METALS X LIMITED

ACN 110 150 055

Interim Financial Report
for the Half-Year
31 December 2013

CORPORATE DIRECTORY

This half-year report covers the consolidated entity comprising Metals X Limited ("the Company") and its subsidiaries ("the Consolidated Entity"). The Consolidated Entity's functional and presentation currency is AUD ($).

A description of the Consolidated Entity's operations and its principal activities is included in the review of operations and activities in the directors' report on page 3.

Directors
Peter Newton (Chairman)
Peter Cook (CEO)
Warren Hallam
Paul Cmrlec
Andrew Ferguson
Simon Heggen
Xie Penggen
Yimin Zhang (Alternate for Xie Penggen)

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Securities Exchange
Listed on the Australian Securities Exchange

Codes: ASX: MLX OTCQX: MTXXY

Domicile and Country of Incorporation
Australia

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APPENDIX 4D - RESULTS FOR ANNOUNCEMENT TO THE ASX

Consolidated	31 December 2013 $	31 December 2012 $	Movement $	Movement %
Revenue from ordinary activities:	72,703,370	34,494,444	38,208,926	110.77%
Profit from ordinary activities after tax attributable to members:	9,210,133	15,569,051	(6,358,918)	-40.84%
Net profit attributable to members:	9,210,133	4,937,282	4,272,851	86.54%
Net tangible assets per share:	0.17	0.17		

This Appendix 4D is to be read in conjunction with the 2013 annual financial report, the December 2013 Interim Financial Report and Directors' Report.

The Directors do not propose to pay any dividend for the half year ended 31 December 2013.

Key Financial Highlights

Financial performance	31 Dec 2013 $	31 Dec 2012 $	Movement $
Total sales revenue	72,703,370	33,322,225	39,381,145
Cost of sales	(57,277,572)	(29,234,122)	(28,043,450)
Gross profit	15,425,798	4,088,103	11,337,695
Net profit/(loss) after tax	9,210,133	15,569,051	(6,358,918)

Cash flows			
Cash flow from operating activities	21,679,898	1,770,758	19,909,140

Capital reinvestment			
Property, plant and equipment	(1,280,315)	(495,690)	- 784,625
Mine properties and development	(12,735,254)	(7,793,887)	- 4,941,367
Exploration and evaluation expenditure	(3,296,681)	(848,038)	- 2,448,643
Acquisition of gold operations	(44,000,000)	-	(44,000,000)
Cash acquired on purchase of subsidiary	14,470,399	1,126,934	13,343,465

Financial position	31 Dec 2013 $	30 Jun 2013 $	Movement %
Net assets	284,085,846	273,770,363	10,315,483
Cash balance	36,621,387	61,453,120	(24,831,733)

Review of Results: refer to the review of results included in the Directors' Report.

DIRECTORS' REPORT

Your directors submit their report for the half-year ended 31 December 2013.

DIRECTORS

The names of the Company's directors in office during the half-year and until the date of this report are set out below. Directors were in office for this entire period unless otherwise stated.

Peter Newton (Chairman)
Peter Cook (CEO)
Warren Hallam
Paul Cmrlec (appointed 23 July 2013)
Andrew Ferguson
Simon Heggen
Xie Penggen
Yimin Zhang (Alternate for Xie Penggen)

REVIEW AND RESULTS OF OPERATIONS

The first half of the 2013/2014 financial year witnessed difficult trading conditions with continued depression in market sentiment for smaller resource stocks, sideways to lower trends in commodity prices and a strong Australian dollar impacting business.

The Company managed to progress its strategy to build its gold division and re-establish the Company as a diversified miner and developer. The key event was the acquisition of the Australian Business Unit of Alacer Gold Corp. with an effective date of 1 October 2013 and a completion date of 29 October 2013.

This brought on two additional operations and a large amount of plant & infrastructure, expanding the group's revenue and further diversifying its commodity risk. It also significantly expanded the group's gold resources and reserve inventory.

The base metal assets continued to make a sound contribution to the business with steady performance from the 50% owned Tin Operations in Tasmania. The joint arrangement continues to contemplate the Renison Expansion Project, which continues to sit perfectly positioned for development at higher tin prices in the future. During the period the Company put a temporary halt to feasibility works on the "world-class" Wingellina Nickel-Cobalt Project while it continues to monitor nickel prices.

Exploration activity was prudently curtailed during the period with minimal expenditure at the Central Murchison Gold Project ("CMGP"), the Rover Project and the Warumpi farm-in project. Development studies and options to bring both the CMGP and the Rover 1 Project to development continued.

From a corporate perspective the first half of the financial year was rewarding for our shareholders with a solid financial result and a share price increase from 10 cents per share at 1 July 2013 to 18 cents per share on 31 December 2013, which was made even more impressive by the comparative large falls in share prices of our peers.

RESULTS OF OPERATIONS

The consolidated total profit after income tax for the half-year was $9,210,133 (2012: $15,569,051). Total consolidated revenue was $72,703,370 (2012: $34,494,444), cost of sales was $57,277,572 (2012: $29,234,122) and cash flow from operating activities of $21,679,898 (2012: $1,770,758).

The results reflect:

- Revenue from gold sales of $34,364,266 resulting from the acquisition of the Higginsville Gold Operation ("HGO") and the South Kal Gold Operation ("SKO") from Alacer Gold Corp. on 29 October 2013.

RESULTS OF OPERATIONS (continued)

- Tin sales revenue of $37,226,433 (2012: $33,322,225) for the half-year from the Renison Tin Project (50% owned) was 12% higher compared with the equivalent period in 2012 due to an increase in the tin price.
- Cost of sales of $57,277,572 (2012: $29,234,122) and cash flows from operating activities of $21,679,898 (2012: $1,770,758) increased due to the acquisition of the HGO and SKO.
- Prior period profits reflected a profit on the sale of share investments of $6,022,731.
- Prior period profits also reflected an income tax benefit of $10,631,769 recognised on the merger with Westgold Resources Limited in October 2012.

REVIEW OF OPERATIONS

TIN DIVISION

Metals X is a globally significant tin producer through its 50% ownership of the Bluestone Mines Tasmania Joint Venture. The key assets of the Joint Venture are the world class Renison Tin Mine, a 700,000tpa tin concentrator, the Renison Expansion Project (Rentails Project) and the Mount Bischoff Project.

Renison Tin Project (50%)

The Renison Tin Project is located approximately 15km north-east of Zeehan on Tasmania's west coast. The Mount Bischoff open pit mine (not operational) is located approximately 80km north of the Renison Tin Project.

The tin operations continued with a steady performance, albeit slightly under our expectations. Mine productivity continues to be the driver of output and measures to pick up an addition 10% productivity are in place. The tin concentrator performance showed excellent availabilities and utilization, however, harder ores from the deeper Federal and Area 4 zones resulted in lower tonnage throughput.

The Consolidated Entity's interest in the performance of the Renison Tin Project (50% equitable share) for the period to 31 December 2013 is summarised below:

Renison Underground Mine	**Dec 2013 Half Year**	**Dec 2012 Half Year**
Ore Hoisted	151,780 tonnes	159,343 tonnes
Grade	1.50% Sn	1.56% Sn
Tin Concentration		
Tonnes Processed	154,431 tonnes	159,046 tonnes
Grade	1.49% Sn	1.56% Sn
Tin Metal Produced	1,560 tonnes	1,643 tonnes
Tin Concentrate Grade	53.8% Sn	54.4% Sn
Tin Concentrate Produced	2,897 tonnes	3,022 tonnes

The key fiscal outcomes for the period (50% equitable share) of the Renison Tin Project for the period to 31 December 2013 is summarised below:

	Dec 2013 Half Year	**Dec 2012 Half Year**
Tin Price Received ($/t Sn)	$24,034	$19,705
Depreciation & Amortisation ($/t Sn)	$3,126	$3,898
Cost of Sales ($/t Sn)	$21,080	$18,941

REVIEW OF OPERATIONS (continued)

Capital re-investment at the Renison Tin Project continued to push forward capital mine development for future production. One full time underground and one surface diamond rig were engaged in exploration during the quarter.

Total capital re-investment at the Renison Tin Project (50% equitable share) for the period to 31 December 2013 is summarised below:

	Dec 2013 Half Year	Dec 2012 Half Year
Property, plant & equipment	$1.19M	$2.65M
Mine properties and development	$7.60M	$4.43M

The extensive exploration focus on the Federal–Basset fault system in the south resulted in a 31% increase in the Total Mineral Resource to 11.57 million tonnes at 1.76% tin, containing 204,000 tonnes of tin metal.

Feasibility reviews and advances in new tailings dam and environmental approval processes dominated works on the Rentails Project. The joint venture engaged the experienced tin fuming team at Yunnan Tin Group to re-assess the technical and construction parameters of the tin fumer plant with a view to lowering the capital cost and efficiency of the process. Works on this will continue during the first half of 2014 before a strategic decision on building the project are made by the Joint Venture.

GOLD DIVISION

During the period Metals X began to rapidly expand its gold division with the signing of an agreement to acquire the whole of the Australian gold portfolio of Alacer Gold Corp ("Alacer"). Under the agreement Metals X, through its wholly owned subsidiary, Westgold Resources Pty Ltd ("Westgold") acquired the whole Australian Business Unit of Alacer. The assets consist of the Higginsville Gold Operations ("HGO") and the South Kal Operations ("SKO"). The final purchase consideration was $44,000,000. The acquisition was completed on 29 October 2013 and Metals X has completed its first quarter as owner of the project (refer to note 11).

Performance of the gold operations for the period to 31 December 2013 are summarised below:

	HGO	SKO	Dec 2013 Half Year
Mine Production			
Ore Tonnes	238,453	59,230	**297,683**
ROM Grade (g/t Au)	5.64	3.22	**5.15**
Processing			
Tonnes Processed	251,561	133,424	**384,985**
Head Grade (g/t Au)	5.46	2.24	**4.34**
Recovery %	96.1%	91.8%	**95.45%**
Gold Produced (oz)	42,443	8,844	**51,287**

Whilst production for the full quarter was attributable to Metals X, settlement of the transaction did not occur until 29 October 2013. Under accounting standards the revenue and expenditure from production for the period from the effective date of 1 October 2013 to the accounting acquisition date (in this case the settlement date) is not recognised in the financial statements. For the purpose of benchmarking, Metals X has calculated the performance from production based on the assumption that the transaction took place on the effective date and therefore have included the entire quarter's production statistics in the above table.

REVIEW OF OPERATIONS (continued)

The key fiscal outcomes for the period of the gold operations for the period to 31 December 2013 are summarised below:

	HGO	SKO	Dec 2013 Half Year
Gold Price Received ($/oz)	$1,372	$1,384	**$1,374**
Depreciation & Amortisation ($/oz)	$78	$67	**$76**
Cost of Sales ($/oz)	$904	$818	**$888**

Total capital re-investment at the gold operations for the period to 31 December 2013 are summarised below:

	HGO	SKO	Dec 2013 Half Year
Property, plant and equipment	$0.03M	-	**-**
Mine properties and development	$4.14M	-	**$4.15M**
Exploration and evaluation	$0.26M	$0.60M	**$0.86M**

The Higginsville Operations

Consists of a modern 1.3Mtpa CIP plant, a 300 person village, two underground mines (Trident & Chalice), and requisite mine and process infrastructure. Alacer (ASX:AQG 2 April 2013) have previously announced the Total Mineral Resource (43:101) at HGO (as at 31 December 2012) to be 15.9 Million tonnes at 3.0 g/t Au containing 1.55 million ounces. HGO is currently operating at an annualised rate of approximately 150,000oz per annum.

Higginsville Gold Plant 1.35Mtpa

Mining at HGO is focused on the Trident and the Chalice underground mines. Metals X intends to continue to operate both underground mines to establish a long term sustainable core of high grade mill feed. A number of open pit opportunities also exist within the tenements which provide opportunity to extend and/or supplement ore processing operations. Metals X expects to be able to roll out a revised operating strategy for the operations in the first half of 2014.

REVIEW OF OPERATIONS (continued)

The South Kalgoorlie Operation ("SKO")

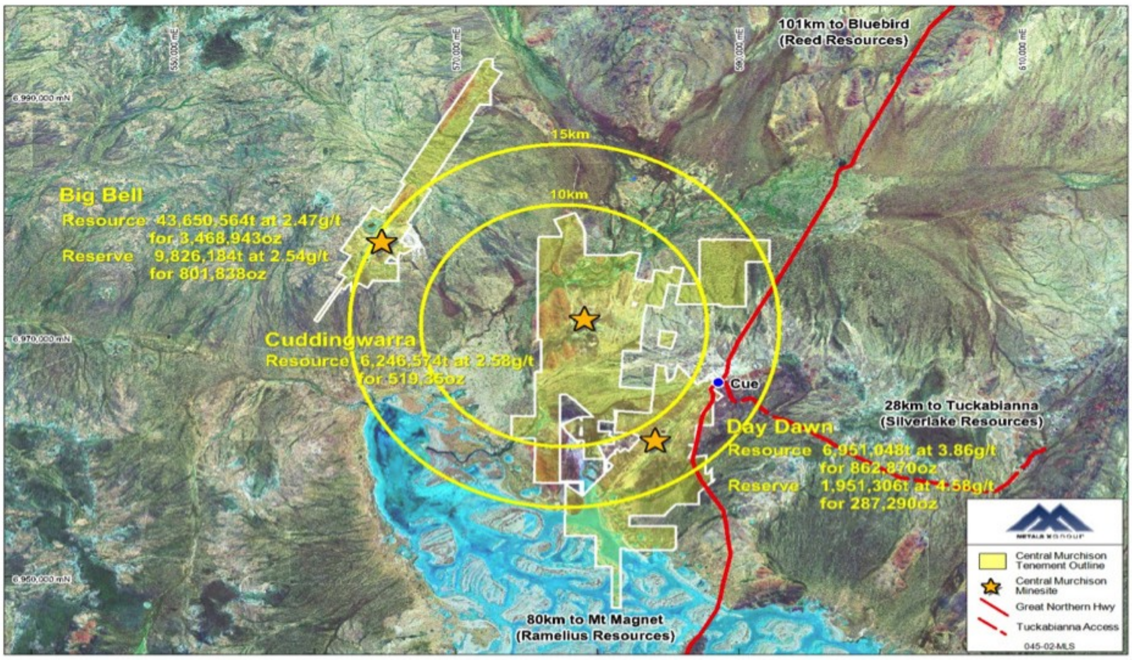
Consists of an older 1.2Mtpa CIP plant and infrastructure. Numerous open pit and underground options exist within the tenement area which has been mined over the past 25 years. The SKO operation is currently operating as a toll processing plant (approximately two months out of three) under a previous arrangement with La Mancha.

Metals X is assessing a number of opportunities to re-establish mining at SKO. In the short term it intends to continue to process its low grade ore stockpiles and set the plant up as an attractive toll processing plant and business in the Kalgoorlie region.

Jubilee Plant (SKO) 1.2 Mtpa

The Central Murchison Gold Project

The CMGP is a development ready project with a number of open pit and underground options. MLX has previously announced (ASX:MLX 19 December 2012) the Total Mineral Resource (as at December 2012) to be 61.2 million tonnes at 2.52 g/t Au containing 4.95 million ounces. A DFS was completed and announced (ASX:MLX 11 January 2013) which showed a viable plan to produce approximately 100,000 oz per annum at cash operating costs of $980/oz over an initial 11 year mine life. Capital costs were estimated at $117M. The Total Ore Reserve estimate was 15.5 million tonnes at 2.36 g/t Au containing 1.17 million ounces.



REVIEW OF OPERATIONS (continued)

The CMGP has the largest resource base of the projects in the Central Murchison region but doesn't have established process plant infrastructure. Metals X continues to evaluate opportunities to acquire, append to and/or toll process ores from its CMGP at existing processing facilities.

Metals X advises that the project is a marginal business development and the company will continue to assess future development options.

During the half year, Metals X completed a critical review of its exploration tenure in the CMGP area and completed a rationalisation of the tenure in line with its Corporate Strategy.

The Rover Project

The Rover Project is an undercover repetition of the rich Tennant Creek goldfield 80km to the north-east. Exploration to date has so far fully tested three blind targets within the project, each of which has defined significant mineralised IOCG ("Iron Oxide Copper Gold") systems at Rover 1, Explorer 108 and Explorer 142 prospects.

The Rover 1 Prospect is a virgin IOCG discovery. Metals X has previously announced the Total Mineral Resource at Rover 1 to be (as at 30 June 2013) 6.81 million tonnes at 1.74g/t Au, 1.2% Cu, 0.14% Bi and 0.06% Co.

The key elements of the Rover Project are:

- A new gold province analogous to historic Tennant Creek gold field which historically produced +5.5M ounces gold and 0.5Mt copper.
- Three successful discoveries in Rover 1 (Au-Cu), Explorer 108 (Pb-Zn-Ag) and Explorer 142 (Cu-Au).
- A 1.22M oz gold equivalent total identified mineral resource (JORC) at Rover 1.
- A Total Identified Mineral Resource at Explorer 108 of 490Kt Pb-Zn, 5.6M oz Ag and 71K oz Au.
- A commercially positive outcome from Rover 1 development studies.
- The project area is proximal to a major infrastructure corridor adjacent to Central Australian Railway, gas pipeline and Stuart Hwy.
- Exploration upside in multiple coincident geophysical anomalies considered as analogs to the Rover 1 anomaly.

Work in the Tennant Creek district continues to be focused on defining the optimal development pathway for the Rover 1 deposit. In combination with this ongoing analysis, Metals X has been evaluating the application of advanced geophysical techniques to its granted tenure in an effort to increase its resource base in the district which will provide further support to a development decision at Rover 1.

NICKEL DIVISION

Metals X's nickel strategy is built upon the Central Musgrave Project ("CMP") which straddles the triple-point of the WA/NT/SA borders. The project represents the Company's key nickel assets and comprises of the globally significant Wingellina Ni–Co deposit, the Claude Hills Nickel deposit and the Mt Davies exploration prospects. The project encompasses 1,957km^2 of prospective exploration tenure encompassing the whole of the Wingellina layered intrusive sub-set of the Giles Complex.

The key focus of the Nickel Division is to bring the Wingellina Nickel–Cobalt Project into production.

The Board had previously reached a decision to defer the expenditure on the updated feasibility for a period of up to 12 months due to the continuum of a depressed nickel market.

REVIEW OF OPERATIONS (continued)

Whilst the engineering works for the updated feasibility study have been halted Metals X continues to use its internal resources to complete other long lead-time studies required for the DFS, including infrastructure, roads, rail and ports studies, and the completion of the Public Environmental Review ("PER") documentation which is required for final EPA approvals.

During the half, Metals X completed the buyout of the interests of Rio Tinto in the Mt Davies JV expanding Metals X's exploration rights over the whole of the Wingellina layered intrusive complex, which provides large upside for nickeliferous limonite additions as well as nickel-copper sulphide targets.

Metals X previously completed a high-powered airborne electro-magnetic survey (Spectrum) which defined a number of priority targets considered to represent buried conductors that could potentially indicate nickel-copper sulphide bodies in the layered intrusive complex. Diamond drilling programs to assess the highest priority targets have been designed and Metals X has obtained landowner clearances under heritage protocols to enable the company to commence work on the evaluation of these nickel-copper sulphide targets.

During the half year, the Company submitted a referral document under the Commonwealth EPBC Act (Environmental Protection and Biodiversity Act) in reference to environmental approvals for the Wingellina Project. A final environmental scoping document is also expected from the WA Government, which will enable Metals X to submit its PER which represents the main body of work required for the environmental approvals.

Further, discussions with government stakeholders (WA, SA, NT) and the various local council impacted by the project continued in relation to road, rail and port access. In addition a number of logistics study are underway.

OTHER EXPLORATION ASSETS

Warumpi Joint Venture

Warumpi is a significant exploration holding at the base of the Arunta province in the Northern Territory, which has recently been identified as being geologically, tectono-thermally and temporally similar to Proterozoic basins in Eastern Australia that host five of the world's ten largest stratabound Pb-Zn deposits (Broken Hill, Hilton-George Fisher, Mount Isa, MacArthur River and Century). Metals X is undertaking the first modern exploration program in this highly underexplored region.

During the half on ground work continued with grassroots exploration at the Warumpi Project. Results received from detailed lag sampling throughout the Gold Hill region during the period have highlighted a strong east-west gold anomaly adjacent to the contact of an intruding charnokite and the amphibolite basement rock. The geochemical anomaly corresponds to an east-northeast structure interpreted from regional magnetics. Follow up geochemistry completed in the half has failed to confirm the magnitude of the anomaly.

INVESTMENTS

Metals X has made a number of smaller investments in opportunities that suit its future plans or are within emerging markets with growth opportunities.

The investment strategy allows Metals X to fund and finance exploration and development activities in dedicated entities without competition with the capital requirements of our own operations.

Metals X's current investment holdings are:

Reed Resources Limited (ASX: RDR) 4.99%.

Aziana Limited (ASX:AZK) 13.73%.

Mongolian Resource Corporation Limited (ASX: MUB) 14.76%.

End of Directors' Report

AUDITOR'S INDEPENDENCE

The auditor's independence declaration is included on page 26 of this report.

Signed in accordance with a resolution of the Directors.

Peter Cook
CEO & Executive Director

Perth, 21 February 2014

Consolidated Statement of Comprehensive Income for the Half-Year ended 31 December 2013

	Notes	31 December 2013	31 December 2012
Revenue		72,703,370	34,494,444
Cost of sales		(57,277,572)	(29,234,122)
Gross profit/(loss)		15,425,798	5,260,322
Other income		1,762,006	6,459,488
Other expenses		(5,667,070)	(5,727,924)
Fair value change in financial instruments		(70,073)	-
Finance costs		(219,663)	(223,609)
Share of loss of associates		-	(2,186,841)
Reclassification of other comprehensive income on acquisition of subsidiary		-	665,727
Impairment loss on exploration and evaluation expenditure		(1,422,749)	(145,261)
Impairment loss on available-for-sale financial assets	6	(598,116)	(1,176,000)
Impairment loss on investment in associates	6	-	(893,757)
Reversal of impairment loss on investment in associates	6	-	2,905,137
Profit/(loss) from continuing operations before income tax		9,210,133	4,937,282
Income tax benefit		-	10,631,769
Profit/(loss) for the period		9,210,133	15,569,051
Other comprehensive income for the period, net of tax			
Items that may be reclassified subsequently to profit or loss			
Share of change in equity of associate's reserves		-	(279,063)
Changes in the fair value of available-for-sale financial assets, net of tax		570,777	(564,265)
Other comprehensive income for the period, net of tax		570,777	(843,328)
Total comprehensive profit/(loss) for the period		9,780,910	14,725,723
Profit/(loss) attributable to:			
Members of the parent		9,210,133	15,569,051
		9,210,133	15,569,051
Total comprehensive profit/(loss) attributable to:			
Members of the parent		9,780,910	14,725,723
		9,780,910	14,725,723
Profit/(loss) per share for the profit/(loss) attributable to the ordinary equity holders of the parent (cents per share)			
basic profit/(loss) per share		0.56	1.07
diluted profit/(loss) per share		0.56	1.07

Consolidated Statement of Financial Position as at 31 December 2013

	Notes	As at 31 December 2013	As at 30 June 2013
CURRENT ASSETS			
Cash and cash equivalents		36,621,387	61,453,120
Trade and other receivables		13,984,301	12,441,035
Inventories	3	35,746,388	14,642,803
Other assets		981,142	472,039
Other financial assets		6,869,885	6,885,885
Total current assets		**94,203,103**	**95,894,882**
NON-CURRENT ASSETS			
Property, plant and equipment		45,699,288	12,567,716
Mine properties and development costs	5	158,709,734	100,174,023
Exploration and evaluation expenditure		83,869,508	81,867,452
Derivative financial instruments		-	70,074
Available-for-sale financial assets	6	2,625,938	2,650,277
Total non-current assets		**290,904,468**	**197,329,542**
TOTAL ASSETS		**385,107,571**	**293,224,424**
CURRENT LIABILITIES			
Trade and other payables		40,961,799	11,108,270
Interest bearing liabilities		701,576	67,900
Provisions		2,986,151	1,286,316
Total current liabilities		**44,649,526**	**12,462,486**
NON-CURRENT LIABILITIES			
Provisions		54,956,277	6,871,662
Interest bearing liabilities		1,415,922	119,913
Total non-current liabilities		**56,372,199**	**6,991,575**
TOTAL LIABILITIES		**101,021,725**	**19,454,061**
NET ASSETS		**284,085,846**	**273,770,363**
EQUITY			
Issued capital		331,496,836	330,962,263
Option premium reserve		19,739,664	19,739,664
Other reserves		570,777	-
Accumulated losses		(67,721,431)	(76,931,564)
TOTAL EQUITY		**284,085,846**	**273,770,363**

Consolidated Statement of Cash Flows for the Half-Year ended 31 December 2013

	Notes	31 December 2013	31 December 2012
Cash flows from operating activities			
Receipts from customers		72,947,162	30,315,874
Interest received		1,299,860	1,266,240
Other receipts		137,779	436,757
Payments to suppliers and employees		(50,325,620)	(30,089,679)
Transaction cost relating to business combination		(2,370,496)	-
Interest paid		(8,787)	(158,434)
Net cash flows from operating activities		**21,679,898**	**1,770,758**
Cash flows from investing activities			
Payments for plant and equipment		(1,280,315)	(495,690)
Payments for mine properties and development		(12,735,254)	(7,793,887)
Payments for exploration and evaluation		(3,296,681)	(848,038)
Net Cash (outflow)/inflow on acquisition of subsidiary	11	(29,529,601)	1,126,934
Payments for available-for-sale financial assets		-	(902,099)
Proceeds from sale of available-for-sale financial assets		-	28,649,801
Net cash flows from/(used in) investing activities		**(46,841,851)**	**19,737,021**
Cash flows from financing activities			
Proceeds from share issues		455,000	-
Payments for share issue costs		(7,427)	(64,865)
Repayment of performance bond		16,000	-
Repayment of borrowings		(133,353)	(1,217,944)
Net cash flows used in financing activities		**330,220**	**(1,282,809)**
Net increase/(decrease) in cash and cash equivalents		(24,831,733)	20,224,970
Cash at the beginning of the financial period		61,453,120	42,971,360
Cash and cash equivalents at the end of the period		**36,621,387**	**63,196,330**

Consolidated Statement of Changes in Equity for the Half-Year ended 31 December 2013

	Issued capital $	Accumulated losses $	Option premium reserve $	Net unrealised gains reserves $	Total $	Non-controlling interest $	Total Equity $
At 1 July 2013	330,962,263	(76,931,564)	19,739,664	-	273,770,363	-	273,770,363
Profit for the period	-	9,210,133	-	-	9,210,133	-	9,210,133
Other comprehensive income, net of tax	-	-	-	570,777	570,777	-	570,777
Total comprehensive income and expense for the half-year, net of tax	-	9,210,133	-	570,777	9,780,910	-	9,780,910
Transactions with owners in their capacity as owners							
Issue of share capital	542,000	-	-	-	542,000	-	542,000
Share issue costs	(7,427)	-	-	-	(7,427)	-	(7,427)
At 31 December 2013	331,496,836	(67,721,431)	19,739,664	570,777	284,085,846	-	284,085,846

	Issued capital $	Accumulated losses $	Option premium reserve $	Net unrealised gains reserves $	Total $	Non-controlling interest $	Total Equity $
At 1 July 2012	279,086,186	(85,603,878)	18,728,928	612,522	212,823,758	-	212,823,758
Profit for the period	-	15,569,051	-	-	15,569,051	-	15,569,051
Other comprehensive income, net of tax	-	-	-	(843,328)	(843,328)	-	(843,328)
Total comprehensive income and expense for the half-year, net of tax	-	15,569,051	-	(843,328)	14,725,723	-	14,725,723
Transactions with owners in their capacity as owners							
Issue of share capital - acquisition of Westgold Resources Limited	51,940,942	-	-	-	51,940,942	-	51,940,942
Issue of options - acquisition of Westgold Resources Limited	-	-	1,010,736	-	1,010,736	-	1,010,736
Share issue costs	(64,865)	-	-	-	(64,865)	-	(64,865)
At 31 December 2012	330,962,263	(70,034,827)	19,739,664	(230,806)	280,436,294	-	280,436,294

Notes to the Financial Statements for the Half-Year ended 31 December 2013

1. CORPORATE INFORMATION

The financial report of Metals X Limited for the half-year ended 31 December 2013 was authorised for issue in accordance with a resolution of the directors on 20 February 2014.

Metals X Limited is a company incorporated in Australia and limited by shares, which are publicly traded on the Australian Securities Exchange.

The nature of the operations and principal activities of the Consolidated Entity are described in the Directors' Report.

The address of the registered office is Level 3, 18 – 32 Parliament Place, West Perth, WA 6005.

2. SUMMARY OF ACCOUNTING POLICIES

(a) Basis of preparation of the half-year financial report

This general purpose condensed consolidated financial report for the half-year ended 31 December 2013 has been prepared in accordance with AASB 134 *Interim Financial Reporting* and the *Corporations Act 2001*.

The half-year financial report does not include all notes of the type normally included within the annual financial report and therefore cannot be expected to provide as full an understanding of the financial performance, financial position and financing and investing activities of the Consolidated Entity as the full financial report.

It is recommended that the half-year financial report be read in conjunction with the annual report of Metals X Limited for the year ended 30 June 2013 and considered together with any public announcements made by Metals X Limited and its controlled entities during the half-year ended 31 December 2013 in accordance with the continuous disclosure obligations of the ASX listing rules.

(b) Basis of consolidation

The half-year report is comprised of the financial statements of Metals X Limited and its controlled entities ('the Consolidated Entity').

The financial statements of subsidiaries are prepared for the same reporting period as the parent company, using consistent accounting policies.

All intercompany balances and transactions, including unrealised profits arising from intra-group transactions, have been eliminated in full. Unrealised losses are eliminated unless costs cannot be recovered.

Controlled entities are consolidated from the date on which control is transferred to the Consolidated Entity and cease to be consolidated from the date on which control is transferred out of the Consolidated Entity.

Where there is loss of control of a controlled entity, the consolidated financial statements include the results for the part of the reporting period during which the Company has control.

Non-controlling interests not held by the Consolidated Entity are allocated their share of net profit after tax in the income statement and are presented within equity in the consolidated balance sheet, separately from parent shareholder's equity.

Notes to the Financial Statements for the Half-Year ended 31 December 2013 (continued)

2. SUMMARY OF ACCOUNTING POLICIES (continued)

(c) New and amended accounting standards and interpretations

The accounting policies adopted in the preparation of the half year report are consistent with those followed in the preparation of the Consolidated Entity's annual financial statements for the year ended 30 June 2013, except for the adoption of new standards and interpretations mandatory for annual periods beginning on or before 1 July 2013, noted below:

AASB 10 *Consolidated Financial Statements*

AASB 10 establishes a new control model that applies to all entities. It replaces parts of AASB 127 *Consolidated and Separate Financial Statements* dealing with the accounting for consolidated financial statements and UIG-112 *Consolidation – Special Purpose Entities*.

The new control model broadens the situations when an entity is considered to be controlled by another entity and includes new guidance for applying the model to specific situations, including when acting as a manager may give control, the impact of potential voting rights and when holding less than a majority voting rights may give control. The adoption of AASB 10 had no effect on the financial position or performance of the Consolidated Entity.

The adoption of AASB 10 had no effect on the financial position or performance of the Consolidated Entity.

AASB 11 *Joint Arrangements*

AASB 11 replaces AASB 131 *Interests in Joint Ventures* and UIG-113 *Jointly- controlled Entities – Nonmonetary Contributions by Venturers*.

AASB 11 uses the principle of control in AASB 10 to define joint control, and therefore the determination of whether joint control exists may change. In addition it removes the option to account for jointly controlled entities ("JCEs") using proportionate consolidation. Instead, accounting for a joint arrangement is dependent on the nature of the rights and obligations arising from the arrangement. Joint operations that give the venturers a right to the underlying assets and obligations themselves is accounted for by recognising the share of those assets and obligations. Joint ventures that give the venturers a right to the net assets is accounted for using the equity method. All Joint Arrangements held by the Consolidated Entity are classified as Joint Operations.

The adoption of AASB 11 had no effect on the financial position or performance of the Consolidated Entity.

AASB 12 *Disclosure of Interests in Other Entities*

AASB 12 includes all disclosures relating to an entity's interests in subsidiaries, joint arrangements, associates and structured entities. New disclosures requirements have been introduced regarding the judgments made by management to determine whether control exists, and to require summarised information about joint arrangements, associates and structured entities and subsidiaries with non-controlling interests.

The adoption of AASB 12 had no material impact on the disclosures in the interim financial statements of the Consolidated Entity.

AASB 13 *Fair value measurement*

AASB 13 establishes a single source of guidance for determining the fair value of assets and liabilities. AASB 13 does not change when an entity is required to use fair value, but rather, provides guidance on how to determine fair value when fair value is required or permitted. Application of this definition may result in different fair values being determined for the relevant assets.

AASB 13 also expands the disclosure requirements for all assets or liabilities carried at fair value. This includes information about the assumptions made and the qualitative impact of those assumptions on the fair value determined.

The adoption of AASB 13 had no effect on the financial position or performance of the Consolidated Entity.

AASB 119 *Employee Benefits (Revised 2011)*

The revised standard changes the definition of short-term employee benefits. The distinction between short-term and other long-term employee benefits is now based on whether the benefits are expected to be settled wholly within 12 months after the reporting date.

The adoption of AASB 119 did not have material effect on the financial position or performance of the Consolidated Entity.

The Consolidated Entity has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

3. INVENTORIES

During the half-year ended 31 December 2013 due to an increase in metal prices there was a reversal of the inventory write-down of $963,939 (2012: $2,382,907) for the Consolidated Entity. This amount is included in the cost of sales line in the statement of comprehensive income. Inventory write-downs relate to inventories being valued at net realisable value which is lower than cost.

4. PROPERTY, PLANT AND EQUIPMENT

During the half-year ended 31 December 2013 the Consolidated Entity paid $1,280,315 (2012: $495,690) in relation to property, plant and equipment costs.

Property, plant and equipment assets with a value of $34,175,261 were acquired upon the acquisition of Alacer Gold Pty Ltd (refer to note 11).

5. MINE PROPERTIES AND DEVELOPMENT

During the half-year ended 31 December 2013 the Consolidated Entity paid $12,735,254 (2012: $7,793,887) in relation to mine properties and developments costs.

Mine properties and development assets with a value of $51,981,719 were acquired upon the acquisition of Alacer Gold Pty Ltd (refer to note 11).

6. AVAILABLE-FOR-SALE FINANCIAL ASSETS

(a) The Company has a 14.76% (30 June 2013: 14.76%) interest in Mongolian Resources Corporation Limited (“MRC”), which is involved in the mining and exploration of base metals in Australia and Mongolia. MRC is listed on the Australian Securities Exchange, however at the end of the period due to the prolonged period of suspension from trading the fair value of the Company’s investment was written down to nil (30 June 2013: $483,000 which was based on MRC’s quoted share price). The Company has recognised an impairment loss of $483,000 (31 December 2012: $1,176,000).

Notes to the Consolidated Financial Statements for the Half-Year ended 31 December 2013 (continued)

6. AVAILABLE-FOR-SALE FINANCIAL ASSETS (Continued)

(b) The Company has a 4.99% (30 June 2013: 4.99%) interest in Reed Resources Limited ("Reed Resources"), which is involved in the exploration and development of base metals in Australia. Reed Resources is listed on the Australian Securities Exchange. At the end of the period the fair value of the Company's investment was $1,504,778 (30 June 2013: $934,000) which is based on Reed Resources' quoted share price.

(c) The Company has a 13.73% (30 June 2013: 13.73%) interest in Aziana Limited ("Aziana"), which is involved in the exploration for base metals in the Madagascar and the exploration for oil and gas in the United States of America. Aziana is listed on the Australian Securities Exchange. At the end of the period the Company's investment was $1,121,160 (30 June 2013: $1,233,276) which is based on Aziana's quoted share price.

At the end of the period the market value of the investment was lower than the carrying value, the Company has recognised an additional impairment loss of $112,116 (31 December 2012: Nil).

7. COMMITMENTS AND CONTINGENCIES

Capital commitments

Commitments relating to joint operations

At 31 December 2013 the Consolidated Entity had commitments of $219,714 principally relating to plant and equipment upgrades and replacements for the Bluestone Mines Tasmania Joint Venture (30 June 2013: $454,301).

Finance lease and hire purchase commitments

During the half-year period the Consolidated Entity obtained plant and equipment under finance lease contract via the acquisition of Alacer Gold Pty Ltd (refer to note 11) at a fair value of $ 342,429 (30 June 2013: $1,695,902). The finance lease has terms of renewal but no escalation clauses. Renewals are at the option of the entity that holds the lease. The finance contracts have an average term of 36 months with the right to purchase the asset at the completion of the lease term for a pre-agreed amount.

Contingencies

Since the last annual reporting date, there has been no material change in any other commitments or contingencies of the Consolidated Entity.

8. INTERESTS IN JOINT ARRANGEMENTS

Subsidiary Bluestone Mines Tasmania Pty Ltd has a 50% interest in the Renison Tin Project. The Consolidated Entity is entitled to 50% of the production.

Subsidiary Castile Resources Pty Ltd has earned a 51% interest in the Warumpi exploration project in the Northern Territory and is currently undertaking an exploration program to earn up to 80% interest in the project.

The Consolidated Entity's interest in the assets and liabilities of the joint arrangements are included in the consolidated statement of financial position.

No assets relating to joint arrangements were impaired during the half-year ended 31 December 2013 (2012: nil).

Notes to the Consolidated Financial Statements for the Half-Year ended 31 December 2013 (continued)

9. OPERATING SEGMENTS

The following table presents revenue and profit information regarding the Consolidated Entity's operating segments for the half-years ended 31 December 2013 and 31 December 2012.

Half-year ended 31 December 2013	Tin Projects	Nickel Projects	Gold Projects	Total segments	Unallocated, adjustments and eliminations	Consolidated
Revenue						
Sales to external customers	37,226,433	-	34,364,266	71,590,699	-	71,590,699
Other revenue from external customers	-	-	-	-	1,112,671	1,112,671
Total revenue	**37,226,433**	**-**	**34,364,266**	**37,226,433**	**1,112,671**	**72,703,370**
Results						
Segment profit/(loss)	**5,037,863**	**(103,161)**	**8,497,515**	**13,432,217**	**(4,222,084)**	**9,210,133**

Half-year ended 31 December 2012	Tin Projects	Nickel Projects	Gold Projects	Total segments	Unallocated, adjustments and eliminations	Consolidated
Revenue						
Sales to external customers	33,322,225	-	-	33,322,225	-	33,322,225
Other revenue from external customers	-	-	-	-	1,172,219	1,172,219
Total revenue	**33,322,225**	**-**	**-**	**33,322,225**	**1,172,219**	**34,494,444**
Results						
Segment loss	**3,553,858**	**(79,804)**	**(224,722)**	**3,249,332**	**1,687,950**	**4,937,282**

The following table presents segment assets of the Consolidated Entity's operating segments as at 31 December 2013 and 30 June 2013.

	Tin Projects	Nickel Projects	Gold Projects	Total segments	Unallocated, adjustments and eliminations	Consolidated
Segment assets						
As at 31 December 2013	**72,713,487**	**69,262,716**	**201,973,308**	**343,949,511**	**41,158,060**	**385,107,571**
As at 30 June 2013	**67,768,142**	**67,331,291**	**89,035,653**	**224,135,086**	**69,089,338**	**293,224,424**

Unallocated, adjustments and eliminations

Finance costs, corporate income and expenses, fair value gains and losses in financial assets are not allocated to individual segments as the underlying instruments are managed on a group basis.

Taxes and certain financial assets and liabilities are not allocated to those segments as they are also managed on a group basis.

Capital expenditure consists of additions of property, plant and equipment, available-for-sale investments and investments in associates.

Notes to the Consolidated Financial Statements for the Half-Year ended 31 December 2013 (continued)

9. OPERATING SEGMENTS (continued)

Reconciliation of Profit	31 December 2013	31 December 2012
Segment (loss)/profit	**13,432,217**	**3,249,332**
Share of loss of associates	-	(2,186,841)
Reclassification of other comprehensive income on acquisition of subsidiary	-	665,727
Impairment loss on available-for-sale financial assets	(598,116)	(1,176,000)
Impairment loss on investment in associate	-	(893,757)
Reversal of impairment loss on investment in associate	-	2,905,137
Finance costs	(219,663)	(223,609)
Fair value change in financial instruments	(70,073)	-
Corporate (expenses)/income	(3,334,232)	2,597,293
Group (loss)/profit	**9,210,133**	**4,937,282**

Reconciliation of Assets	31 December 2013	30 June 2013
Segment operating assets	343,949,511	224,135,086
Unallocated cash and receivables	38,532,122	66,368,987
Available-for-sale financial assets	2,625,938	2,650,277
Derivative assets	-	70,074
Group operating assets	**385,107,571**	**293,224,424**

Notes to the Consolidated Financial Statements for the Half-Year ended 31 December 2013 (continued)

10. OTHER FINANCIAL ASSETS AND FINANCIAL LIABILITIES

All financial instruments carrying values are a reasonable approximation of their fair value.

Fair Value hierarchy

The Consolidated Entity held the following financial instruments measured at fair value:

	31 December 2013			
	Quoted market price (Level 1)	Valuation technique market observable inputs (Level 2)	Valuation technique non market observable inputs (Level 3)	Total
Financial Assets				
Available-for-sale financial assets				
Listed investments	2,625,938	-	-	2,625,938
	2,625,938	-	-	2,625,938

	30 June 2013			
	Quoted market price (Level 1)	Valuation technique market observable inputs (Level 2)	Valuation technique non market observable inputs (Level 3)	Total
Financial Assets				
Available-for-sale financial assets				
Listed investments	2,650,277	-	-	2,650,277
Derivatives				
Listed investments	70,074	-	-	70,074
	2,720,351	-	-	2,720,351

During the period there were no transfers between Level 1 and Level 2, and no transfers into or out of Level 3 fair value measurement. For financial instruments that are recognised at fair value on a recurring basis, the Consolidated Entity determines whether transfers have occurred between levels in the hierarchy by reassessing categorisation at the end of each period. All Level 1 assets have been valued based on market bid price.

The Consolidated Entity does not hold any credit enhancements or collateral to mitigate credit risk. The carrying value of the financial assets, therefore represent the potential credit risk.

The table above illustrate the classification of the Consolidated Entity's financial instruments based on the fair value hierarchy as required for complete sets of financial statements. This classification provides a reasonable basis to illustrate the nature and extent of risks associated with those financial instruments.

Notes to the Consolidated Financial Statements for the Half-Year ended 31 December 2013 (continued)

11. BUSINESS COMBINATION

Acquisitions in 2013

Acquisition of Alacer Gold Pty Ltd

On 29 October 2013 Metals X completed the acquisition of 100% of the shares of Alacer Gold Pty Ltd ("Alacer"), a subsidiary of publicly listed company Alacer Gold Corp. which owns operating gold projects in Western Australia. The consideration for the acquisition was $44,000,000. The acquisition has been accounted for using the acquisition method.

Assets acquired and liabilities assumed

The provisional fair values of the identifiable assets and liabilities of Alacer Gold Pty Ltd as at the date of acquisition are:

Assets	**Provisional Fair value recognised on acquisition**
Cash and cash equivalents	14,470,399
Trade and other receivables	2,156,645
Inventories	16,266,414
Other assets	576,780
Property, plant and equipment	34,175,261
Mine properties and development costs	51,981,719
	119,627,218
Liabilities	
Trade and other payables	25,831,035
Provisions	49,796,183
	75,627,218
Purchase consideration transferred	**44,000,000**

Analysis of cash flows on acquisition:	
Cash paid	(44,000,000)
Net cash acquired with the subsidiary (included in cash flows from investing activities)	14,470,399
Net cash outflow	**(29,529,601)**

From the date of acquisition, Alacer has contributed $36,195,255 of revenue and $9,582,388 to the net profit before tax of the Consolidated Entity. If the acquisition had occurred on 1 July 2012, consolidated revenue and consolidated profit before income tax for the period ended 31 December 2013 would have been $140,243,554 and $35,545,699 respectively.

The fair value of the trade receivables amounts to $2,156,645, which is equal to the gross amount of trade receivables. None of the trade receivables have been impaired and it is expected that the full contractual amount can be collected.

Transaction costs relating to stamp duty, external legal fees, technical fees and due diligence costs of $2,370,496 have been expensed and are included in the statement of comprehensive income.

11. BUSINESS COMBINATION (Continued)

Acquisitions in 2012

Acquisition of Westgold Resources Limited

On 14 May 2012 Metals X announced a merger by scheme of arrangement to acquire all of the issued share capital of Westgold Resources Limited, a publicly listed Australian company which owns gold projects in Western Australia and the Northern Territory. The consideration for the merger was on a scrip for scrip basis, being 11 new Metals X shares for every 10 Westgold shares held and 11 new Metals X options for every 10 Westgold options held. The merger was successful and resulted in Metals X increasing its ownership of Westgold from 26.98% to 100%. The completion date of the acquisition was 17 October 2012.

In the period from acquisition to 31 December 2012 Westgold contributed interest income of $24,209 and a loss of $224,722 to the Consolidated Entity's results. If the acquisition had occurred on 1 July 2012, consolidated revenue and consolidated profit before income tax for the period ended 31 December 2012 would have been $83,977 and $1,747,310 respectively.

The following summarises the major classes of consideration transferred and the recognised amounts of assets acquired and liabilities assumed at the acquisition date.

Purchase consideration

Equity instruments issued (335,102,853 ordinary shares)	51,940,942
Replacement options issued	1,010,736
	52,951,678

Equity instruments issued

The fair value of the ordinary shares issued was based on the listed share price of the Company at 17 October 2012 of $0.155 per share.

Replacement options issued

The terms of the acquisition required the Company to issue replacement options to the Westgold Resources Limited option holders. The terms and conditions of the replacement options are as follows:

Grant Date	Vesting Date	Expiry Date	Exercise Price	Number
17 Oct 2012	17 Oct 2012	8 Nov 2012	$ 0.41	275,000
17 Oct 2012	17 Oct 2012	25 Mar 2015	$ 0.44	715,000
17 Oct 2012	17 Oct 2012	30 Nov 2012	$ 0.19	2,750,000
17 Oct 2012	17 Oct 2012	7 Jan 2013	$ 0.18	1,100,000
17 Oct 2012	17 Oct 2012	30 Nov 2013	$ 0.19	550,000
17 Oct 2012	17 Oct 2012	31 Dec 2013	$ 0.18	19,250,000
17 Oct 2012	17 Oct 2012	11 Jan 2014	$ 0.29	1,127,500
17 Oct 2012	17 Oct 2012	24 Aug 2014	$ 0.20	440,000
17 Oct 2012	17 Oct 2012	3 Jul 2014	$ 0.26	2,007,500
17 Oct 2012	17 Oct 2012	15 Aug 2014	$ 0.26	3,300,000
17 Oct 2012	17 Oct 2012	1 Nov 2014	$ 0.21	1,100,000

The market based value of the new options at the acquisition date of 17 October 2012 was $1,010,736. All options are vested and exercisable immediately.

11. BUSINESS COMBINATION (continued)

Assets acquired and liabilities assumed

The fair values of the identifiable assets and liabilities of Westgold Resources Limited as at the date of acquisition are:

	Fair value recognised on acquisition
Assets	
Cash and cash equivalents	1,126,934
Trade and other receivables	147,436
Other assets	17,784
Other financial assets	3,149,000
Property, plant and equipment	1,020,580
Mine properties and development costs	2,752,539
Exploration and evaluation expenditure	79,766,856
	87,981,129
Liabilities	
Trade and other payables	3,805,023
Provisions	3,149,000
Deferred tax liabilities	10,631,769
	17,585,792
Fair value of identifiable assets	**70,395,337**
Purchase consideration	52,951,678
Fair value of existing interest in acquiree	17,443,659
	70,395,337
Analysis of cash flows on acquisition:	
Net cash acquired with the subsidiary (included in cash flows from investing activities)	1,126,934
Net cash flow on acquisition	**1,126,934**

The fair value of the trade receivables amounts to $147,436, which is equal to the gross amount of trade receivables. None of the trade receivables have been impaired and it is expected that the full contractual amount can be collected.

Transaction costs relating to stamp duty, external legal fees, technical fees and due diligence costs of $2,985,887 have been expensed and are included in administrative expenses.

12. EVENTS AFTER THE BALANCE DATE

There were no significant events arising subsequent to 31 December 2013 to the date of this report which may affect the operations of the Consolidated Entity, the results of those operations and the state of affairs of the Consolidated Entity in the future.

Directors' Declaration

In accordance with a resolution of the directors of Metals X Limited, I state that:

In the opinion of the directors:

(a) the financial statements and notes of the Consolidated Entity are in accordance with the Corporations Act 2001, including:

   (i) giving a true and fair view of the financial position as at 31 December 2013 and the performance for the half-year ended on that date of the Consolidated Entity; and

   (ii) complying with Accounting Standard AASB 134 "Interim Financial Reporting" and the Corporations Regulations 2001; and

(b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

On behalf of the Board

Peter Cook
CEO & Executive Director
Perth, 21 February 2014

Auditor's Independence Declaration

Building a better working world

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Auditor's Independence Declaration to the Directors of Metals X Limited

In relation to our review of the financial report of Metals X Limited for the half-year ended 31 December 2013, to the best of my knowledge and belief, there have been no contraventions of the auditor independence requirements of the *Corporations Act 2001* or any applicable code of professional conduct.

Ernst & Young

Ernst & Young

D S Lewsen
Partner
21 February 2014

DL:DR:METALS X:048

Independent Review Report

Building a better working world

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Independent review report to the members of Metals X Limited

Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of Metals X Limited, which comprises the consolidated statement of financial position as at 31 December 2013, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the half-year end or from time to time during the half-year.

Directors' Responsibility for the Half-Year Financial Report

The directors of the company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal controls as the directors determine are necessary to enable the preparation of the half-year financial report that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the consolidated entity's financial position as at 31 December 2013 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001* . As the auditor of Metals X Limited and the entities it controlled during the half-year, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*. We have given to the directors of the company a written Auditor's Independence Declaration, a copy of which is included in the Directors' Report.

DL:DR:METALS X:047

Independent Review Report (continued)

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Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Metals X Limited is not in accordance with the *Corporations Act 2001*, including:

a) giving a true and fair view of the consolidated entity's financial position as at 31 December 2013 and of its performance for the half-year ended on that date; and

b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Ernst & Young

Ernst & Young

D S Lewsen
Partner
Perth
21 February 2014

DL:DR:METALS X:047