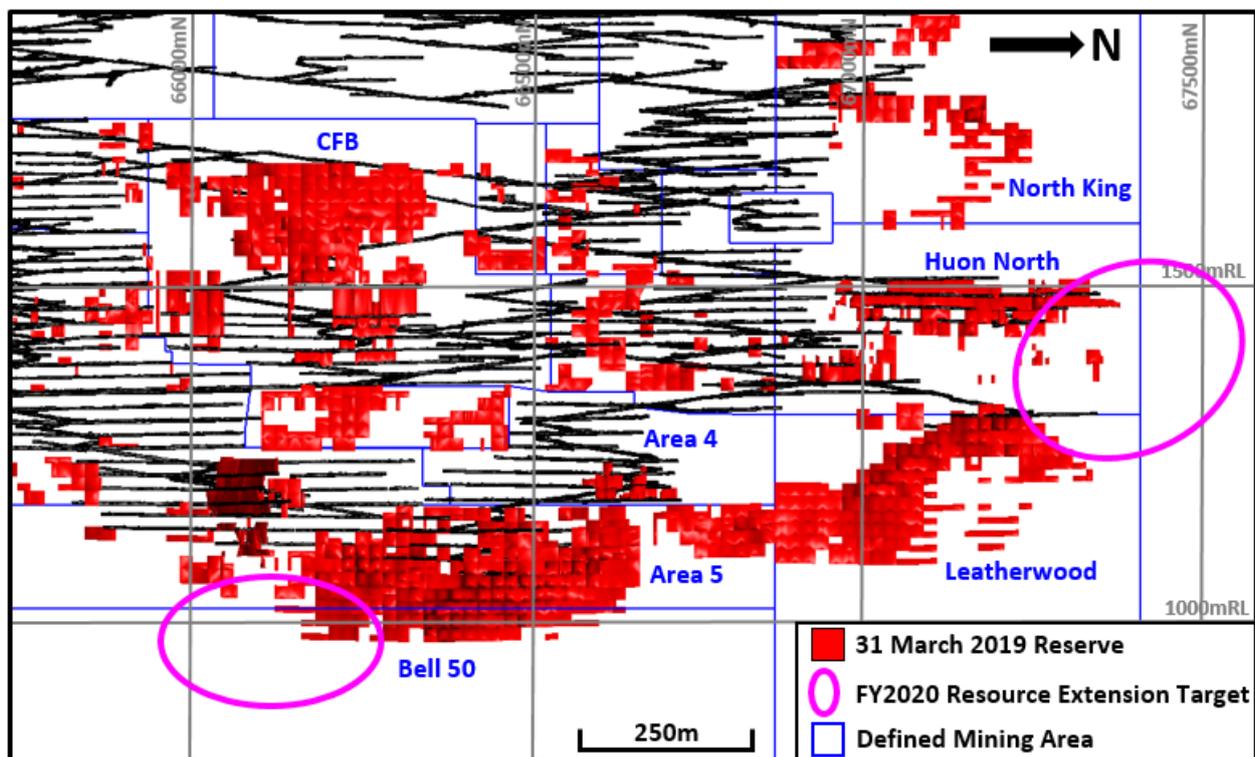


FIGURE 4 – RESERVE LONGESECTION (NORTHERN END) SHOWING FY2020 RESOURCE DEVELOPMENT TARGETS



Resource Optimisation Study

Further to the impressive results for the current and planned mining areas, the BMTJV has also commenced a study into optimising other mining opportunities within the large Mineral Resource base.

Recent studies using the Datamine Mining Shape Optimiser™ (MSO) software has identified 23 areas within the Renison Mineral Resource where, using the selected mining parameters and modifying factors, potential stoping opportunities exist. While the MSO has, as expected, also highlighted the defined Ore Reserves, a number of other identified areas warrant further detailed investigation. Importantly, some of these are in the shallower parts of the orebody.

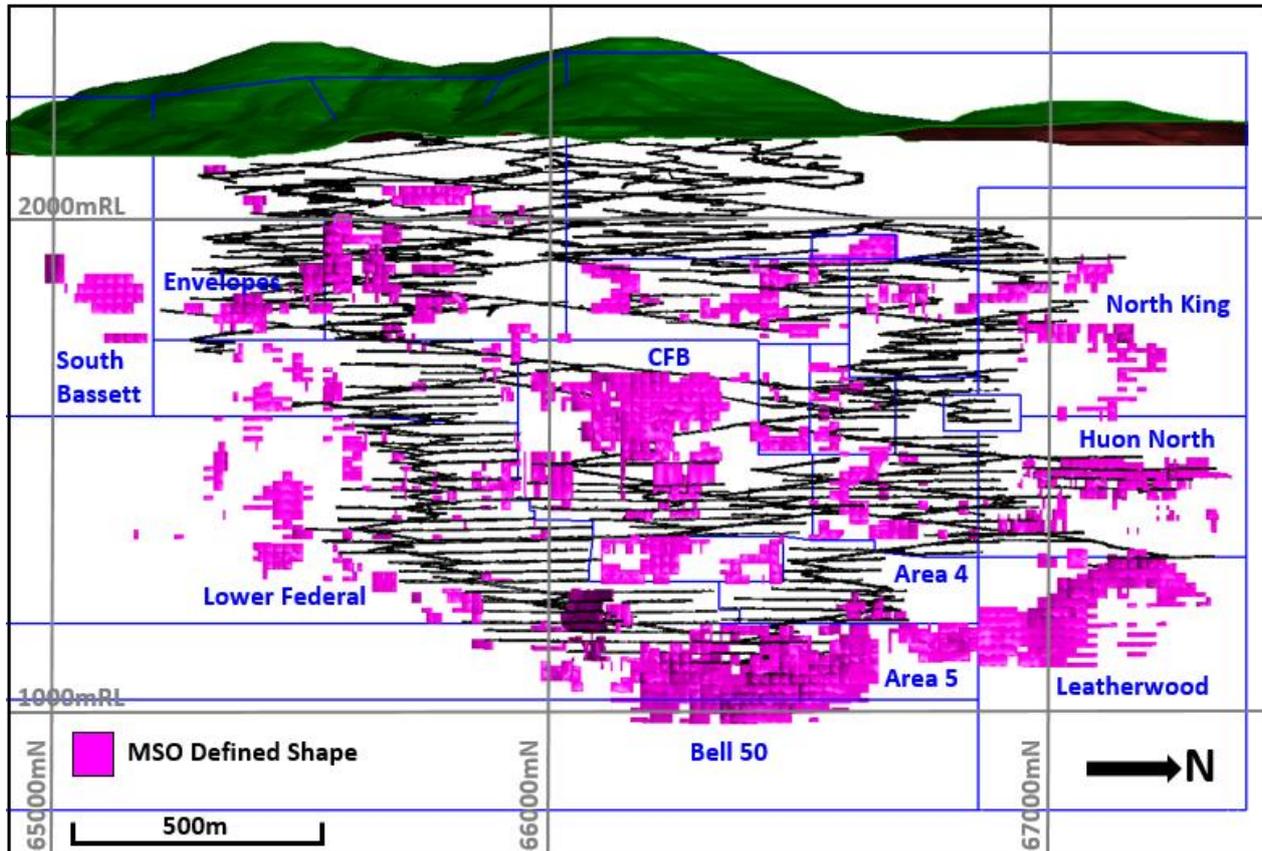


FIGURE 5 – LONGSECTION LOOKING WEST SHOWING MSO SHAPES AND NAMED “MINING AREAS”

Metallurgical Improvement Program

As part of an overall operational review of Renison, a specific focus has been to review and identify opportunities for metallurgical improvements within the processing plant.

This review identified in excess of 68 individual projects targeting operational, throughput, recovery and concentrate quality related improvements. These projects cover a broad range including;

- Reviews of the logic applied to control circuits and processing set points;
- Improved training and communication of standard operating parameters;
- Application of capital expenditure to upgrade outdated data management systems and online analytical infrastructure and address key stability issues;
- Review of flowsheet configurations to improve operational robustness and performance; and
- Review of new technology applications to step change recovery performance.

Importantly, the work conducted to date is already delivering operational improvements.

The overall opportunity is to increase all major revenue levers in the processing plant; throughput, grade and recovery, and the Company is very confident that a number of projects will deliver success in each of these areas.



RENTAILS

The objective of the Rentails Project is to re-process the estimated 22.5 Mt of tailings at an average grade of 0.44% tin and 0.23% copper from the historical processing of tin ore. The current tailings dams have a Probable Ore Reserve containing approximately 99,000 tonnes of tin and 51,000 tonnes of copper.

The Rentails Definitive Feasibility Study proposed to retreat the historical tailings over an 11-year period at an average rate of 2Mtpa to produce approximately 5,400 tonnes of tin in a high grade tin fume product and 2,200 tonnes of copper in a high grade copper matte (refer to ASX announcement dated 3 July 2017).

The BMTJV is continuing its work on the Development Proposal and Environmental Management Plan with the Tasmanian Environment Protection Authority.

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FORWARD LOOKING STATEMENTS

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