METALS X LIMITED

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 two gold development projects.

CORPORATE DIRECTORY

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QUARTERLY REPORT

FOR THE PERIOD ENDING 30 SEPTEMBER 2012

SIGNIFICANT EVENTS

DURING THE QUARTER

TASMANIAN TIN PROJECT (50% MLX)

- Productivity gains and operational improvements continued primarily as a result of opening up of the previously flooded and now fully refurbished North Renison decline. The quarter on quarter improvements include:
  - ⬆ Tonnes Mined: 9% increase to 155,866 tonnes @ 1.48% Sn.
  - ⬆ Tonnes Milled: 2% increase to 154,879 tonnes @ 1.48% Sn.
  - ⬆ Tin Produced: 6.5% increase to 1,485 tonnes of tin in concentrate.
  - ⬇ Operating Costs: 5% decrease to $15,868/t Sn.
- Of major significance during the quarter was the discovery of strong Strata-bound skarn style mineralisation on the down-thrown hangingwall of the Federal Bassett Fault to the north of, and outside of the known mineral resource. the mine.
- Further excellent high grade exploration drilling results were also returned from the South Renison-Lower Federal and other North Renison lodes.

GOLD DIVISION

- The Company completed its merger by scheme of arrangement with Westgold Resources Limited on Wednesday 17 October 2012 and now has a gold division with a 3.9 million oz gold equivalent mineral resource base with two development ready gold projects.

CENTRAL MUSGRAVE (INCLUDING WINGELLINA) PROJECTS

- Metals X signed an MOU with Samsung C&T to advance the development of the Wingellina project. The objectives of the MOU are that Metals X will retain a 30% interest in the project free carried to production and that Samsung will be awarded the EPC. Samsung has agreed to use its financial reputation and capacity to assist Metals X with the financing and development proposals for the Project. Discussions continued with several other international entities on further equity and debt funding for the development of the project.

STRATEGIC INVESTMENTS

- Independence Group NL (ASX:IGO) (2.82% MLX) – mark to market value $28.0M (23/10/12).
- Mongolian Resource Corporation Ltd (ASX:MUB) (14.76% MLX) – mark to market value $1.7M (23/10/12).
- Aziana Limited (25.0% MLX) – mark to market value $2.6M (23/10/12).
- Reed Resources Limited (5.17% MLX) – mark to market value $4.3M (23/10/12). This position was acquired during the quarter.

CORPORATE

- Closing cash and working capital of $57M plus $36.6M (mark to market value) of equity investments. Metals X has no corporate debt.

ENQUIRIES

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TASMANIAN TIN OPERATIONS (MLX 50%)

Productivity and operational improvements continued to build on those achieved during the previous quarter. As outlined in the June quarter, with the completion of the refurbishment of the previously flooded North Renison Decline, for the first time since Metals X ownership, the whole of the Renison ore complex is now open and available for mining.

The northern strata-form and strata-fault lodes of the Renison ore system have historically been shown to be of higher grade and have more favourable metallurgical characteristics than those in the south. It is anticipated that further access to these lodes will enable further productivity gains in the ensuing quarter and will result in further unit cost reductions and improved profitability.

The quarter on quarter improvements include:

- 9% increase (on top of a 7% increase in June Qtr) in mined tonnes to 155,866 tonnes @ 1.48% Sn.
- 2% increase (on top of a 14% increase in June Qtr) in processed tonnes to 154,879 tonnes @ 1.48% Sn .
- 6.5% increase (on top of a 19% increase in June Qtr) in tin production to 1,485 tonnes of tin in concentrate.
- 5% decrease (on top of a 12% decrease in June Qtr) in cash operating costs to $15,868/t Sn

Key operating statistics for the quarter are summarised as below:

	July	August	September	Sep Qtr Total	Previous Qtr
Total Mine Production					
Ore Tonnes	56,894	47,435	51,537	**155,866**	143,035
ROM Grade (% Sn)	1.50	1.32	1.60	**1.48**	1.48
Tin Concentrator					
Tonnes treated	56,503	47,365	51,011	**154,879**	151,878
Head Grade (% Sn)	1.46	1.38	1.60	**1.48**	1.44
Tail Grade (% Sn)	0.51	0.56	0.52	**0.52**	0.54
Tin Metal Produced (t)	543	390	553	**1,485**	1,395
Copper Metal Produced (t)	5	14	39	**58**	106

The Renison mine is in its best position ever under Metals X's ownership with the Company having opened up the full extents of the mine and having significantly increased the overall Mineral Resource and Ore Reserve base. Substantial investment in future capital mine development has been completed to enable sustainable higher production. Currently the mine has 580,000 tonnes of fully developed ore and 950,000 tonnes of capitally developed ore stocks.

The Renison Tin Concentrator throughput was generally constrained by mine output during the quarter however the plant throughput benefitted from the addition of ore from the northern area of the mine with the processing plant exceeding nameplate capacity on numerous occasions.

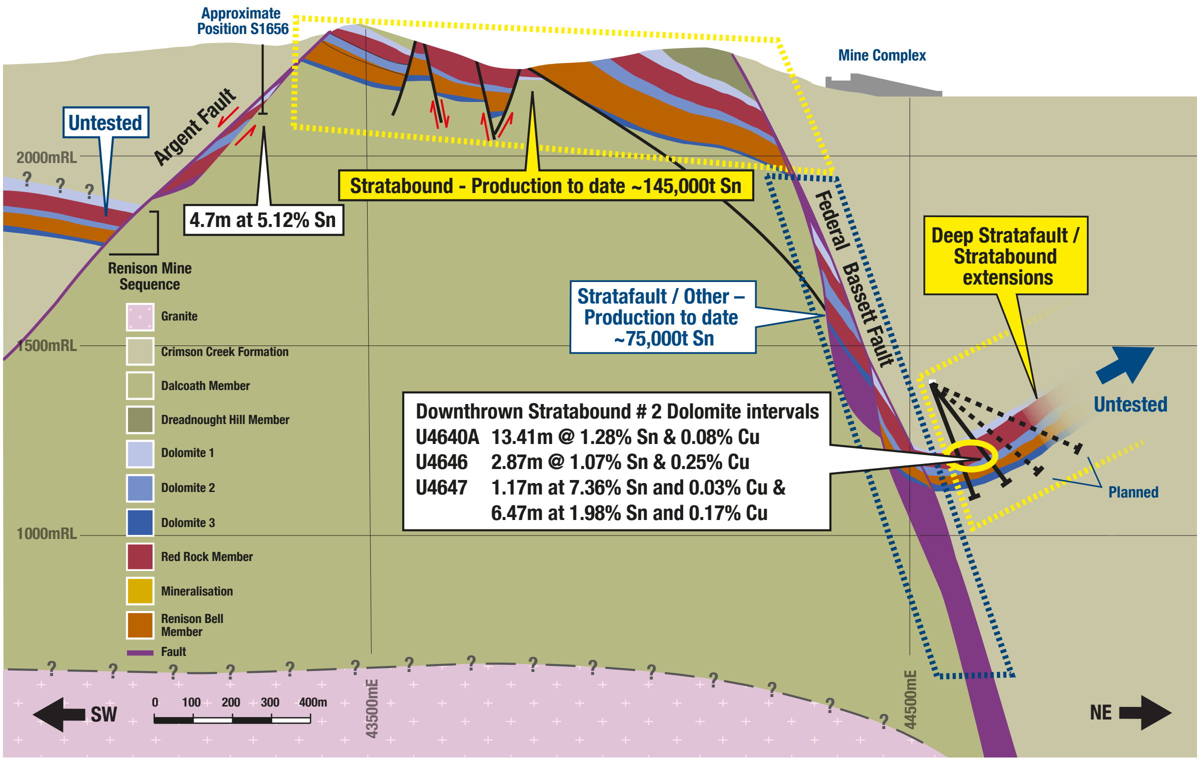
Mine revenue for the quarter was impacted by a lower tin price which was partially mitigated by a reduction in the unit operating costs as a result of productivity gains. The key fiscal outcomes for the quarter are summarised over page:

	September Qtr Total	Previous Qtr
Revenue (Imputed)	$14.0M	$14.4M
Cash Operating surplus (EBITDA)	$2.3M	$2.8M
Cash Operating Costs $/t Tin	$15,868	$16,731
Tin Price Received $/t Tin	$18,692	$20,340
Cash Operating Margin $/t Tin	$2,824	$3,609
Capital Reinvestments		
Capital Mine Development	$2.86M	$3.43M
Exploration	$1.68M	$1.32M
P&E and Tails Dam	$0.82M	$2.3M

The key focus of underground exploration was on drilling for extensions to known and postulated ore positions and the infill and upgrading of known mineral resources.

The main areas of drilling were on the extensions of the Federal fault-bound lodes in South Renison and extensions to Strata-bound mineralisation in North Renison.

Of major significance during the quarter was the discovery of strong Strata-bound skarn style mineralisation on the down-thrown hangingwall of the Federal Bassett Fault to the north of, and outside of the known mineral resource. Historical production over the past 45 years from the Renison underground mine has been from two main mineralised zones the Strata-bound zone and the Strata-fault zone. The Strata-bound mineralisation has accounted for approximately two thirds of the historical production or 145,000 tonnes tin production and the Strata-fault including other mineralistation types accounting for the remaining third or approximately 75,000 tonnes tin of the total past production of 23.4Mt @ 1.36%Sn mined so far since modern operations commenced in 1968.



The delineation of additional down-thrown strata-bound skarn mineralisation within the dolomictic mine sequence rocks within the hanging wall position to the Federal Basset Fault is considered to be highly significant. This opens the potential for a repeat of the substantial Strata-bound ore at depth with a corresponding substantial increase in the tonnes per vertical metre within the mine.

Drilling in the Northern extent of the mine was focussed on extending the resource and upgrading the current resources to reserves with the following intercepts (true width x tin grade of >3% Sn) being returned:

Lode	Hole	Intercept N	Intercept E	Intercept RL	Intercept
North Renison	U4640A	67066	44424	1433	1.97 m @ 1.39% Sn
	U4640A	67092	44438	1435	2.67 m @ 1.43% S
	U4640A	67104	44445	1437	5.73 m @ 1.88% Sn
	U4640A	67113	44450	1437	2.94 m @ 1.2% Sn
	U4647	67050	44490	1314	1.17 m @ 7.36% Sn
	U4647	67090	44546	1269	6.47 m @ 1.98% Sn
	U4664	66694	44471	1355	0.97 m @ 8.34% Sn
	U4665	66703	44484	1328	1.17 m @ 4.39% Sn
	U4640A	67066	44424	1433	1.97 m @ 2.48% Sn

Infill drilling outside of the Mining Reserves in the Lower Federal lodes at South Renison continued to upgrade the quality and confidence of the resource blocks with additional high grade tin and coincident copper intercepts. The most significant drill results (true width x tin grade of >3% Sn) were as follows:

Lode	Hole	Intercept N	Intercept E	Intercept RL	Intercept
Lower Federal	U4609A	65949	44580	1230	0.72 m @ 4.49% Sn & 0.29% Cu
	U4609A	65949	44591	1219	2.01 m @ 1.75% Sn & 0.21% Cu
	U4610	66010	44578	1222	3.80 m @ 2.30% Sn & 0.67% Cu
	U4610	66017	44594	1205	2.04 m @ 4.74% Sn & 0.13% Cu
	U4610	66020.	44600	1199	2.18 m @ 3.96% Sn & 0.63% Cu
	U4604B	66076	44566	1250	2.77 m @ 3.07% Sn & 2% Cu
	U4604B	66101	44589	1229	5.54 m @ 1.32% Sn & 0.5% Cu

NICKEL DIVISION

The core of Metals X's nickel strategy is the Central Musgrave Project ("CMP") located in the Central Musgrave Ranges, stradling the triple-point of the WA/NT/SA borders. The CMP includes of the globally significant Wingellina Nickel-Cobalt Project, the Claude Hills Nickel prospect and the Mt Davies exploration prospects. The CMP area covers 1,957 km^2 of prospective exploration tenure encompassing the whole of the Wingellina layered intrusive sub-set of the Giles Complex.

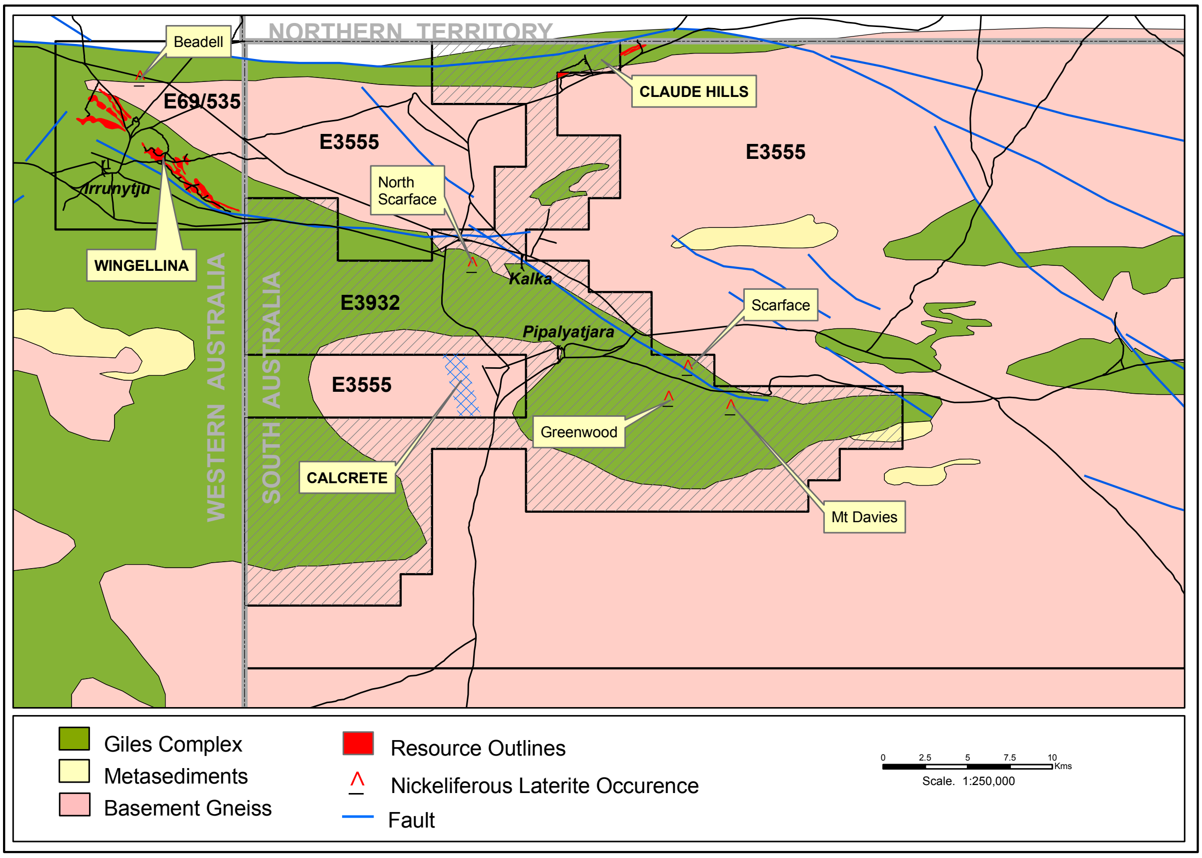
The key focus of the Nickel Division is to bring the Wingellina Nickel-Cobalt Project to production.

In a major development for the project, Metals X reached agreement with Samsung C&T ("Samsung") which could see the massive Wingellina Nickel-Cobalt Project accelerated towards production. Under the MOU, Metals X will complete a new Definitive Feasibility Study ("DFS") with the assistance of Samsung, effectively resulting in the updating and review of the previous development proposal study completed in 2008.

Under the MOU, Samsung will provide its technical expertise in engineering, feasibility studies and construction to assist Metals X in completing the DFS for the project. Samsung has agreed to use its financial reputation and capacity to assist Metals X with the financing and development proposals for the Project.

The objectives of the MOU are for Metals X to retain a 30% interest in the project free carried to production and for Samsung will be awarded the Engineering, Procurement and Construction contract for the project on normal and competitive commercial terms. Under the terms of the MOU, Samsung C&T can, depending on the outcomes of the DFS, purchase equity in the project and provide project delivery.

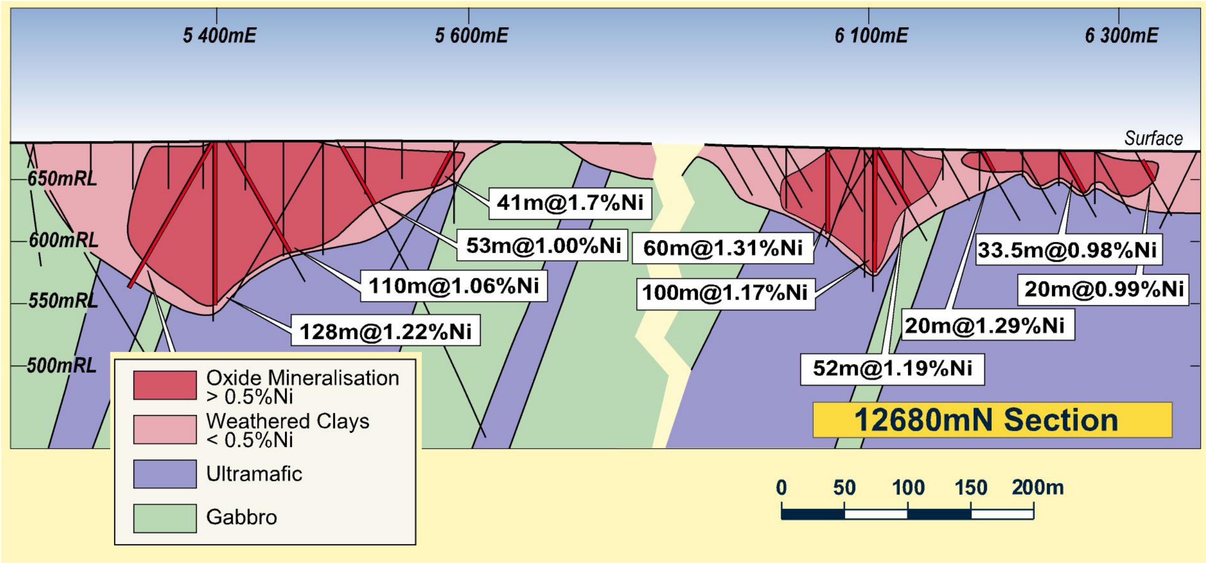
Following completion of the agreement, Metals X and Samsung have jointly met with a number of Australian engineering companies with a view to awarding contracts to complete the DFS. Formal submissions from qualifying engineering companies will be sought during the ensuing quarter.



[Diagram: Regional Geography and Nickeliferous Laterite Zones]

WINGELLINA NICKEL-COBALT PROJECT

Wingellina is a massive nickel-cobalt limonite deposit, which exhibits significantly different characteristics to the nickel laterite deposits that have been developed in the eastern goldfields of Western Australia. Wingellina has a resource of 1.8Mt of contained nickel and 139Kt of contained cobalt, and is classified as a Limonite or "Pure Oxide Tropical Laterite" deposit. The ore type is very similar to that of other successful nickel oxide developers which have used High Pressure Acid Leach ("HPAL") technology, including Moa Bay in Cuba, where Sherritt Gordon developed and has successfully operated HPAL for over 50 years, the Coral Bay operations in the Philippines and the newly developed and world's largest nickel laterite project, Ambitovy in Madagascar.



Significantly, over 91% or 167Mt of resource is defined as a Probable Mining Reserve in accordance with the JORC code.

Metals X comissioned a feasibility study (+/-25%) in 2008 that concluded a robust project development with a minimum 40 year mine life at an average annual production rate of 40,000 tonnes of nickel and 3,000 tonnes of cobalt at a production cost estimate of US$3.34/lb after cobalt credits. The capital cost estimate for the project was $2.3 billion.

Since the completion of the 2008 study, Metals X has focused on the delivery of approvals to enable the project to be developed. In July 2010, the company entered into an agreement with the Native Title Holders and their representative bodies allowing Metals X to develop a mining operation at Wingellina. All other environmental and baseline studies have been completed and Metals X is now focused on borefield development and extraction planning as its final task before the submission of the Public Environmental Review ("PER") document to the EPA to enable project development.

MT DAVIES JV (E3932) AND E3555 REGIONAL

Wingellina is only one of many areas where nickeliferous limonites exist within the CMP and is the only one to have been extensively drilled to date. In 2011 Metals X completed a drilling program at the Claude Hills Prospect, located approximately 25 km East of Wingellina. This first reconnaissance program defined a further Inferred Resource (JORC) of 33M tonnes grading 0.81% Ni, 0.07% Co and 39% Fe_2O_3. Many other areas remain to be tested.

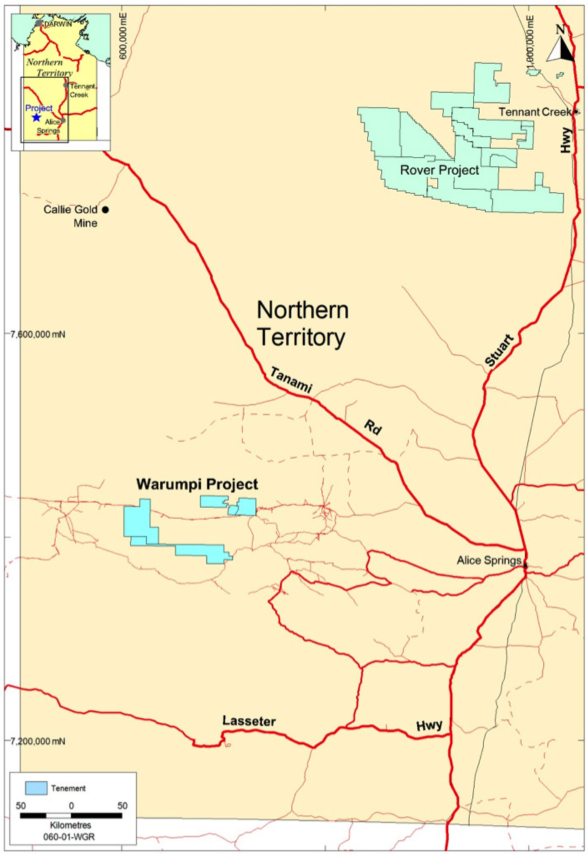
Metals X also believes the layered intrusives of the Wingellina complex are highly prospective for the discovery of nickel and copper sulphides. In this regard Metals X has stepped up its search for primary nickel and copper sulphide mineralisation and recently completed a powerful airborne electro-magnetic survey (Spectrum) covering 5,370 line kilometres. The survey has defined a number of priority targets considered to represent buried conductors that could potentially indicate nickel-copper sulphide bodies in the layered intrusive complex. Metals X has developed work programs for the highest priority targets. Once cleared under standard heritage protocols, the company intends to immediately commence work on the targets.

WARUMPI JOINT VENTURE (EARNING 80%)

The Warumpi JV project was acquired following the merger with Westgold and the tenements cover part of what is a newly recognised and highly deformed geological belt that has had no previous exploration. The tenure is considered to have excellent potential to host structurally controlled gold and copper, intrusive related nickel-copper and strata-bound lead-zinc mineralisation. The region has geological similarities in age and rock types to the Mount Isa, McArthur Basin and Broken Hill regions. In addition, it contains ultrabasic intrusives of Proterozoic age that are known to be primary hosts to nickel cobalt mineralisation in the Musgrave Ranges and more recently the Fraser Range mobile belt.

During the quarter, a program of systematic wide spaced 1 km x 1 km reconnaissance lag sampling program was completed within the granted tenement EL6861. A total of 1,100 lag samples have been taken to date along with a number of rock chip samples. Several results remain outstanding, with initial results identifying zones of gold anomalism above background levels.

In addition, and further to the previously reported (Westgold) elevated nickel results, additional rock chip sampling of outcropping weathered dunite rocks in the south central portion of EL 6861 has returned assays of 1.64% Ni and 1.46% Ni. The weathered dunite unit has been mapped in outcrop over approximately 1 kilometre of strike. Metals X is highly encouraged by these first pass results from this previously unexplored region.



GOLD DIVISION

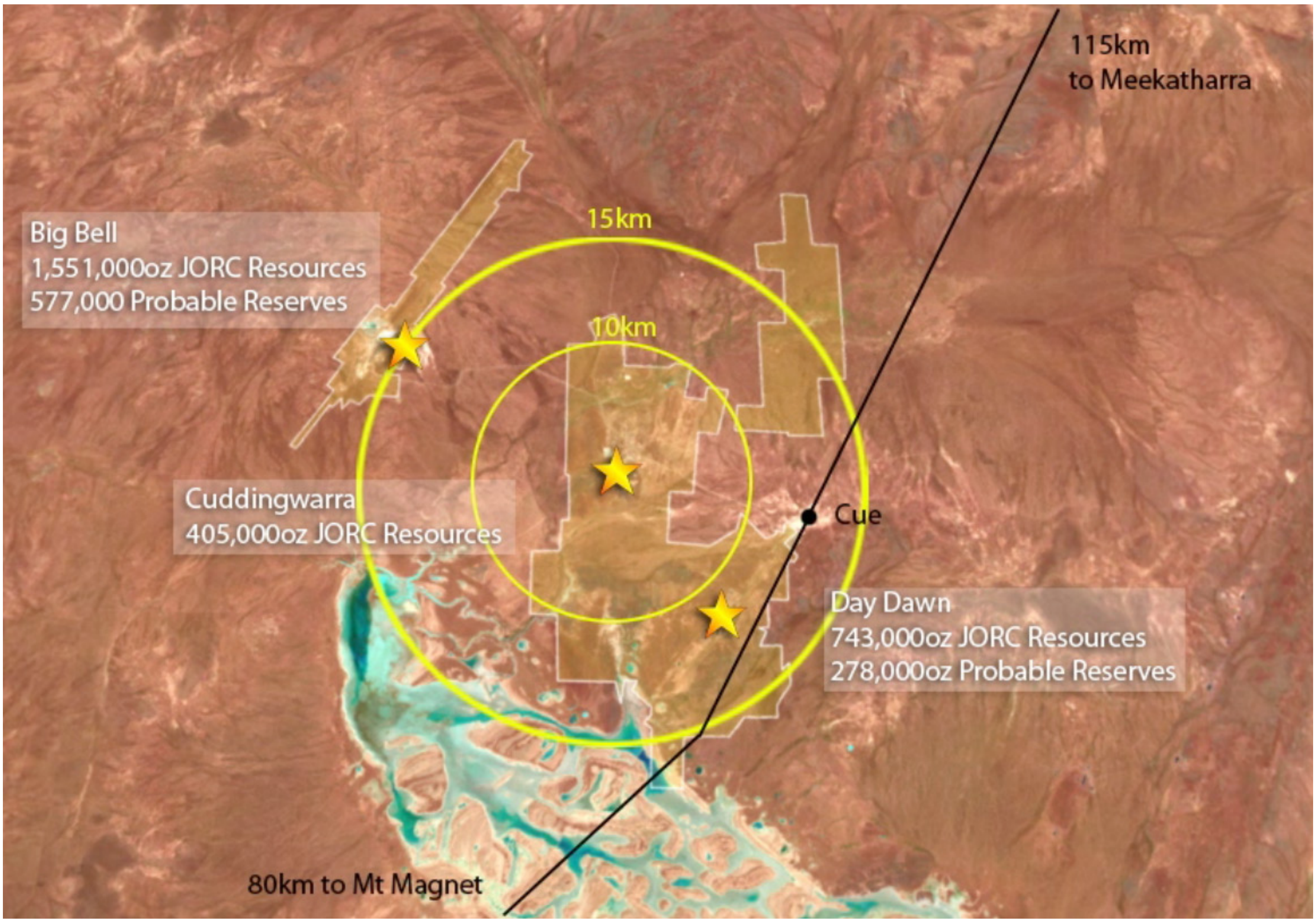
During the quarter Metals X completed all statutory processes required to enable the proposed merger by scheme of arrangement with its 27% owned Westgold Resources Limited to proceed. Westgold shareholders overwhelmingly approved the merger and the scheme was officially implemented on October 17, 2012. Westgold Resources Limited became a wholly owned subsidiary of Metals X creating the cornerstone for Metals X's Gold Division.

The major gold assets of the gold division are two development ready projects:

1. The Central Murchison Gold Project (CMGP) – Western Australia
2. The Rover Project – Tennant Creek Region, Northern Territory

CENTRAL MURCHISON GOLD PROJECT (CMGP)

The CMGP straddles the three historic goldfields of Big Bell, Cuddingwarra and Day Dawn which host an aggregate Total Identified Mineral Resource Estimate of 2.7M ounces of gold (32,543,000 tonnes @ 2.63 g/t Au) from a number of high-grade underground, lower grade open pit sources and stockpiles within the project area. Historical production from the Central Murchison area is in excess of 5M ounces of gold with Metals X's tenements covering some of the most prospective ground in the region and some of the largest historical producing assets.



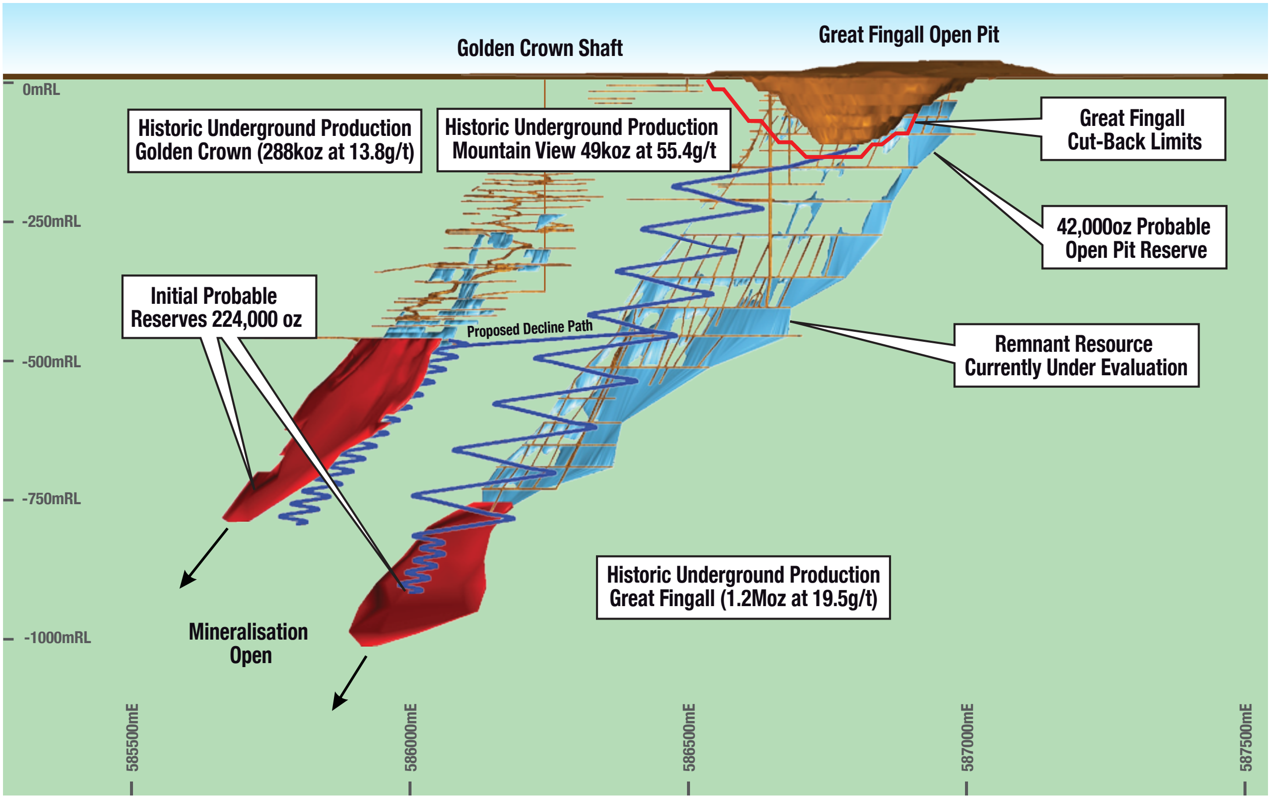
Westgold has been undertaking and has nearly finished a Definitive Feasibility Study ("DFS") on the CMGP. The Company had advised that its DFS contemplates a conventional 1.2–1.5M tonne per annnum gold processing plant and associated infrastructure that could produce an average of 100,000 ounces per annum over an initial mine life of 8 years.

Metals X is reviewing the development options for the CMGP including the construction of a dedicated plant, the review of processing options at already established plants in the region, the logic and benefits of regional consolidation and the various options for sequencing the development of the assets.

The key assets of the CMGP consist of:

- The Great Fingall mine that had produced 1.9 Mt @ 19.8 g/t for 1.2 million ounces up to closure in 1918. The mine has never re-started due to ownership and tenure issues, including a depth related strata-title of JV interests. These issues have now been resolved with Metals X owning 100% of Great Fingall. Recently completed drilling has shown that the ore systems continue down-plunge and remain open. The current Mineral Resource at Great Fingall totals 1.3Mt @ 9.4 g/t Au for 396,000 ounces of gold. The current Mining Reserve is 0.50Mt @ 6.6 g/t for 107,000 ounces of gold.

  An open-pit cutback to further exploit the near surface Great Fingall Reef remnants and ramifying splays of gold-rich quartz stockworks at Great Fingall is also planned. The current near surface Mineral Resource at Great Fingall is 1.45Mt @ 1.78 g/t Au for 83,000 ounces of gold. The current Mining Reserve estimate is 0.75Mt @ 1.75 g/t Au for 42,000 ounces of gold.

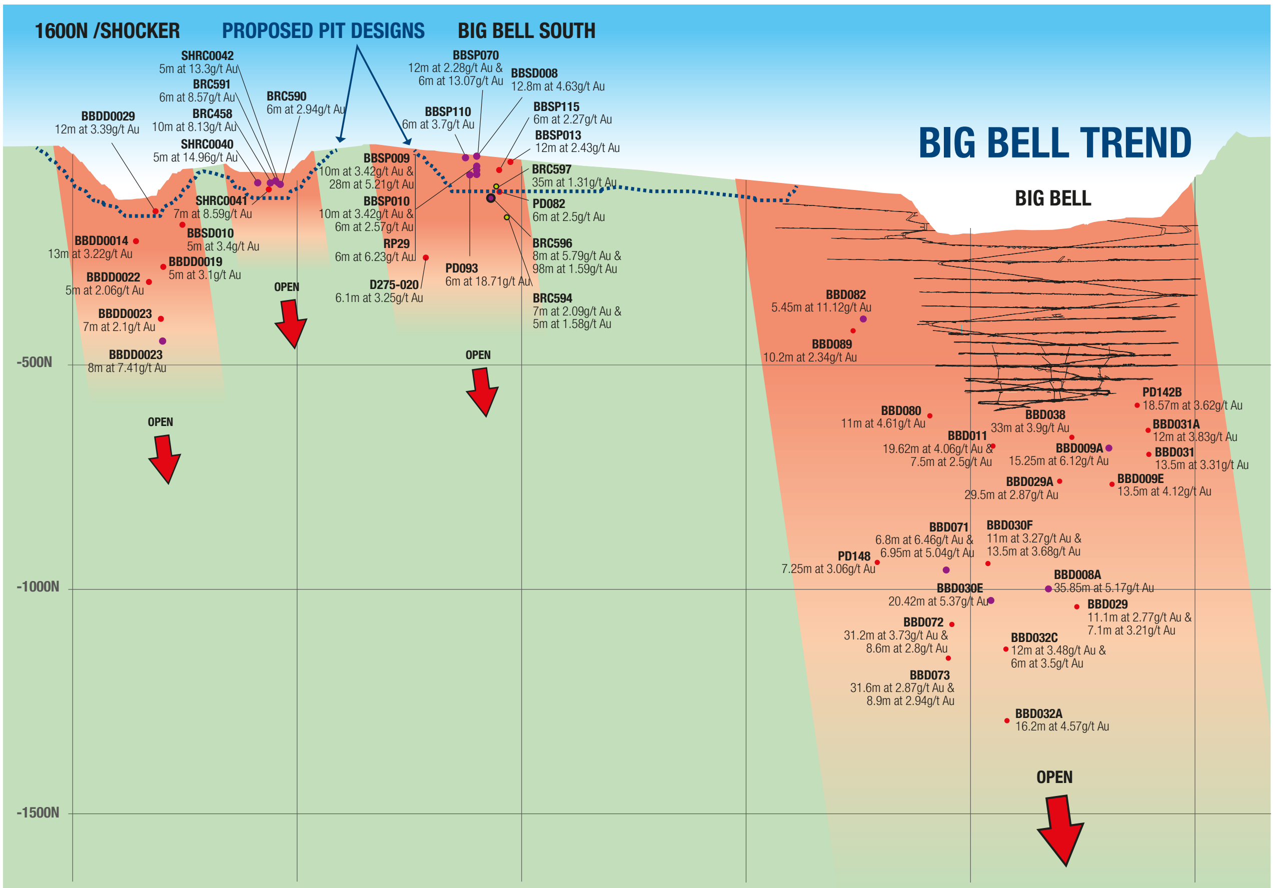


- The Golden Crown mine is located some 450 m south of Great Fingall and is a similar style high-grade quartz lode of comparable dimensions. Golden Crown was discovered during the mid-1980's as it had escaped the attention of early miners as the high grade shoot started more than 100 m below surface. The mine was subject to modern day mining and closed in 1996 having produced some 648,000 tonnes at 13.8 g/t Au for 288,000 ounces of gold. The Company has drilled and proved the down-plunge continuity of the ore shoot. The current Mineral Resource at Golden Crown is 0.64Mt @ 8.96 g/t Au for 185,000 ounces of gold. The current Mining Reserve is 0.375Mt @ 9.77 g/t Au for 118,000 ounces of gold.

  It is expected that a newly established decline from near the base of the Great Fingall open pit can be used to access both lodes and create a long-term high-grade source of ore.

- The Big Bell underground mine has been a prolific producer with over 2.7 million ounces (31.4Mt @ 2.7 g/t Au) of gold production to date. Big Bell was mined up until 2003 when it closed at a gold price of circa A$500 per ounce. A substantial Mineral Resource of 5.16Mt @ 4.5 g/t Au containing 748,000 ounces of gold remains. The initial mine plan for a re-commencement of the mine has a Mining Reserve of 2.9Mt @ 4.20 g/t Au containing 391,000 ounces of gold which only considers a portion of known resource and the ore system remains open at depth. It is expected that the mine can be re-started and become a steady long-term provider of moderate grade ore.

  In addition, mining and pit optimisation of near surface mineralisation on the Big Bell shear to the south of the Big Bell mine has presented a number of low-grade open pit mining opportunities with longer-term, but poorly tested opportunities. The current Mineral Resource inventory for this surface mining category totals 14Mt @ 1.61 g/t Au for 720,000 ounces of gold. The current Mining Reserve from pit optimisation work totals 1.823Mt @ 1.88 g/t Au for 110,000 ounces of contained gold.



- The Cuddingwarra Goldfield has historically produced over 800,000 ounces predominately from a number of modern-day open pits which closed in the early 2000's. A significant Mineral Resource of 4.94Mt @ 2.76 g/t Au containing 439,000 ounces of gold remains. The majority of the resource is situated beneath previously mined open pits which have some cut-back potential. Importantly, the opens pits are comparatively high-grade and significant potential exists for extensions of the primary mineralised systems and higher grade shoots beneath them. This will become a focus of Metals X evaluation strategy in the region.

The DFS as commenced by the Company should be completed by the end of November 2012. All outstanding independent consultant reports, including final review of the capital estimates for the processing and surface infrastructure are currently being undertaken. This will complete a bankable level DFS, and provide one of several options for the development of the CMGP.

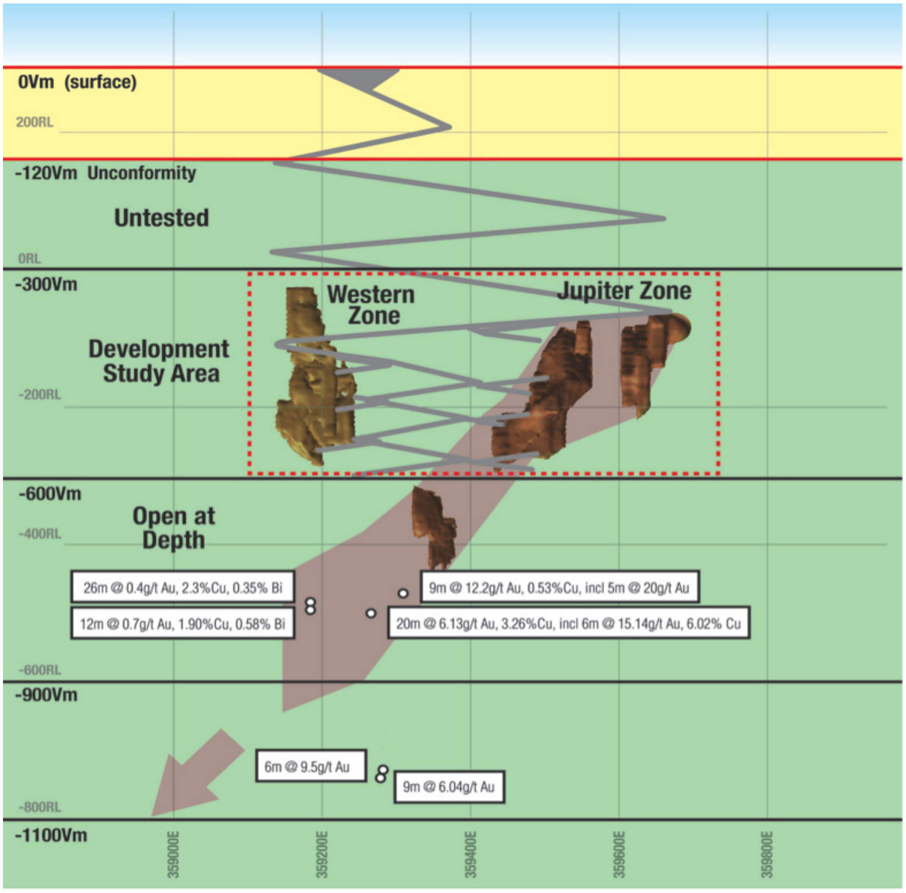
THE ROVER GOLD PROJECT

The Rover Project consists of 1,172 km^2 of contiguous granted tenements over stratigraphy considered to be an under-cover repetition of the rich Tennant Creek goldfield 80 km to the north-east. Exploration to date has so far fully tested three blind targets within the project, each of which has defined significant IOCG (Iron Oxide Copper Gold) mineralisation at Rover 1, Explorer 108 and Explorer 142 prospects. The key attributes 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 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 Highway.
- Exploration upside in multiple coincident geophysical anomalies considered as analogs to the Rover 1 anomaly.

The key focus has been on the Rover 1 Project and the completion of more definitive studies into its development and commercialisation.

The current proposal for Rover 1 is to develop an exploration decline (which would subsequently be used as the production decline) to enable more detailed drill evaluation of the upper parts of the mineralised system. A Mine Management Plan (MMP) has been submitted to the appropriate statutory authorities in the Northern Territory and it is anticipated that approvals will be received by the end of the current year.



OTHER EXPLORATION ASSETS

MCARTHUR RIVER (MMG EARNING 60%)

The McAurthur Basin hosts one of the world's largest zinc-lead deposits, the McArthur River Mine, and is also considered highly prospective for large scale copper deposits similar to the Mt Isa belt in Western Queensland.

MMG Exploration Limited (MMG) is earning into the Company's tenements in the region and may initially earn 60% equity in the tenements by sole funding exploration of $3M over a four year period. MMG have the right to increase equity to 80% by sole funding further exploration expenditure to the commencement of a pre-feasibility study.

LAKE LEFROY NICKEL PROSPECT

The Lake Lefroy prospect area is prospective for komatiite hosted mineralisation and is located over the Aztec dome that exhibits a similar magnetic signature to that of the adjacent Kambalda Dome. No work was completed on this prospect during the quarter.

MAITLAND GOLD PROJECT

The Maitland project covers a proportion of the Barwidgee Fault Zone which hosts the nearby Corboys deposit in the Yandal Belt in Western Australia and is a major producing area consisting of a number of major deposits including Jundee/Nimary, Bronzwing, Mt McClure and Darlot. No work was completed on this prospect during the quarter.

STRATEGIC INVESTMENTS

Metals X operates a strategy of project gestation where it invests and actively supports exploration and development projects by investment in other companies with specialist teams. The objective is to allow the exploration and scientific application required for exploration to run its course and be funded by a dedicated budget that does not compete with other projects in the group for capital.

Where applicable the experienced team of mining professionals at Metals X carefully evaluates and actively supports its investments both technically and fiscally.

The other key strategic holdings of Metals X are:

INDEPENDENCE GROUP NL (INDEPENDENCE) (2.82% MLX)

Independence is a diversified producer with Nickel, Zinc, Copper and gold operations within Western Australia and is also exploring for gold and other base metals throughout Australia.

Independence operations include the Long Nickel mine and the high grade Jaguar/Bentley VMS copper, zinc, and silver mine in Western Australia. Independence also owns 30% of the 3.9M ounce Tropicana gold project currently being developed and holds various exploration projects within Australia including the Stockman Copper, Zinc and Silver project and the Karlawinda gold project.

Whilst this remains an available for sale asset, Metals X believes Independence is significantly undervalued at current levels and it is poised to be re-rated with any increase in nickel price and/or the impending production from Tropicana. Metals X's holding in Independence was valued at $28.0M on 23/10/2012. For detailed information please refer to ASX Announcements by Independence Group NL (ASX: IGO).

MONGOLIAN RESOURCES CORPORATION LTD (MRC) (14.76% MLX)

MRC is emerging market investment for Metals X and presents as a stepping stone into the resource rich Mongolian mining sector. MRC's main two gold projects include the high grade Kargana (Blue Eyes) Gold Project (85%) and the Sujigtei Gold Project (90%) which are located 7 kilometres apart.

MRC announced during the quarter that it has commenced mining trials and the commissioning of the 100 tonnes per day treatment plant at Kargana, with a formal opening of the operations to take place on 8 November 2012. At full production the plant is expected to produce approximately 1,500 oz/month at a cash cost of $420/oz. Currently 2 months of ore stockpiles at 18 g/t are available for processing. A 400 tonne per day processing plant is also currently under construction and is scheduled for completion in early 2013.

Metals X's holding in MRC was valued at $1.7M on 23/10/2012. For detailed information please refer to ASX Announcements by Mongolian Resource Corporation Ltd (ASX: MUB).

AZIANA LIMITED (AZIANA) (25.0% MLX)

Aziana is an Australian listed explorer focussed on Madagascar where it holds highly promising gold and bauxite projects.

Aziana (ASX: AZK) was admitted to the official list of the ASX on the 7 November 2011 and has been active in Madagascar since 2006 and has first-mover and first choice status over the country's exciting gold prospects and holds six key gold project areas all of which have been subjective to substantive artisanal gold mining. In addition Aziana holds a number of bauxite exploration prospects within the Manantenina Bauxite Province in coastal South-east Madagascar. Aziana is actively working these prospects and has discovered large areas of high-grade bauxite developed within its titles.

Subsequent to the end of the quarter Aziana announced a maiden bauxite resource over its Esama license which make up approximately 6.25 km^2 of the company's total license holdings of 218.75 km^2 at Manantenina in Madagascar. The maiden resource is as follows:

- 10.09Mt @ 34.1% Available Alumina ($AvAl_2O_3$) and 2.3% Reactive Silica ($RxSiO_2$) reported above a 25% $AvAl_2O_3$ cut-off and material screened to +2 mm.
- The ratio of available alumina to reactive silica ($AvAl_2O_3/RxSiO_2$) of 14.63 confirming the high quality nature of the bauxite.

Aziana believes the Exploration Target within its tenements is for 100–150Mt at 33-38% $AvAl_2O_3$ with $AvAl_2O_3/RxSiO_2$ ratio's of 13 – 16.

Metals X's holding in Aziana was valued at $2.6M on 23/10/2012. For detailed information please refer to ASX Announcements by Aziana Limited (ASX: AZK).

COMPETENT PERSONS STATEMENT

The information in this report that relates to Exploration Results is compiled by Metals X technical employees under the supervision of Mr Peter Cook (BSc (Applied Geology) (MSc (Min. Econ) MAusIMM). Mr Cook is not a full-time employee of the company. Mr Cook is an advisor to Metals X and the Non-Executive Chairman of Metals X. Mr Cook has sufficient experience which is relevant to the styles of mineralisation and types 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". Mr Cook consents to the inclusion in this report of the matters based on his information in the form and context in which it appears.

REED RESOURCES LIMITED (REED RESOURCES) (5.17% MLX)

Reed Resources is a diversified explorer and emerging producer with gold, lithium, titanium, vanadium and iron projects throughout Australia.

Reed Resources owns the 3.59M ounce Meekatharra Gold Project in Western Australia. A BFS was completed in February 2012 and first gold is expected to be poured in December 2012.

Reed plans on being one of the world's largest producers of lithium bearing spodumene through the development of the Mt Marion Lithium Project and is also evaluating the recovery of titanium, vanadium and iron from its Barrambie project

Metals X's holding in Reed Resources was valued at $4.3M on 23/10/2012. For detailed information please refer to ASX Announcements by Reed Resources Limited (ASX: RDR).

CORPORATE

Metals X ended the quarter with cash and working capital of $57M excluding its marked to market investments of $36.6M. The Group has no debt other than minor equipment leases.

Metals X completed the implementation of the merger by scheme of arrangement with Westgold Resources on 17 October 2012 issuing 335,102,853 ordinary fully paid shares and 32,615,000 options with various exercise prices and expiry dates.

CAPITAL STRUCTURE

The Company has the following equities on issue as of 17 October 2012.

Fully Paid Ordinary Shares	1,651,766,110
Unlisted Options - various conversions and dates	33,615,000
Unlisted Employee Options - various conversions and dates	10,100,000
Fully Diluted Equity	**1,695,481,110**

MAJOR SHAREHOLDERS

The major shareholders of the Company as of 17 October 2012 are:

APAC Resources (HK:1104)	24.07 %
Jinchuan Group	10.66 %

End

Rule 5.3

Appendix 5B

Mining exploration entity quarterly report

Introduced 01/07/96 Origin Appendix 8 Amended 01/07/97, 01/07/98, 30/09/01, 01/06/10, 17/12/10

Name of entity

Metals X Limited

ABN	Quarter ended ("current quarter")
25 110 150 055	30 September 2012

Consolidated statement of cash flows

	Cash flows related to operating activities	Current quarter $A'000	Year to date (3 months) $A'000
1.1	Receipts from product sales and related debtors	14,126	14,126
1.2	Payments for (a) exploration & evaluation	(496)	(496)
	(b) development	(3,666)	(3,666)
	(c) production	(13,925)	(13,925)
	(d) administration	(779)	(779)
1.3	Dividends received	-	-
1.4	Interest and other items of a similar nature received	1,160	1,160
1.5	Interest and other costs of finance paid	(85)	(85)
1.6	Income taxes paid	-	-
1.7	Other (provide details if material)	218	218
	Net Operating Cash Flows	(3,447)	(3,447)
	Cash flows related to investing activities		
1.8	Payment for purchases of: (a) prospects	-	-
	(b) equity investments	(552)	(552)
	(c) other fixed assets	(171)	(171)
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 (provide details if material)	-	-
	Net investing cash flows	(723)	(723)
1.13	Total operating and investing cash flows (carried forward)	(4,170)	(4,170)

1.13	Total operating and investing cash flows (brought forward)	(4,170)	(4,170)
	Cash flows related to financing activities		
1.14	Proceeds from issues of shares, options, etc.	-	-
1.15	Proceeds from sale of forfeited shares	-	-
1.16	Proceeds from borrowings	-	-
1.17	Repayment of borrowings	(399)	(399)
1.18	Dividends paid	-	-
1.19	Other	-	-
	Net financing cash flows	(399)	(399)
	Net increase (decrease) in cash held	(4,569)	(4,569)
1.20	Cash at beginning of quarter/year to date	54,299	54,299
1.21	Exchange rate adjustments to item 1.20	-	-
1.22	**Cash at end of quarter**	49,730	49,730

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	240
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

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	4,294	4,294
3.2	Credit standby arrangements		

Estimated cash outflows for next quarter

		$A'000
4.1	Exploration and evaluation	500
4.2	Development	2,500
4.3	Production	11,000
4.4	Administration	1,000
	Total	**15,000**

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	9,200	12,299
5.2	Deposits at call	40,530	42,000
5.3	Bank overdraft	-	-
5.4	Other (provide details)	-	-
	Total: cash at end of quarter (item 1.22)	49,730	54,299

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	EL72/2007	Direct	50%	Nil
6.2	Interests in mining tenements acquired or increased				

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** *(description)*				
7.2	Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions				
7.3	**+Ordinary securities**	1,316,663,257	1,316,663,257		
7.4	Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs				
7.5	**+Convertible debt securities** *(description)*				
7.6	Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted				
7.7	**Options** *(description and conversion factor)*	2,800,000 2,500,000 1,000,000 4,800,000		*Exercise price* *13 cents* *14 cents* *32 cents* *30 Cents*	*Expiry date* *30/11/2013* *30/11/2012* *30/11/2013* *30/11/2014*
7.8	Issued during quarter				
7.9	Exercised during quarter				
7.10	Expired during quarter	1,000,000 50,000		*45 cents* *30 Cents*	*31/07/2012* *30/11/2014*
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 5).

2 This statement does /~~does not~~* *(delete one)* give a true and fair view of the matters disclosed.

Sign here: ***W S Hallam*** Date: 31 October 2012
(Director/~~Company secretary~~)

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 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report.

5 **Accounting Standards** ASX will accept, for example, the use of International Financial Reporting 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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