

QUARTERLY REPORT

for the three months ending June 30, 2009



Significant Events During the Quarter

Metals X agrees to form a JV with and to sell up to 60% of its Tasmanian Tin assets for \$60 million in cash to the world's leading tin miner, Yunnan Tin Group.

Tasmanian tin assets continued to consolidate production producing 1,361 tonnes tin metal from the processing of 153,886 tonnes at a head grade of 1.43% Sn. The project generated an unaudited operating surplus of \$3.7 million for the quarter despite some one-off issues impacting production and costs.

Underground exploration at Renison continued to return excellent results, the better intercepts include:

Lode	Hole	N	E	Intercept	From
Federal	U3997	65690	44465	9.43m @ 3.7% Sn	46.0
Federal	U4003	65590	44440	9.73m @ 3.82% Sn	79.0

The Rentails feasibility was completed during the quarter with positive outcomes.

Royalty income for the quarter was A\$0.835 million.

Westgold Resources Limited (Metals X 28.9%) announced the discovery of a new IOCG zone at its Rover 1 project that returned the following best result:

WGR1D024-1

105m @ 1.6% Cu, 0.2g/t Au, 0.14% Bi, 0.13% Co from 368m, including
27m @ 4.8% Cu, 0.6g/t Au, 0.02% Bi, 0.34% Co from 429m

Aragon Resources Ltd (Metals X 11.4% direct and 48.4% voting) advised that it had acquired a major shareholding in tungsten aspirant Vital Metals Ltd taking a 15% placement and issuing a \$500,000 convertible note.

Aragon also announced excellent high grade Phosphate results from its first phase drilling at its Ammaroo Prospect in the NT, including 20m @ 16.7% P₂O₅ from 34m.

Agaton Phosphate Pty Ltd (Metals X - 75%) had a significant breakthrough with its large phosphate sands project devising an innovative process to make various value add fertiliser products. It has moved to lodge an Australian Provisional Patent Application.

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Metals X Limited is a diversified group exploring and developing minerals and metals in Australia. It is Australia's largest tin producer and holds a pipeline of assets from exploration to development, including the world-class Wingellina Nickel Project and a strong portfolio of nickel production royalties.

Corporate Directory

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Nickel

Central Musgrave Project
Wingellina Prospect
Claude Hills Prospect

Investments & Royalties

Westgold Resources Ltd
Aragon Resources Ltd
Agaton Phosphate Pty Ltd
Mt Keith Royalty
Kambalda Royalty
Kingston Royalty
Gillian Royalty

Operations Report

Tin Division

JV and Sale Agreement with Yunnan Tin Group

Subsequent to the end of the quarter, Metals X announced on 24 July 2009 that it has signed a Heads of Agreement (HoA) with the world's largest tin producer Yunnan Tin Group (Holding) Company Limited ("YTG") to sell to YTG up to 60% of its Tasmanian Tin Assets for A\$60m and to form a Joint Venture to operate and advance the Tasmanian tin operations.

The sale and JV will be a two stage process, under the agreement MLX will sell to YTG up to a 60% interest in all the assets of its wholly owned subsidiary Bluestone Mines Tasmania Pty Ltd ("BMT") for A\$60m:

1. The sale of a 50% interest for A\$50m.
2. A conditional sale of a further 10% interest for a further A\$10m.

At the outset, MLX will form an unincorporated joint venture with YTG to continue to develop and advance the Tasmanian Tin Assets.

The agreement is subject to FIRB and Chinese Government approvals.

YTG is the world's largest tin producer producing approximately 60,000tpa of refined tin metal which is approximately 20% of the global market. The company operates advanced tin smelting and refining technology, including Ausmelt furnaces, and is recognised for its highly developed processing skills and equipment in mineral processing especially for tin processing. YTG has also recently announced that it has undertaken recent hydrometallurgical testing of its low grade tailings.

The assets include the Renison Bell Underground Mine, the Mt Bischoff open pit mine, the Renison Tin Concentrator Plant, the Rentails Tailings Re-treatment Project and, related infrastructure and rights.

Under Stage 2 of the agreement, MLX will grant YTG a 24 month Call option to acquire an additional 10% interest in the Tasmanian tin assets for A\$10m exercisable at any time. The option is subject to certain milestones if exercised after 12 months. YTG will grant MLX a 12 month put option commencing 12 months after completion which enables MLX to put the same 10% interest to YTG if the Call Option has not been exercised by YTG.

The performance milestones are based on the first 12 months of the operation of the joint venture and are:

1. Minimum Production of 6,000 tonnes of tin metal contained in concentrate.
2. Average cash operating costs for the operations for the 12 months not exceeding the actual cash operating cost average for the 6 months to 30 June 2009.

If the Call Option is not exercised within the first 12 months by YTG and the performance milestones have not been met, the option price is reduced to \$5m and the Put Option held by BMT will lapse.

The assets purchased by YTG exclude cash debtors and tin metal in stocks on the commencement date.

YTG will assume its proportional share of environmental performance bonds on settlement.

YTG will indemnify and hold harmless BMT for its proportional share of liabilities to financiers in respect of financed equipment.

Subject to agreement between BMT and YTG on price and commercial terms YTG or its Nominee will have the right to enter into a future off-take sales contract for BMT's Participating Interest share of the projected output of the Joint Venture.

YTG have advised that they have completed and are satisfied with technical due diligence on the assets.

Completion is subject to and conditional upon each of the following Conditions Precedent being fulfilled within 90 days of the signing of the HoA unless extended by mutual agreement or waived:

- (c) YTG completing legal and financial due diligence to its satisfaction on the Assets before 7 August 2009.
- (d) MLX, the parent company of BMT, obtaining shareholder approval if required by the rules of the Australian Securities Exchange.
- (e) Australian Foreign Investment Review Board ("FIRB") approval to the acquisition by YTG of the Assets of BMT and entry into the joint venture with BMT.
- (f) All Chinese government approvals to the acquisition by YTG of the Assets of BMT and entry into the joint venture with BMT.
- (g) Approval by the Tasmanian Director of Mineral Resources to the transfer of up to a 60% interest in the Tenements to YTG.
- (h) Execution by the Parties of the Transaction Documents.

Metals X believes that this major investment by YTG speaks volumes for the future potential of our tin assets and the tin market in general. It provides security and growth through access to smelters for off-take and technology to improve the performance and efficiency of the operations and the future development of both Renison and the Rentals project.

Renison Project

Activities in the companies Tasmanian Tin operations continued to consolidate toward targeted operating levels during the quarter.

The project continued to be cashflow positive generating a cash operating surplus (unaudited) of \$3.7 million for the quarter. Physical and fiscal performance was impacted by two significant one-off events during the quarter.

The first being the derailment of a train travelling through the Renison Mining lease significantly damaging infrastructure that supplies water to the mine and process plant causing delays equivalent to approximately 4 days of production. The second was a one-off event related to the underestimation by power suppliers as to the supply of power during the commissioning of a power plant for the Tamar Valley / Bell Bay industrial area which resulted in a massive spike in the spot power supply costs to industry for a short period of time. This resulted in power cost overruns of nearly \$700,000 above the normal levels in June.

Mine production from the integrated underground and open cut operations increased by 26% to 178,218 tonnes while the processed tonnes increased by 9% to 153,886t @ 1.43%Sn which was slightly less (4%) than forecast, which was impacted by the lost time related to the train derailment. This resulted in a surplus ore stockpile at the end of the quarter of 50,000t @ 1.29% Sn.

	April 2009	May 2009	June 2009	Quarter Total
Mining - Renison Bell				
Total Tonnes Hoist	30,026	32,267	36,788	99,081
Mined Head Grade (% Sn)	1.65%	1.48%	1.56%	1.56%
Mining - Mt Bischoff				
Ore Tonnes Mined	19,985	35,535	23,617	79,137
Ore Grade Mined (% Sn)	1.11%	1.40%	1.39%	1.32%
Total Mine Production				
Ore Tonnes	50,011	67,802	60,405	178,218
ROM Grade (% Sn)	1.43%	1.44%	1.49%	1.46%

	April 2009	May 2009	June 2009	Quarter Total
Tin Concentrator				
Tonnes treated	49,153	54,508	50,255	153,886
Head Grade (% Sn)	1.41%	1.38%	1.49%	1.43%
Tail Grade (% Sn)	0.65%	0.52%	0.56%	0.57%
Tin Metal Produced	401	479	481	1,361
Tin Concentrate Grade	53%	53%	52%	53%
Tin Concentrate Produced	740	903	911	2,554

Renison Bell Underground Mine

Production from the underground mining operations at Renison increased by 17% quarter on quarter to 99,081t with June monthly production at 36,788 tonnes which is nearing the full production rate of 38,000 to 40,000 tonnes per month that is expected to be achieved in the September quarter. The main area mined during the quarter was the Federal orebody between the 1559 and 1475 levels with minor contributions from the King Lode

De-watering and rehabilitation of the Northern area of the mine continues to be a focus with access to the already developed areas planned and drilling for subsequent conversion of the existing resource base to reserves scheduled to commence in the latter part of the year.

Drilling has confirmed and infilled existing Resources and upgraded others with the expectation that additional mining Reserves will be added in the Upper Federal 1650-1725 and North King orebodies early in the ensuing quarter. The North King orebody is located in the upper portion of the mine at the northern end of the Federal Basset Fault where an Indicated Resource of 192,000t @ 1.52% is currently being reviewed for incorporation into the mine plan.

Investment in exploration continued with 2,807m of underground diamond drilling completed during the quarter with the more significant results tabulated below:

Lode	Hole	N	E	Intercept	From
Federal	U3951	65,787	44,587	3m @ 1.98% Sn	154
Federal	U3951	65,783	44,552	5.4m @ 1.24% Sn	229
Federal	U3997	65,690	44,465	9.4m @ 3.7% Sn	46
Federal	U3997	65,690	44,465	4m @ 1.26% Sn	80
Federal	U3997	65,690	44,465	8m @ 1.80% Sn	92
Federal	U3998	69,690	44,470	5m @ 2.26% Sn	52
Federal	U4000	65,650	44,465	5.9m @ 1.87% Sn	127
Federal	U4000	65,650	44,465	4m @ 4.16% Sn	137
Federal	U4001	65,627	44,443	7m @ 1.46% Sn	131
Federal	U4003	65,590	44,440	4.7m @ 2.00% Sn	25
Federal	U4003	65,590	44,440	9.7m @ 3.82% Sn	79
Federal	U4007A	65,801	44,443	7m @ 1.62% Sn	140
Federal	U4009	65,621	44,534	3m @ 2.32% Sn	115
Federal	U4044	65,941	44,503	3.8m @ 1.36% Sn	85
Federal	U3923	65,864	44,546	5m @ 1.24% Sn	205

Mt Bischoff Open Pit

Mining at Mt Bischoff during the quarter continued to exceed expected production levels due to the transition from a 5 day to a 7-day operation during the quarter. This has also resulted in a commensurate reduction in unit mining cost per BCM. This creates scope for further resources in and around the existing workings to be reviewed for integration into the current mine plan. A total movement of 277,243 BCM versus 232,651 BCM forecast was achieved during the quarter.

Ore production was 79,137t @ 1.32% Sn, an increase of 36% in volume and 12% in grade over the previous quarter.

Additional Open Pit Sources

In addition to mining activities at Mt Bischoff a review of and planning for the evaluation of open Pit Mining of historical near surface areas within the Renison mining lease has commenced. It is considered that considerable scope exists for the viable recovery of ore from within a 2km radius of the Renison concentrator.

Renison Expansion Project (Rentails)

The Rentails project holds a resource of over 75,000 tonnes of tin and 36,000 tonnes of Copper. The project objective is the re-processing and recovery of tin and copper from an estimated 18.2 million tonnes of tailings from the historical processing of tin ores from the Renison Bell mine at an average grade of 0.42% Tin and 0.20% Copper.

Metals X has completed the Feasibility Study into its Renison Expansion (Rentails) Project which shows it is cash positive at recent commodity and exchange rates with capital costs in the order of AUD\$194 million +/- 15%.

The process route uses proven technology and has developed a robust process for the recovery of both tin and copper. In addition the project allows for the treatment of other tin sulphide (stannite) ore bodies within the region, which are not currently viable under conventional tin processing routes requiring tin fuming.

The study outcome demonstrates the project is sensitive to metal prices and although marginal at current levels, it remains exponentially exposed to upside from Australian dollar tin and copper prices. A significant consideration is that the timing of the study and its capital and engineering construction estimates were completed before the Global Financial Crisis and the company is aware of reductions that could result from post boom-time conditions.

The table below summarises the financial outcomes of the project at recent metal prices and for comparison the pre metal market melt-down prices as at 1 July, 2008.

	July 1, 2008 Prices	Feasibility Study Recent Spot Prices
Metal Prices		
– Tin	US \$23,490/t	US \$15,500/t
– Copper	US \$8,710/t	US \$5,000/t
Exchange Rate (\$AUD:\$US)	US \$0.95	US \$0.80
Capital Cost (excl. EPCM)	\$US 185 Million (\$AU 194 Million)	\$US 155 Million (\$AU 194 Million)
Total Operating Cost (after Cu credits)	\$US 507 Million	\$US 431 Million
Operating Cost \$US/t (after Cu credits)	\$US 10,783/t Sn	\$US 9,158/t Sn
Total Production Cost/tonne Tin (after Cu credits)	\$US 11,195/t	\$US 9,504/t

	July 1, 2008 Prices	Feasibility Study Recent Spot Prices
Total EBITDA	\$US 598 Million (\$AU 627 Million)	\$US 298 Million (\$AU 373 Million)
Average Annual EBITDA	\$US 67 Million (\$AU 70 Million)	\$US 33 Million (\$AU 42 Million)
NPV (8% Nominal)	\$US 124 Million (\$AU 130 Million)	\$US 1.8 Million (\$AU 2.3 Million)
Simple Payback	3.7 Years	6.3 Years
IRR	22%	8%

In addition to the re-processing and recovery of tin and copper from an estimated 18.3 million tonnes of tailings at an average grade of 0.44% Tin and 0.21% Copper that remain at the site from the historic processing of tin ores from the Renison Bell mine. The project also provides an avenue on an integrated basis to fume low-grade tin concentrates currently generated from the Renison concentrator plant. This integration has been incorporated into the Rentails Feasibility Study.

The Rentails Project concept and flowsheet comprises the reclaiming or mining of tailings from the dams at a rate of 2 million tonnes per annum. The tailings ore is ground to a finer particle size to increase the liberation of the tin bearing minerals before removing the gangue sulphides by flotation. The sulphide flotation tails containing the fine tin is then processed through classification, gravity recovery and tin flotation circuits to produce a 10% tin concentrate that will be smelted to produce a tin fume product assaying in excess of 68% tin. A by-product from the fuming process will be a saleable copper matte assaying 70% copper.

The key physical outcomes of the feasibility study are summarised as follows:

Process Methodology	Fine Grind, Gravity & Flotation to make a Low Grade concentrate. Low Grade Concentrate Fumed in Ausmelt furnace.
Products - Low Grade Concentrate - High Grade Concentrate	LG Concentrate (10% Sn) HG Tin Concentrate (>68% Sn) Copper Matte (70% Cu)
Design Process Rate	2 million ore tonnes per annum tailings to concentrator. Approximately 65,000 tonnes of concentrate to Fumer.
Assumed Ramp Up - Month 1 - Month 2	50% 75%
Average Mining Grades - Year 1 & 2 - Year 3 & 4 - Year 5 & 6 - Year 7+	0.48% Sn, 0.25% Cu 0.44% Sn, 0.23% Cu 0.40% Sn, 0.21% Cu 0.44% Sn, 0.16% Cu
Recoveries to LG Concentrate - Tin - Copper	57% 57%
Total Metal Recovery - Tin - Copper	54% 49%
Average Annualised Prod'n - Tin (t) - Copper (t)	5,282 Sn metal 2,044 Cu metal
Total Tin Metal Produced Total Copper Metal Produced	47,064 tonnes 18,209 tonnes
Feasibility Study Accuracy	+15% / -15%

The key consultants involved in the feasibility study and their principal areas of contribution are summarised:

GR Engineering Services	Concentrator and Fuming Plants and Site Infrastructure Design and Engineering
Ausmelt	Pyrometallurgical Development and Furnace Design and Engineering
GHD	Tailings Mining and Dam Deconstruction Study. New Tailings Dam Design Study
Worley-Parsons	Metallurgical Review and Metallurgical Test Work Coordination.
AMMTEC – Burnie Research Lab	Metallurgical Test Work

The current uncertainty in world financial markets and the resultant metal market suggest that whilst the Rentails Project is a large project with positive economic outcomes, its current magnitude of capital and operating cost, coupled with the current volatility of tin prices and exchange rates are such that the Board of Metals X believe the project will be difficult to finance in the current environment. The project is exponentially exposed to the upside from Australian dollar tin and copper prices and remains as one of the larger “to be exploited” accumulations of tin supply in the world today.

Metals X considers this detailed feasibility a benchmark case established with unconstrained considerations. Metals X intends to now investigate alternative scales and development concepts which it believes can reduce the capital and operating costs compared to this benchmark feasibility study. In addition, Metals X will continue to review options for the funding the project development as the project economics improve with the global economy.

Metals X considers that further tin price recovery in response to the significantly deteriorating supply-side scenario for world tin supply in the medium to long term will see a development decision for this project in the future.

Identified Mineral Resources & Mining Reserve Estimates

Metals X completed a review of its Identified Mineral Resource and Mining Reserve Estimates for its Tin Division during the quarter. The following tables summarise the current status after consideration to mining over the past 12 months and additions from drilling and re-evaluations.

Identified Mineral Resource – Consolidated as at 30 June 2009

Project	Tin			Copper		
	Kilo-Tonnes	Grade (%Sn)	Sn Metal (t)	Kilo-Tonnes	Grade (%Cu)	Cu Metal (t)
Measured						
Renison Bell	664	1.95%	12,974	-	-	-
Mt Bischoff	1	0.89%	10	-	-	-
Rentails	18,371	0.44%	80,596	18,371	0.21%	38,820
Collingwood	28	1.39%	385	-	-	-
Sub-total	19,064	0.49%	94,965	18,371	0.21%	38,820
Indicated						
Renison Bell	3,015	1.66%	50,193	121	0.29%	357
Mt Bischoff	1,305	0.68%	8,864	-	-	-
Rentails	-	-	-	-	-	-
Collingwood	269	1.34%	3,617	-	-	-
Sub-total	4,589	1.37%	62,674	121	0.29%	357

Project	Tin			Copper		
	Kilo-Tonnes	Grade (%Sn)	Sn Metal (t)	Kilo-Tonnes	Grade (%Cu)	Cu Metal (t)
Inferred						
Renison Bell	3,555	1.93%	68,510	1,952	0.59%	11,449
Mt Bischoff	703	0.47%	3,329	-	-	-
Rentails	-	-	-	-	-	-
Collingwood	346	1.06%	3,680	-	-	-
Sub-total	4,604	1.64%	75,518	1,952	0.59%	11,449
Totals						
Renison Bell	7,234	1.82%	131,677	2,073	0.57%	11,806
Mt Bischoff	2,009	0.61%	12,203	-	-	-
Rentails	18,371	0.44%	80,596	18,371	0.21%	38,820
Collingwood	643	1.19%	7,681	-	-	-
Sub-total	28,258	0.82%	232,158	20,444	0.25%	50,626

Mining Reserve Estimate – Consolidated as at 30 June 2009

Project	Tin				Copper		
	Cut-off %	Tonnes (Kilo-tonnes)	Grade	Sn Metal	Tonnes (Kilo-tonnes)	Grade	Cu Metal
Proved Reserves							
Renison	0.80%	211	1.67	3,527	-	-	-
Mt Bischoff	0.50%	1	0.89	10	-	-	-
Rentails	0.00%	-	-	-	-	-	-
Collingwood	0.70%	-	-	-	-	-	-
Sub-total		212	1.66	3,537	-	-	-
Probable Reserves							
Renison	0.80%	1,066	1.80	19,162	-	-	-
Mt Bischoff	0.50%	238	1.14	2,717	-	-	-
Rentails	0.00%	17,530	0.44	76,555	17,530	0.21	36,877
Collingwood	0.70%	-	-	-	-	-	-
Sub-total		18,833	0.52	98,434	17,530	0.21	36,877
Total Mining Reserves							
Renison	0.80%	1,277	1.78	22,688	-	-	-
Mt Bischoff	0.50%	239	1.14	2,728	-	-	-
Rentails	0.00%	17,530	0.44	76,555	17,530	0.21	36,877
Collingwood	0.70%	-	-	-	-	-	-
Sub-total		19,046	0.54	101,970	17,530	0.21	36,877

Operations Report

Nickel Division

The average Nickel price during the quarter increased by approximately 8% in AUD terms compared to the previous quarter averaging US\$12,992 (A\$16,980). Subsequent to end of the quarter the nickel price has continued to improve with prices above US\$16,700 (A\$20,500). Nickel supply has been significantly curtailed over the last 12 months and the nickel price is now showing signs of recovery, however fundamentals of consumer demand remain weak and the market remains in surplus.

Nickel Royalty Portfolio

Royalty income for the quarter was A\$0.83 million up from A\$0.81 million in the previous quarter as a result of higher nickel prices.

The 12 month rolling average of royalty payments to June 2009 was \$5.41m compared to \$9.78m for 12 months to June 2008 as a result of falls in both production and prices.

Central Musgrave Project

Metals X is continuing with field activities in preparation for the future development of the Wingellina Project. These activities include field environmental, socio-political and logistics assessment studies.

The Wingellina Project

Wingellina is a major project and exists as one of the largest undeveloped nickeliferous limonite accumulations in the world consisting of 180Mt of ore at 1% Nickel of which 167Mt is categorised as Measured and Indicated Resources.

Metals X completed the first phase of the feasibility study in mid-2008 and confirmed a robust project concept for the construction of a nickel and cobalt operation producing approximately 40,000tpa of nickel and 3,500tpa of Cobalt with an initial mine life of 40 years at an operating costs of less than US\$3.50 per pound of Nickel after cobalt credits. The estimated after tax NPV based on a Nickel price of US\$20,000, Cobalt price of \$45,000 and a US\$ exchange rate of 0.85 was \$A3.4 Billion. The current Nickel and Cobalt prices are approximately US\$16,700 and US\$41,500 respectively and exchange rate of 0.82.

Wingellina is a high iron (>45%) and low magnesium (<2%) deposit which results in very favourable metallurgical leaching characteristics resulting in high recoveries and low acid consumption rates. In addition the very low strip ratio (1:0.5 ore to waste in the first 20yrs+) and the ability to excavate the ore almost entirely free of blasting results in low mining costs.

During the quarter Metals X announced that it had entered into an exclusive Sulphur off-take agreement with Syngas Limited (ASX:SYS) to purchase up to 60,000 tpa of Sulphur that maybe produced from Syngas – Clinton project in South Australia at a spot price less 3%. This provides a potential source of nearby sulphur for approximately 15% of the requirements for the proposed operations at Wingellina. Metals X has also sourced and drilled a calcrete deposit within close proximity to the Wingellina deposit which will be used in the processing of the ore instead of transporting Limestone to site which will further reduce the operating costs.

While the overall project returns are currently lower than they were under the assumptions of the feasibility study, the strong operating returns and positive NPV indications even under the current depressed economic conditions and the long mine life (approximately 40 years) demonstrate the credentials of Wingellina as a world class mineral deposit.

Metals X continues to consult with its major shareholders, Jinchuan Group Limited (China's largest nickel producer) and APAC Resources Ltd (HK1104) about the future direction of the project.

Strategic Investments

Westgold Resources Limited (29.6% MLX)

Westgold is targeting high grade gold and copper deposits similar to the historical mines of the Tennant Creek Goldfield renowned for its exceptional high grade gold and copper mines which produced over 5 million ounces of gold and around 0.5M tonnes of copper metal between the 1930's to late 1990's. Drilling at Rover 1 commenced in March 2008 and in June the first drill result of 65m @ 11g/t Au were received. Since then drilling has produced further exciting gold and copper intercepts including gold intercepts of 28m @ 11g/t Au, 21m @ 33g/t Au and 32m @ 20g/t Au and copper intercepts of 65m @ 2.6% Cu, 13m @ 2.9% Cu and 27m @ 4.8% Cu along with extensive zones of lower gold and copper mineralisation. This first high grade zone at Rover 1 has been named the Jupiter Zone.

During the quarter, Westgold announced that it made significant progress with its Rover 1 drilling and importantly had discovered two new zones which add an exciting dimension to the scale of this large "Tennant Creek Style" system with strong Copper-Gold-Cobalt Bismuth mineralisation now defined over a 500m strike length within an 800m long magnetic and gravity anomaly.

The new "Western Zones" of copper and gold mineralisation are located some 250m to the west of previously discovered mineralisation. Best results announced during the quarter by Westgold were:

WGR1D018

Ironstone Hosted

53m @ 0.5% Cu, 0.03g/t Au, 0.3 g/t Ag and 0.2% Co from 446m (including 8m @ 1.2% Cu, 0.09g/t Au, 1.0g/t Ag, 0.06% Co)

Stringer Zone

18m @ 1.2% Cu, 0.7g/t Au, 3.1g/t Ag, 0.15% Bi, 0.15% Co from 536m (including 8m @ 1.6% Cu, 1.2g/t Au, 4.9g/t Ag, 0.23% Bi, 0.19% Co)

Aragon Resources Ltd (11.35% direct & 48.37% voting MLX)

In its June 2009 Quarterly Aragon advised that it had acquired the major shareholding position in Vital Metals Ltd taking a 15% placement and in addition issuing a \$500,000 convertible note convertible at 4cps or 80% of the one-month VWAP of Vital shares prior to conversion. Vital is an aspiring Tungsten Producer with a large high-grade tungsten resource at its Watershed Project located in the Mt Carbine region of Far North Queensland. The deposit is considered to be one of the more superior and higher grade Tungsten deposits in Australia and the World.

Aragon also announced excellent Phosphate results from its first phase drilling at Ammaroo in the Northern Territory which confirms the presence of significant phosphate mineralisation at shallow depths.

Highlight results as announced included:

ARAC014

19m @ 11.0% P₂O₅ from 35m

13m @ 14.2% P₂O₅ from 23m

20m @ 16.7% P₂O₅ from 34m

11m @ 12.2% P₂O₅ from 25m

The most encouraging results cover an area of approximately 15 Square Kms and the main zone has an average thickness of 10.2m at a weighted average grade of 13.0% P₂O₅. at an average depth of 37.7m making it amenable to potential open pit mining.

Agaton Phosphate Pty Ltd (75% MLX)

Agaton Phosphate has previously reported the results of a 96 drill hole aircore drilling programme which defined a large area of shallow, flat-lying, unconsolidated, medium grade Phosphate mineralisation within the Poison Hill Greensands (PHG) of the Cretaceous Dandaragan Embayment around 250km north of Perth. The three areas drilled were the Dambadgee, Attunga and Maximus Prospects. This and previous drilling has demonstrated that the PHG unit within these prospects has an average thickness of approximately 20 metres and an average grade of approximately 4.5% P_2O_5 .

Phosphate-mineralised PHG is continuous within 3 prospect areas of total surface area around 5.25km², defined by 37 drillholes (average drill centres: 291m). The 3 prospects define the margins of Phosphate-prospective PHG terrain measuring 70km N-S and 20km E-W, within Agaton's 9 Dandaragan Exploration Licences covering around 1,500km².

Metallurgical test work with the objective of producing an industry standard 30% P_2O_5 concentrate from PHG drill samples has been underway since late 2008. Traditional beneficiation technologies including, hydrocyclone, gravity, magnetic, winnowing, and floatation testing have failed to achieve high grade concentrate with acceptable recoveries. These physical mineral separation technologies failed due to the fact that the hydroxyapatite Phosphate ore and glauconite gangue minerals of the PHG are fine grained and partly intergrown.

To address this issue Agaton has devised and conducted laboratory-scale tests on a novel "PHG Process" for use on these ores. The PHG Process has been developed from disparate fields of chemical research spanning the last 72 years.

The critical leach phase of the PHG Process was computer modelled by consultants in USA, to confirm the theoretical assumptions and to refine the test conditions prior to physical testing. A proto-type test rig was constructed and commissioned using raw drill samples of PHG ore. Recently received assay results from that testwork demonstrate that the PHG Process is able to solubilise a high proportion of contained Phosphate, Potassium, Magnesium and other valuable compounds for subsequent extraction from the leach liquor. Agaton Phosphate has now lodged an Australian Provisional Patent Application over the process.

The PHG Process IP adds considerable value to Agaton's large holding of mineralised PHG. Conceptual studies suggest that a significantly lower cost processing technique applied to phosphatic sands could lead to the establishment of a significant market share in Western Australia as an interim. Agaton may seek investment from established fertiliser industry players to advance the technology and resource towards production.

Icon Resources Limited (6.9% MLX)

During the previous quarter the Company entered into a conditional agreement with Icon Resources Ltd for the sale of the Collingwood mine and plant. The conditions for the sale were not met and subsequently discussions with other parties for the sale of the Collingwood mine and plant have commenced.

Metals X remains a 6.9% shareholder of Icon, having recently reduced its shareholding from 7.33% as a result of a placement made by Icon in which Metals X was not offered to participate. Metals X will continue to assess its Far North Queensland Tungsten strategy over the coming quarter.

Corporate

Metals X announced on 17 June 2009 that it had restructured the board.

Founding Chairman, Mr Peter Newton advised of his pending retirement from corporate life and stepped down to be a Non-Executive Director with the intent to retire after the AGM in November this year.

Mr Peter Cook has moved from the position of Managing Director to that of Non-Executive Chairman and Mr Warren Hallam who has been an Executive Director since March 2005 has taken up the role of Managing Director.

Mr Scott Huffadine previously Chief Operating Officer has joined the board as an Executive Director and Mr Mark Okeby has resigned from the board position of Non-Executive Director.

Mr Mike Jefferies and Mr Wang Wei remain as Non-Executive Directors.

Metals X ended the quarter with around \$11.2 million in cash. The Group has no debt other than trade creditors (including concentrate prepayments), equipment leases and security bonds.

Capital Structure

The Company has the following equities on issue as of 30 June 2009.

Fully Paid Ordinary Shares	1,187,661,782
Unlisted Options convertible at \$0.20 on or before 12/02/10	5,900,000
Unlisted Options convertible at \$0.46 on or before 30/11/10	1,000,000
Unlisted Employee Options - various conversions and dates	12,950,000
Fully Diluted Equity	1,207,511,782

During the quarter, 15,825,000 unlisted options convertible at \$0.25 per share expired and were subsequently cancelled and 1,150,000 employee options lapsed.

Major Shareholders

The major shareholders of the Company as of 30 June 2009 are:

APAC Resources (HK:1104)	17.64%
Jinchuan Group	14.82%
Sabatica Pty Ltd (GPG)	7.56%
JP Morgan Nominees Australia Limited	6.80%
Peter Cook Group	5.67%
All States Finance	5.31%

End

The information in this report that relates to Exploration Results, Mineral Resources and Ore Reserves is based upon information compiled by Mr Scott Huffadine B.Sc. (Hons), MAusIMM. Mr Huffadine is a full-time employee of the company. Mr Huffadine has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activities which they are undertaking to qualify as a Competent Person as defined in the 2004 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'.

Appendix 5B

Mining exploration entity quarterly report

Introduced 1/7/96. Origin: Appendix 8. Amended 1/7/97, 1/7/98, 30/9/2001.

Name of entity

Metals X Limited

ABN

25 110 150 055

Quarter ended ("current quarter")

30 June 2009

Consolidated statement of cash flows

		Current quarter \$A'000	Year to date \$A'000
Cash flows related to operating activities			
1.1	Receipts from product sales and related debtors	25,568	73,528
1.2	Payments for (a) exploration and evaluation	(383)	(4,030)
	(b) development	(1,659)	(18,793)
	(c) production	(21,705)	(82,780)
	(d) administration	(1,129)	(5,138)
1.3	Dividends received		
1.4	Interest and other items of a similar nature received	59	2,713
1.5	Interest and other costs of finance paid	(241)	(791)
1.6	Income taxes paid		
1.7	Other (sale of scrap/assets)	274	859
Net Operating Cash Flows		784	(34,432)
Cash flows related to investing activities			
1.8	Payment for purchases of:		
	(a) prospects		
	(b) equity investments	(1,894)	(2,144)
	(c) other fixed assets	(196)	(14,671)
1.9	Proceeds from sale of:		
	(a) prospects		
	(b) equity investments		
	(c) other fixed assets		
1.10	Loans to other entities		
1.11	Loans repaid by other entities		
1.12	Other (cash acquired on purchase of controlled entity)		
Net investing cash flows		(2,090)	(16,815)
1.13	Total operating and investing cash flows (carried forward)	(1,306)	(51,247)

+ See chapter 19 for defined terms.

Appendix 5B
Mining exploration entity quarterly report

1.13	Total operating and investing cash flows (brought forward)	(1,306)	(51,247)
	Cash flows related to financing activities		
1.14	Proceeds from issues of shares, options, etc.		3
1.15	Proceeds from sale of forfeited shares		
1.16	Proceeds from borrowings		8,470
1.17	Repayment of borrowings	(1,107)	(4,090)
1.18	Dividends paid		
1.19	Other – (capital raising costs)		(5)
	Net financing cash flows	(1,107)	4,378
	Net increase (decrease) in cash held	(2,413)	(46,869)
1.20	Cash at beginning of quarter/year to date	13,618	58,074
1.21	Exchange rate adjustments to item 1.20		
1.22	Cash at end of quarter	11,205	11,205

Payments to directors of the entity and associates of the directors

Payments to related entities of the entity and associates of the related entities

		Current quarter \$A'000
1.23	Aggregate amount of payments to the parties included in item 1.2	247
1.24	Aggregate amount of loans to the parties included in item 1.10	

1.25 Explanation necessary for an understanding of the transactions

Non-cash financing and investing activities

2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

2.2 Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest

+ See chapter 19 for defined terms.

Financing facilities available

Add notes as necessary for an understanding of the position.

	Amount available \$A'000	Amount used \$A'000
3.1 Loan facilities	9,967	9,967
3.2 Credit standby arrangements	-	-

Estimated cash outflows for next quarter

	\$A'000
4.1 Exploration and evaluation	200
4.2 Development	2,000
4.3 Production	20,000
4.4 Administration	1,000
Total	23,200

Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.	Current quarter \$A'000	Previous quarter \$A'000
5.1 Cash on hand and at bank	6,950	9,343
5.2 Deposits at call	4,255	4,275
5.3 Bank overdraft	-	-
5.4 Other (provide details)	-	-
Total: cash at end of quarter (item 1.22)	11,205	13,618

Changes in interests in mining tenements

	Tenement reference	Nature of interest (note (2))	Interest at beginning of quarter	Interest at end of quarter
6.1 Interests in mining tenements relinquished, reduced or lapsed	E69/1090 E69/1091	All directly held	100%	Nil
6.2 Interests in mining tenements acquired or increased	L69/12 L69/13	All directly held	Nil	100%

+ See chapter 19 for defined terms.

Appendix 5B
Mining exploration entity quarterly report

Issued and quoted securities at end of current quarter

Description includes rate of interest and any redemption or conversion rights together with prices and dates.

		Total number	Number quoted	Issue price per security (see note 3) (cents)	Amount paid up per security (see note 3) (cents)
7.1	Preference +securities <i>(description)</i>				
7.2	Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions				
7.3	+Ordinary securities	1,187,661,782	1,187,661,782		
7.4	Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs				
7.5	+Convertible debt securities <i>(description)</i>				
7.6	Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted				
7.7	Options <i>(description and conversion factor)</i>	700,000 5,900,000 400,000 1,025,000 2,800,000 1,700,000 4,000,000 825,000 1,000,000 1,000,000 500,000		<i>Exercise price</i> 28 cents 20 cents 34 cents 22 cents 40 cents 35 cents 46 cents 36 cents 45 cents 46 cents 13 cents	<i>Expiry date</i> 31/01/2010 12/02/2010 30/04/2010 31/01/2010 30/06/2011 31/08/2011 30/11/2010 31/03/2012 31/07/2012 30/11/2010 30/06/2012
7.8	Issued during quarter	500,000		13 cents	30/06/2012

+ See chapter 19 for defined terms.

7.9	Exercised during quarter				
7.10	Expired during quarter	15,825,000		25 cents	30/06/2006
		300,000		28 cents	31/01/2010
		1,100,000		40 cents	30/06/2011
		250,000		45 cents	31/07/2012
7.11	Debentures (totals only)				
7.12	Unsecured notes (totals only)				

Compliance statement

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act [or other standards acceptable to ASX \(see note 4\)](#).
- 2 This statement does ~~does not~~* give a true and fair view of the matters disclosed.

Sign here: W.S Hallam Date: 30 July 2009
(Director)

Print name: WARREN HALLAM

Notes

- 1 The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.
- 2 The "Nature of interest" (items 6.1 and 6.2) includes options in respect of interests in mining tenements acquired, exercised or lapsed during the reporting period. If the entity is involved in a joint venture agreement and there are conditions precedent which will change its percentage interest in a mining tenement, it should disclose the change of percentage interest and conditions precedent in the list required for items 6.1 and 6.2.
- 3 **Issued and quoted securities** The issue price and amount paid up is not required in items 7.1 and 7.3 for fully paid securities.
- 4 The definitions in, and provisions of, *AASB 1022: Accounting for Extractive Industries* and *AASB 1026: Statement of Cash Flows* apply to this report.
- 5 **Accounting Standards** ASX will accept, for example, the use of International Accounting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

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+ See chapter 19 for defined terms.