

Landmark Mining Agreement Secured for Massive Wingellina Nickel Deposit

20 July 2010 (Perth, WA)

Metals X Limited is pleased to announce that a mining agreement has been signed with the Traditional Owners and granted Native Title holders of the Wingellina Project area through their representative bodies: the Yarnangu Ngaanyatjarraku Parna Aboriginal Corporation, the Ngaanyatjarra Land Council (Aboriginal Corporation), and the Ngaanyatjarra Council (Aboriginal Corporation). The agreement provides consent for the grant of a mining lease and subsequent mining operations over the project, which subject to other regulatory approvals allows the massive Wingellina Nickel-Cobalt Limonite Project to be advanced toward production.

This landmark agreement is the first mining agreement to be successfully negotiated in the Ngaanyatjarra Lands and Aboriginal Reserves. Whilst the details of the agreement remain confidential, Metals X can advise that the agreement includes cash payments as project milestones are met, a gross royalty interest and employment and training initiatives for the local people that are in line with similar agreements made in recent times.

Metals X's Managing Director, Warren Hallam said "This is a major milestone in the development of Wingellina and a momentous occasion for the Ngaanyatjarra People and the State of Western Australia. It reflects a willingness by the People to work together with mining companies in the development of resource projects providing commercial and financial benefits to all stakeholders, whilst maintaining respect for the culture, beliefs and traditions of the Traditional Owners."

Metals X has been working continuously on the Wingellina project with the Ngaanyatjarra People and the Ngaanyatjarra Council for over five years. In this time a strong relationship has been established while the Wingellina Project has been patiently and respectfully advanced towards development.

About the Wingellina Nickel Project

Wingellina exhibits vastly different characteristics to the nickel laterite deposits that have hitherto been developed in Australia. Wingellina hosts a resource of almost 1.8 million tonnes of contained nickel and is classified as a "Pure Oxide Tropical Laterite" deposit, similar in style to Moa Bay where the High Pressure Acid Leach process was originally developed and has operated successfully for over 50 years. Wingellina has a JORC compliant resource of 183.2 million tonnes of ore with 38% Measured, 54% Indicated and the remaining 8% Inferred.

The formation of the Wingellina deposit is by deep oxide weathering of the dunite units of the Giles Layered Intrusive Complex. The weathering processes have resulted in the formation of extremely thick 50-200m homogenous oxide layers of limonite (47% Fe₂O₃) with enriched nickel and cobalt. The massive nickeliferous

limonite formations are freely excavatable without blasting and have a very low waste to ore stripping ratio of 1.1 to 1 over the life of the mine with low mining costs and minimal ore dilution. The low magnesium content results in very low acid consumption and subsequently low operating costs compared with typical Australian laterite deposits.

Metals X completed its first phase feasibility study on Wingellina in September 2008, defining a robust plan for the construction of a nickel and cobalt operation that will produce 40,000 tpa of nickel and 3,500 tpa of cobalt in an intermediate concentrate with an initial mine life of 40 years. The average operating cost for the project is expected to be approximately US\$3.34 per pound of nickel after cobalt credits.

Metals X is currently progressing with environmental studies, water exploration and other necessary approval processes to enable development of the project.

Metals X is continuing to work closely with its major shareholders, APAC Resources Limited (HKEX: 1104) and Jinchuan Group Limited (China's largest nickel producer), on financing and development options for the project.

About Metals X Limited

Metals X currently holds cash and receivables of over \$53M, investments in other public listed entities of approximately \$60M (which include 32% of Westgold Resources Limited, 19.9% of Jabiru Metals Limited and direct and indirect interests in 28% of Aragon Resources Limited). Metals X owns 100% of the massive Wingellina Nickel project and 50% of the Renison Tin Operation, which produces approximately 1.5% (MLX equitable share) of the global tin supply.

Through direct ownership, and its major share holdings in other entities, Metals X has a pipeline of assets at all stages of development from exploration through to production, with exposure to tin, nickel, cobalt, gold, copper, lead, zinc, iron and phosphate. For further information visit our website at <http://metalsx.com.au/>.

Enquiries

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The information in this announcement 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'.