

ASX ANNOUNCEMENT

11 June 2020



\$32M PATERSON PROVINCE EXPLORATION JOINT VENTURE WITH IGO LIMITED

Metals X Limited (**Metals X** or the **Company**) is pleased to announce that it has executed a binding \$32 million Farm-in and Joint Venture Term Sheet (the **Term Sheet**) with IGO Limited (**IGO**) in relation to the Company's Paterson Exploration Project (**PEP**), which surrounds, but does not include the Nifty Copper Operation (**Nifty**) or the Maroochydore Copper Project (**Maroochydore**).

- Metals X and IGO have executed a binding Term Sheet covering 2,394 km² comprising the Metals X's PEP.
- Metals X retains 100% rights to Nifty and its associated processing infrastructure, the Maroochydore Project, and 393 km² of highly prospective exploration tenure.
- IGO can sole fund \$32 million of exploration activities over 6.5 years to earn a 70% interest in the PEP, including a minimum expenditure before withdrawal of \$11 million over 3.5 years.
- Upon earning a 70% interest, the Joint Venture will form and IGO will free-carry Metals X to the completion of a Pre-feasibility Study (**PFS**) on a new mineral discovery.
- IGO has a wealth of exploration experience in the Paterson Province and has developed innovative targeting techniques, using large scale magneto-telluric (MT) geophysical and proprietary geochemical survey techniques, which will be applied to the highly prospective and underexplored PEP tenements.
- Testing of selected priority exploration targets identified by Metals X will also be accelerated by IGO.
- IGO's exploration activities are expected to commence during the September quarter to take advantage of the current winter field season.

Metals X Chief Executive Officer, Mr Mike Spreadborough, commented:

"IGO is a highly-regarded, successful and experienced exploration and mining company and this Term Sheet delivers a significant exploration commitment on our substantial and exciting tenement holdings in the Paterson Province.

Importantly, Metals X will retain full control of the Nifty Copper Operation and its established infrastructure plus the Maroochydore Copper Project which collectively host over one million tonnes of in-ground copper metal.

Metals X looks forward to working closely with IGO to rapidly unlock the exciting exploration potential of the Paterson Exploration Project which could potentially deliver additional value through the established infrastructure at Nifty".

IGO Managing Director and CEO, Mr Peter Bradford, commented:

"IGO has recognised the exploration potential of the Paterson Province for some time. The Joint Venture with Metals X over 2,400 km² of highly prospective ground further consolidates IGO's presence in this highly endowed, yet under-explored province".

We look forward to the creation of shareholder value for both IGO and Metals X through discovery".

Canaccord Genuity (Australia) Limited and Hartleys Limited acted as joint advisors to Metals X in respect to the Transaction.

CORPORATE DIRECTORY

Level 5, 197 St Georges Terrace
Perth WA 6000 Australia

ASX Code: MLX

T +61 8 9220 5700
E reception@metalsx.com.au

ABN 25 110 150 055

www.metalsx.com.au

Paterson Province Farm-in and Joint Venture

As part of the Copper Asset Strategic Review¹, Metals X commenced a process to seek expressions of interest from selected companies, in relation to a possible farm-in and joint venture on the PEP tenure, which comprises 2,394 km² of granted and pending licences surrounding Nifty and Maroochydore (Figure 1).

Upon evaluation and discussion with several interested parties, a decision to partner with IGO was made and the Term Sheet was executed on 10 June 2020, with the following key terms:

- IGO can sole fund \$32 million of exploration activities over 6.5 years to earn 70% interest in the PEP including a minimum expenditure before withdrawal of \$11 million over the initial 3.5 years.
- Upon earning a 70% interest, the Joint Venture between Metals X and IGO will form and IGO will free-carry Metals X to the completion of a PFS on a new mineral discovery.
- Upon the completion of the PFS, the parties must contribute or dilute based on their percentage interest to maintain their respective interests.
- Standard dilution clauses will apply to the party's interests and should a party dilute to below 10%, it shall automatically convert to a 1% net smelter return royalty.
- Provided Metals X continues to own at least 50% of the Nifty Copper Operation and is manager, IGO must offer the Company the opportunity to treat copper ores from any new discovery made within the PEP.
- Should IGO withdraw from the Agreement prior to meeting the \$32 million farm-in amount they will retain no interest in the PEP.

Paterson Exploration Project (PEP)

The PEP comprises 2,394 km² of highly prospective base metals geology of the Neoproterozoic Yeneena Basin, located within the Paterson Province of the north-eastern Pilbara region of Western Australia.

The PEP excludes the Nifty Copper Operation and Maroochydore Copper Project along with the associated 393 km² of highly prospective exploration tenure, all of which has been fully retained by the Company (Figure 1).

The Paterson Province is host to a number of substantial gold, gold-copper, copper and tungsten mines and deposits, including the world class Telfer gold-copper mine. Importantly, during 2018 and 2019, new, significant discoveries were made by Rio Tinto at the Winu project, and by the Newcrest-Greatland Gold JV at the Havieron project, which has re-established the Paterson Province as one of the premier copper and gold exploration destinations in Australia.

The PEP covers the majority of the Broadhurst Formation, a package of sedimentary rocks that hosts both the Nifty and Maroochydore copper deposits. Due to its remoteness and extensive sand dune cover, the PEP remains significantly under explored.

IGO Planned Exploration Activities

During its due diligence process, IGO reviewed all available data, along with the existing MLX prospects, and has identified a series of high priority exploration target areas.

Testing of these targets will be undertaken using magneto-telluric (MT) and/or audio-magneto-telluric (AMT) methods, to map the 3D geological architecture and identify key structural and stratigraphic positions for sediment-hosted copper mineralisation. In addition, IGO has developed a fine fraction soil geochemical method, that has proven effective in Australian desert environments characterised by widespread transported aeolian sand. This method will be applied across much of the Project area.

Target testing will also be undertaken using traditional exploration methods, including aircore drilling across more deeply covered target areas, to collect geological and geochemical information, as well as additional geophysical methods as required.

IGO already has a presence within the Paterson Province through other projects and joint ventures and will commence exploration within the PEP relatively quickly to take advantage of the current winter field season.

¹ Refer ASX announcements: 26 November 2019, Suspension of Operations at Nifty Copper Mine, and 22 January 2020, Copper Assets Strategic Review.

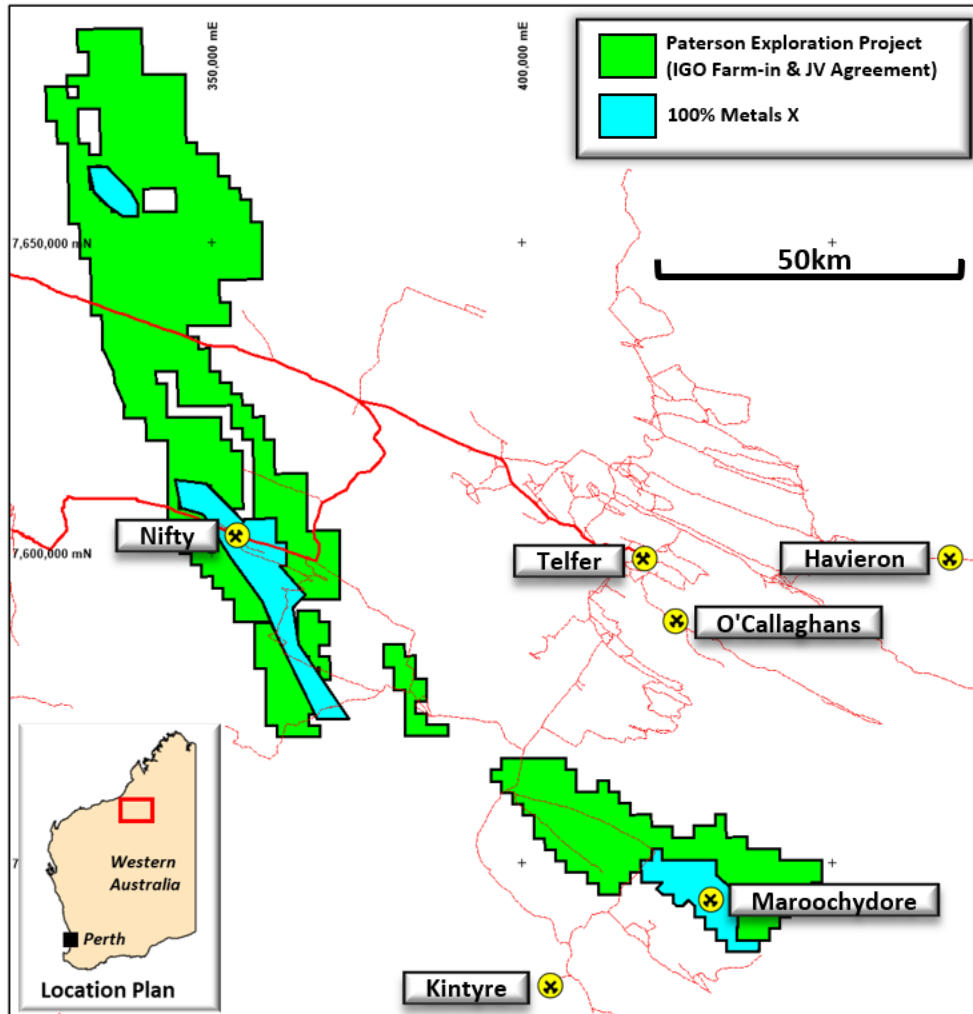


Figure 1 - Location Map outlining the IGO Farm-in & JV Term Sheet Tenure

About Metals X Limited

Metals X Limited (ASX: MLX) is an ASX-listed mining company with a portfolio of high quality base metals assets including 50% ownership of Australia's largest tin mine through the Renison Tin Operation (Bluestone Mines Tasmania JV) located in Tasmania, the Nifty Copper Operation, the Maroochydore Copper Project, and extensive exploration tenements in the Paterson Province, all located in the east Pilbara region of Western Australia, and the world class Wingellina Nickel-Cobalt Project also located in Western Australia.

About IGO Limited

IGO Limited (ASX: IGO) is a leading ASX-listed exploration and mining company with a strategic focus on metals that are critical to energy storage and renewable energy. Headquartered in Perth, Western Australia, IGO owns 100% of the Nova Operation in Western Australia's Fraser Range region and 30% of the Tropicana Gold Joint Venture (with AngloGold Ashanti) in WA's Goldfields region. IGO has a strong purpose of Making A Difference and is an active participant in the local community. In addition, IGO is currently investing in its aggressive organic growth strategy that involves exploring for, finding and developing our country's future mines.

This announcement has been authorised by the Board of Directors of Metals X Limited

ENQUIRIES

Mr Mike Spreadborough
Chief Executive Officer
E: mike.spreadborough@metalsx.com.au

MEDIA ENQUIRIES

Michael Weir / Cameron Gilenko
Citadel-MAGNUS
M: +61 402 347 032 / +61 466 984 953