

# QUARTERLY REPORT

FOR THE QUARTER ENDING  
31 MARCH 2024



Metals X Limited (**Metals X** or the **Company**) presents its activities report for the quarter ended 31 March 2024.

## ENVIRONMENTAL, SOCIAL AND GOVERNANCE

- The Metals X 2023 ESG Report was released during the quarter and is available via the Company's website at [www.metalsx.com.au/environment-social-and-governance/](http://www.metalsx.com.au/environment-social-and-governance/).
- The Bluestone Mines Tasmania JV Renison Tin Operation (**Renison**) reported two (2) Recordable Injuries during the quarter (Q4 CY2023: 3).
- The overall Renison site safety performance saw the LTIFR<sup>1</sup> reduced to 1.8 (Q4 CY2023: 2.8) but an increase in the 12-month rolling TRIFR<sup>2</sup> to 5.7 (Q4 CY2023: 5.6).
- Safety initiatives undertaken during the quarter include:
  - The redeveloped Critical Risk Management (**CRM**) program is becoming well embedded in the operation and is running effectively; and
  - Redevelopment of the Health and Safety Management System (**SMS**) framework including the development of a HSMS Structure Overview, Health and Safety Management Plan, document hierarchy and template standardisation.
- The five yearly Renison Mine Closure update and costing was completed.
- The Mt Bischoff Closure 90% design plan is on track to be submitted Q4 CY2024.

## QUARTERLY HIGHLIGHTS

- Post quarter end, encouraging exploration results from Ringrose announced with an additional six surface diamond holes for 2,660 metres expected to be completed next quarter.<sup>3</sup>
- Lower than planned grade of ore mined and milled impacted tin production for the quarter. Renison produced 2,272 tonnes of tin-in-concentrate during the quarter (Q4 CY2023: 2,714 tonnes of tin-in-concentrate). of which Metals X 50% share is 1,136 tonnes of tin-in-concentrate (Q4 CY2023: 1,357 tonnes of tin-in-concentrate).
- During the quarter, Renison shipped 2,651 tonnes of tin-in-concentrate (Q4 CY2023: 2,622 tonnes of tin-in-concentrate). Metals X received 46.7% of tin-in-concentrate tonnes shipped (Q4 CY2023: 49.7%). Metals X shipped 1,238 tonnes of tin-in-concentrate (Q4 CY2023: 1,303 tonnes) to Yunnan Tin Group (**YTG**) and the Malaysian Smelter Corporation (**MSC**).
- Shipments to YTG under the new smelting agreement commenced during Q1 CY2024 following the completion of contractual obligations to Thaisarco Smelting and Refining Co. Ltd (**TSC**).
- Metals X 50% share of imputed revenue is \$45.68 million. At quarter end, \$34.54 million of the imputed revenue classified by Metals X as inventory (i.e., at cost) and tin receivables (Q4 CY2023: \$41.88 million). Following quarter end, Metals X has received \$13.39 million relating to the realisation of these balances.<sup>4</sup>
- Commenced on-market share buy-back for up to 10% of the Company's issued share capital as part of the Company's capital management strategy. 1,050,000 shares were acquired at an average of \$0.356 per Metals X share costing \$374,198.

<sup>1</sup> Lost Time Incident Frequency Rate.

<sup>2</sup> Total Recordable Injury Frequency Rate.

<sup>3</sup> Refer ASX announcement 24 April 2024 Ringrose Exploration Update.

<sup>4</sup> Table 2 provides a reconciliation of Metals X cash movement for the quarter ending 31 March 2024.

### CORPORATE DIRECTORY

Unit 202, Level 2, 39 Mends Street  
South Perth WA 6151

ASX Code: MLX

T +61 8 9220 5700

E [reception@metalsx.com.au](mailto:reception@metalsx.com.au)

ABN 25 110 150 055

[www.metalsx.com.au](http://www.metalsx.com.au)

- Closing cash for the quarter increased by \$24.45 million to \$167.49 million (Q4 CY2023: increase of \$18.81 million to \$143.04 million). The increase in cash includes \$1.72 million of interest received on \$100 million held in (3) 90-day term deposits (Q4 CY2023: \$1.61 million) and \$1.44 million interest on the (4) Cyprium convertible notes (Q4 CY2023: Nil).
- The LME tin spot price closed higher at US\$27,600 per tonne of tin on 31 March 2024 (Q4 CY2023: US\$25,500). At quarter end, the USD had appreciated against the AUD resulting in a higher AUD imputed tin price for Q1 CY2024 of A\$40,208 per tonne of tin (Q4 CY2023: A\$37,063 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 2,272 tonnes of tin-in-concentrate (Q4 CY2023: 2,714 tonnes). An increase in ore tonnes milled partially compensated for the lower than planned ore grades mined and milled which impacted quarterly tin production. The lower than planned ore grades mined and milled were caused by the following:

- Significant high-grade stockpiles initially planned to be available for Q1 CY2024 were unavailable;
- A delay in sequence and production of ore from the high-grade Area 5 orebody was compensated with increased tons but of a lower grade from the CFB area. Access to the Area 5 higher-grade ore has been moved to Q2 CY2024;
- A quarterly adjustment of 91 tonnes of tin following the reconciliation of production figures against final smelter assays; and
- Access restrictions to processing equipment resulting in sub optimal recovery, necessitated by emergency repair and replacement on the mill roof.

**TABLE 1 – RENISON TIN OPERATION PERFORMANCE (100% BASIS) Q1 CY2024**

Physicals and Imputed Financials <sup>(1)</sup>		Q1 CY2024	Q4 CY2023	Rolling 12-months
Ore mined	t ore	185,358	190,801	751,418
Grade of ore mined	% Sn	1.52	1.84	1.68
Ore milled (after sorter upgrade)	t ore	168,068	160,035	647,587
Grade of ore processed	% Sn	1.74	2.17	1.97
Mill recovery	%	77.58	78.03	77.14
Tin produced	t Sn	2,272	2,714	9,823
Imputed tin price <sup>(2)</sup>	A\$/t Sn	\$40,208	\$37,063	\$39,378
Imputed sales and marketing costs	A\$/t Sn	\$6,225	\$5,615	\$5,283
C1 cash production costs	A\$/t Sn	\$18,401	\$16,067	\$17,278
Imputed EBITDA	A\$/t Sn	\$15,582	\$15,381	\$16,817
All-in sustaining costs (AISC) <sup>(3)</sup>	A\$/t Sn	\$32,717	\$26,552	\$28,230
All-in cost (AIC) <sup>(4)</sup>	A\$/t Sn	\$34,098	\$28,112	\$30,545
Imputed net cash inflow	A\$/t Sn	\$6,110	\$8,950	\$8,834
<b>Imputed revenue <sup>(1)</sup></b>	<b>A\$M</b>	<b>\$91.36</b>	<b>\$100.57</b>	<b>\$386.81</b>
<b>Imputed sales and marketing costs</b>	<b>A\$M</b>	<b>\$14.15</b>	<b>\$15.24</b>	<b>\$51.90</b>
<b>C1 cash production costs</b>	<b>A\$M</b>	<b>\$41.81</b>	<b>\$43.60</b>	<b>\$169.72</b>
<b>Imputed EBITDA</b>	<b>A\$M</b>	<b>\$35.41</b>	<b>\$41.74</b>	<b>\$165.20</b>
<b>AISC</b>	<b>A\$M</b>	<b>\$74.34</b>	<b>\$72.05</b>	<b>\$277.30</b>
<b>AIC</b>	<b>A\$M</b>	<b>\$77.48</b>	<b>\$76.28</b>	<b>\$300.04</b>
<b>Imputed net cash in flow</b>	<b>A\$M</b>	<b>\$13.88</b>	<b>\$24.29</b>	<b>\$86.77</b>

- (1) *Imputed revenue and imputed net cash flow assume 100% of tin-in-concentrate tonnes produced during the quarter is sold. At quarter end, 659 tonnes of tin produced remained in inventory at cost (Q4 CY2023: 746 tonnes) and 201 tonnes in receivables (Q4 CY2023: 384 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 increased to \$32,717 per tonne of tin-in-concentrate (Q4 CY2023: \$26,552 per tonne of tin-in-concentrate).
- The AIC increased to \$34,098 per tonne of tin-in-concentrate (Q4 CY2023: \$28,112 per tonne of tin-in-concentrate). The increase in unit production costs for the quarter was predominantly the result of the lower ore mined and milled grades impact on tin production as described above.
- The stronger AUD tin price partially offset the 16.3% lower tin production to deliver an EBITDA of \$35.41 million (Q4 CY2023: EBITDA \$41.74 million) and imputed net cash flow of \$13.88 million (Q4 CY2023: \$24.29 million) for the quarter.

## CAPITAL PROJECT UPDATE

Total capital expenditure for the quarter was \$21.52 million (Q4 CY2023: \$17.44 million). Key activities during the quarter included:

- Ventilation upgrade
  - The reaming of both legs of the Leatherwoods Fresh Air Raise (**FAR**) has been completed within the approved capital budget.
  - The raisebore contractor has relocated to the site of the new Leatherwoods Return Air Raise (**RAR**).
- Mine dewatering
  - Works are ongoing for the new North Renison Decline pump stations, with the 1121 level pump station completed. Commissioning of this new pumping capacity will be undertaken during Q2 CY2024.
  - Procurement for the mine-wide pumping system upgrade has commenced, Mining works for the pump station chambers is complete and civil works are underway. Tendering and engagement of sub-contractors is continuing.
- Surface projects
  - Construction and commissioning of the new 12m thickener has been successfully completed within budget and on schedule.
  - Preparation for construction of the tailings dam overhead powerline is underway, with contractors mobilising to site in Q2 CY2024.
  - Sitewide improvement projects are continuing with progress made on the fire water tank, ICD and Crusher dam pump back and acid storage tank projects.
  - Ongoing issues with the stability of electrical equipment in the HV switchyard have been identified and a mitigation program put in place. Additional defect rectification works in the HV switchyard are ongoing, with the final installations scheduled for the May 2024 shut.

## MINE RESOURCE DRILLING PROGRAM

During the quarter 14,195 metres of underground drilling was completed. Drilling included grade control from A5 1036 Ore Drive, LD 1250 HW Drill Drive and CFB NRD 1670 SP; and resource definition drilling from the HN 1450 HWDD NTH, WA 1414 Drill Drive and SB 1810 Access Nth.

For Q2 CY2024, underground drilling is planned from the Leatherwood 1250, Huon 1414, Houn North 1450, SB 1810 Access Nth, A5 1036 Ore Drive and the Central Federal Basset 1670. Planned programs will focus on both resource definition and grade control drilling.

## RENTAILS PROJECT

The final Thermal Upgrade Plant (TUP) Furnace Technology selection, and studies required to meet the revised notice of intent (NOI) and EPBC referral to inform permitting remain on track for completion in Q2 CY2024. Key activities completed in the quarter included data analysis of results from Box fuming furnace trials held at YTG's Gejiu smelter. Trials were successful and demonstrated that a Box Fumer can achieve very good performance with respect to tin recovery and fume quality when operating with gaseous fuel. Importantly, the trials for both the Ausmelt and Box fumer technologies have demonstrated the robustness of the Thermal Upgrade Process when treating the Rentails feed materials and selected fuel type. Other aspects of the study including techno-economic, infrastructure engineering, community engagement, and geotechnical work at the proposed Rentails plant and potential TSF sites remain ongoing.

## NEAR MINE EXPLORATION

A total of 1,823 metres of exploration drilling was completed in Q1 CY2024, of which 892 metres were targeting Down Hole Electro Magnetic (**DHEM**) conductors from the recent 2023 EM survey, and 931 metres was infill and extensional drilling at Ringrose.

Mineralisation at Ringrose is located about 750 metres south of existing development and occurs over approximately 200 metres down dip and 300 metres strike length. Mineralisation is open to the North, South and at depth. All holes drilled at Ringrose during Q1 CY2024 intersected sulphide mineralisation, with drilling to continue in Q2 CY2024 (see ASX announcement on 24 April 2024).

An additional six surface diamond holes for 2,660 metres are currently planned for Ringrose and drilling is expected to be completed by end of H1 CY2024.

The DHEM Phase 3 surface diamond drilling program is also continuing with a remaining three holes planned for 1,350 metres.

Line cutting and loop laying for a new surface fixed loop EM survey along the northern extent of the Federal Fault was completed during the quarter with surveying to commence in the first week of April and completed in Q2 CY2024.

Preparation for the two Government Exploration Drilling Grant Initiative (**EDGI**) drilling programs progressed with the completion of access tracks to the DC target. MRT approvals are pending for the Tunnel Hill Target. Drilling is expected to commence at the DC target in Q2 CY2024.

## CORPORATE REVIEW

### ON-MARKET SHARE BUY-BACK

On 1 March 2024, the Company announced its intention to undertake an on-market share buy-back commencing from 19 March 2024 (**Share Buy-back**) for up to 10% of the Company's issued capital, as part of the Company's capital management strategy.

During March 2024, the Company repurchased 1,050,000 Metals X shares, for an aggregate consideration (before expenses) of \$374,198, an average of \$0.356 per Metals X share. All shares bought back have subsequently been cancelled.

Month	No of Shares Repurchased	Purchase price per Share		Aggregate Consideration (before expenses)
		Highest	Lowest	
		(\$ per share)	(\$ per share)	
March	1,050,000	0.370	0.345	374,198
<b>Total</b>	<b>1,050,000</b>			<b>374,198</b>

### INVESTMENTS – CONVERTIBLE NOTES, SHARES AND OPTIONS

The Company continues to hold \$36.00 million in aggregate in convertible notes issued by Cyprum Metals Limited (**ASX: CYM**) with an annual coupon rate of 4.0%. The Company received its second annual \$1.44 million coupon payment during the quarter.

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 and 25,000,000 options in NICO.

At 31 March 2024, Metals X continues to hold:

- 9,240,000 NICO shares.
- 25,000,000 NICO options, exercisable at \$0.25 each, expiring 3 years after grant, and exercisable after 19 January 2024 and on, or before, 3 November 2024.

Metals X retains an 8.46% interest in NICO.

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

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 \$24.45 million to \$167.49 million (Q4 CY2023: increased by \$18.81 million to \$142.04 million). Metals X has tin receivables of \$6.87 million after treatment costs (Q4 CY2023: \$12.37 million), inventory at cost of \$15.41 million (Q4 CY2023: \$17.26 million), trade and other payables of \$14.99 million (Q4 CY2023: \$16.22 million) and unearned revenue of \$8.90 million for tin shipments still on water at quarter end.

**TABLE 2 – CASH MOVEMENT RECONCILIATION Q1 CY2024**

	A\$(m)	A\$(m)
<b>Opening cash at bank</b>		<b>143.04</b>
<b>(a) Imputed cash flows</b>		
Add MLX 50% share of imputed revenue <sup>(1)</sup>	45.68	
Less cash calls paid to Renison	(33.00)	
Net imputed cash flow		<b>12.68</b>
<b>(b) Adjustments to net imputed cash flow</b>		
Add movement in tin metal inventory <sup>(2)(4)</sup>	9.56	
Add movement in tin receivables <sup>(2)(4)</sup>	5.50	
Less selling costs (not included in imputed revenue) <sup>(3)</sup>	(2.63)	
Net adjustments to imputed cash flow		<b>12.43</b>
<b>(c) Other cash flow movements</b>		
Add Interest income	1.72	
Interest received on Cyprium convertible notes	1.44	
Less royalty and freight payments	(2.69)	
Less Share buyback payments <sup>(5)</sup>	(0.24)	
Less corporate costs	(0.67)	
Net other cash flow movements		<b>(1.34)</b>
<b>Closing cash at bank</b>		<b>167.49</b>

- (1) *Metals X 50% share of imputed revenue is calculated using the imputed tin price of A\$40,208 x 1,136 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 Q1 CY2024 tin produced and sold during the quarter, actual vs imputed pricing differences and USD to AUD forex conversion costs.*
  - (4) *During Q1 CY2024, Metals X received \$35.16 million relating to tin produced during Q4 CY2023. At quarter end, Metals X has tin inventory with an imputed value of \$27.67 million and receivables of \$6.87 million after treatment costs. At the date of this report, Metals X has received \$13.39 million relating to the realisation of these balances since quarter end.*
  - (5) *At quarter end, settlement of 650,000 of the 1,050,000 shares had occurred. The aggregate cash outflow for the 650,000 shares (including expenses) was \$235,975.*
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**This quarterly report has been authorised by the board of directors of Metals X Limited.**

## **ENQUIRIES**

Mr Brett Smith - Executive Director  
E: [brett.smith@metalsx.com.au](mailto:brett.smith@metalsx.com.au)

## **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.