METALS X LIMITED

2019 ANNUAL REPORT

CONTENTS

CORPORATE DIRECTORY

Directors

Peter Newton (Non-Executive Chairman)
Damien Marantelli (Managing Director)
Simon Heggen (Non-Executive Director)
Milan Jerkovic (Non-Executive Director)
Yimin Zhang (Non-Executive Director)

Company Secretary & Chief Financial Officer

Fiona Van Maanen

Key Management

Campbell Baird (Executive General Manager – Mining & Technical)
Simon Rigby (Executive General Manager – Geology & Business Development)
Stephen Robinson (Executive General Manager – Projects & Planning)
Russell Cole (General Manager – Nifty Copper Operations)
Mark Recklies (General Manager – Renison Tin Operations)

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Securities Exchange

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ASX Code: MLX

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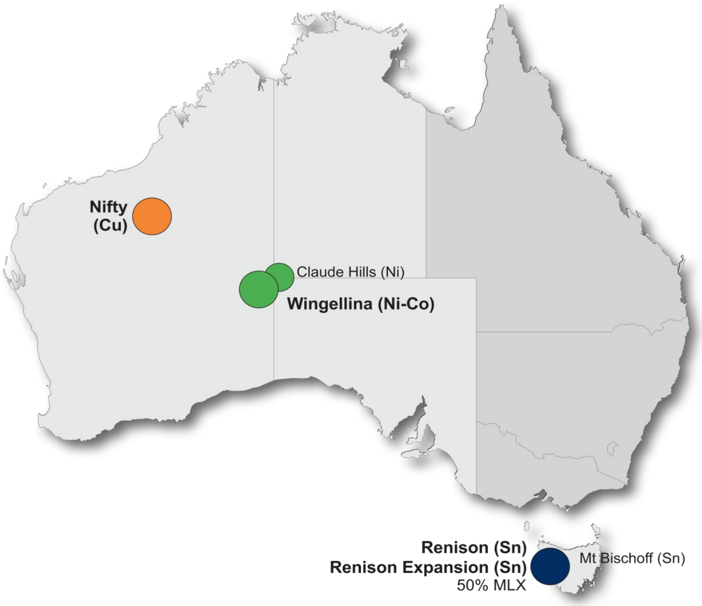
Domicile and Country of Incorporation

Australia

COMPANY PROFILE

Metals X Limited ("Metals X" or "the Company") is an Australian base metals producer with two high-quality and long-life operations and a global scale development project:

- Australia's largest tin producer through its 50%-owned Tasmanian joint arrangement, generating high margins and strong cashflow, with further production and development upside;
- A well-established copper operation with significant production, development and exploration potential;
- A world class nickel-cobalt development project, ready to leverage increasing global demand for responsibly sourced battery metals.



Operations and Projects Location Map

Metals X currently has two producing assets; the Renison Tin Operations (50%-owned joint arrangement) in Tasmania and the Nifty Copper Operations in Western Australia. The Company also owns the Wingellina nickel-cobalt deposit (Central Musgrave Nickel Project), one of the world's largest undeveloped nickel and cobalt resources.

The Company is in a unique position as the only significant publicly listed tin producer on the ASX, and remains as one of few publicly listed tin producers in the western world. The Tin Division has aggregated Mineral Resources containing approximately 376,400 tonnes of tin and aggregated Ore Reserves containing approximately 181,300 tonnes of tin*. Renison has expanded its production by approximately 15-20% with the construction and commissioning of a new crusher and ore sorting plant. In addition, the environmental approvals process for the Renison Tailings Retreatment Project is well advanced.

The Nifty Copper Operations produce a clean copper concentrate from an underground copper sulphide mine, with ore processed through a 2.5 million tonne-per-annum copper concentrator. Nifty has aggregated Mineral Resources containing approximately 546,000 tonnes of copper and aggregated Ore Reserves containing approximately 161,000 tonnes of copper**. Metals X has significantly extended the Nifty mine to the east, west and northeast and completed over 80,000 metres of underground drilling since acquisition. The Copper Division also includes the Maroochydore Copper Project located approximately 85 kilometres to the south-east of Nifty. Maroochydore already hosts aggregated Mineral Resources of approximately 486,000 tonnes of copper, mainly in oxides. Following an extensive review of geological information, further sulphide targets have been identified along strike of the defined Maroochydore resource.

The Wingellina nickel–cobalt project, which forms part of the Company's Central Musgrave Nickel Project, is a world-class deposit. Wingellina has aggregated Mineral Resources containing approximately 2.0 million tonnes of nickel and over 154,000 of cobalt***. A feasibility study was completed in 2008 based on a minimum 40 year project producing at an annual rate of 40,000 tonnes of nickel and 3,000 tonnes of cobalt. During 2017 the company undertook a review of the high grade cobalt and nickel zones of the ore body and identified an initial 15 high grade pits within the existing reserve. Infill drilling of 6 these high grade nickel-cobalt pits was undertaken to confirm the integrity of the geological models. The drilling results have demonstrated the potential for a high grade, potentially smaller scale and lower capital start-up. In addition, metallurgical testwork has successfully produced nickel sulphate and cobalt sulphate from Wingellina ore.

Metals X has received the required approvals, including Native Title and Environmental, to proceed with the development of Wingellina. Development of the project is contingent mainly upon nickel price improvement and funding.

For further details on Total Mineral Resource and Ore Reserve estimates for the Renison Tin Operations refer to ASX announcements dated 24 May 2019 and 20 August 2019 respectively.

** For further details on Total Mineral Resource and Ore Reserve estimates for the Nifty Copper Operations refer to ASX announcement dated 28 August 2019.

*** For further details on Total Mineral Resource and Ore Reserve estimates for the Central Musgrave Nickel Project refer to ASX announcement dated 18 August 2016.

CORPORATE

Share Placement

On 7 August 2018 the Company completed a capital raising of $50,000,000 (before costs) by issuing 76,923,076 fully paid ordinary shares at an issue price of $0.65 per share to institutional and professional investors.

Hedging

In the previous period, the Company entered into forward commodity contracts relating to puts and calls granted over 1,500 tonnes of copper per month, which settled in July 2018. The puts had a strike price as low as $7,600 per tonne of LME copper and the calls had a strike price as high as $8,255 per tonne of LME copper.

During the period, the Company entered into copper commodity swap transactions and foreign exchange forward contracts to hedge the Quotational Period risk of copper shipments. There were no outstanding contracts at the end of the period.

COPPER DIVISION

The Copper Division holds two key assets:

1. Nifty Copper Operations; and
2. Maroochydore Copper Project.

Nifty Copper Operations

The Nifty Copper Operations ("Nifty") comprise an underground copper sulphide mine with an associated 2.5Mtpa copper concentrator. Site infrastructure is extensive, including a powerhouse, camp and airfield. Processing of sulphide copper ore is by conventional comminution, grinding and flotation to produce a clean copper concentrate. A concentrate storage facility is located at Port Hedland where concentrate is accumulated before shipping for smelting and refining.

During the period a comprehensive evaluation of Nifty was undertaken. The evaluation included geological endowment, the historical performance of the mine, the condition of the underground and surface infrastructure, the cost base, planning activities as well as operational and productivity constraints. The evaluation has been incorporated into a detailed plan of action to transform Nifty into a long term, profitable operation.

In regard to geological potential, the Nifty deposit (and regional tenure) remains underexplored. Drilling results received during the period, support the view of the significant upside of the deposit. Underground drilling, including establishing drill drives to provide optimal angles for resource definition and extensional drilling, has been a key activity for the period.

The immediate focus at Nifty is to increase production through the development and introduction of new mining areas outside of the Central Zone (the historical area of mining). Prior activities at Nifty have prioritised short term operational objectives ahead of the required development of new mining areas and associated underground infrastructure. These capital project imperatives are now being addressed.

Key activities for the period were:

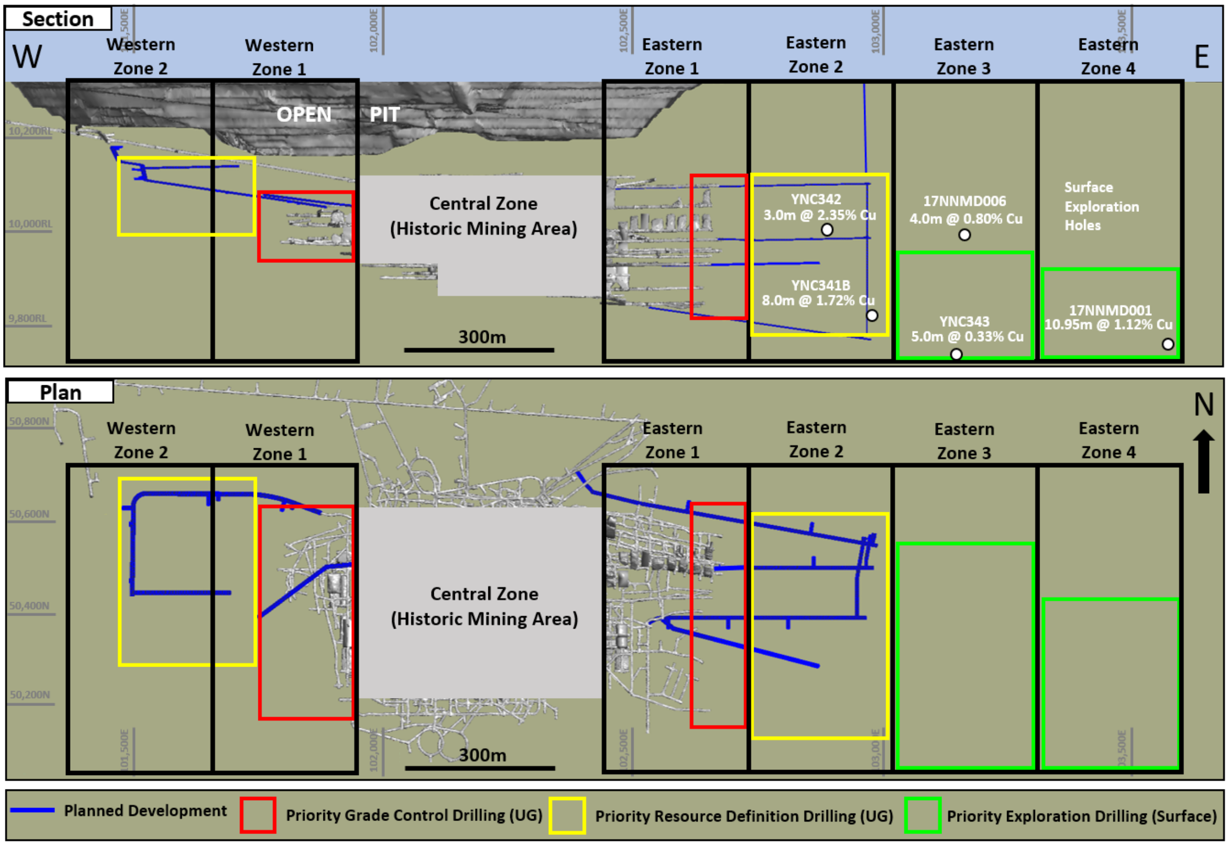
- Continuing the recruitment and building of a higher capability Nifty mining team;
- Accelerating development into new areas both east and west of the Central Zone;
- Identifying and progressively resolving operational inefficiencies in the mine;
- Identifying and delivering sustainable cost reductions including commencement of campaign processing and improvements in inventory management;
- Optimising the mining fleet to build further on productivity improvements;
- Increasing paste filling underground through improvements to the paste delivery system and commissioning of dry tailings reclaim to provide paste while the process plant is not in a campaign;
- Completion of the first phase of improving secondary ventilation;
- Ongoing review of options to integrate several primary ventilation circuits into the mining areas; and
- Continued production and resource definition drilling to demonstrate significant geological opportunity within the new mining areas and their potential extensions.

At the end of the period the Company completed a recoverable amount assessment that resulted in an impairment of Nifty of $64,199,644 (refer to note 39).

COPPER DIVISION (continued)

Grade control and resource definition drilling programs continued during the period, with the priority being grade control programs east and west of the Central Zone and also within the Northeast Limb. Results from these drilling campaigns are continuing to flow through with excellent intersections being reported. The grade control programs in upcoming production areas combined with an improved structural interpretation, are mostly confirming or increasing tonnages within the geological model.

Since acquiring Nifty the Company has put a significant effort into better understanding the stratigraphic sequence and structural architecture which hosts the orebody. This has been carried out on multiple fronts but has primarily been underpinned by targeted diamond drilling and intensive mapping of the mined openings.



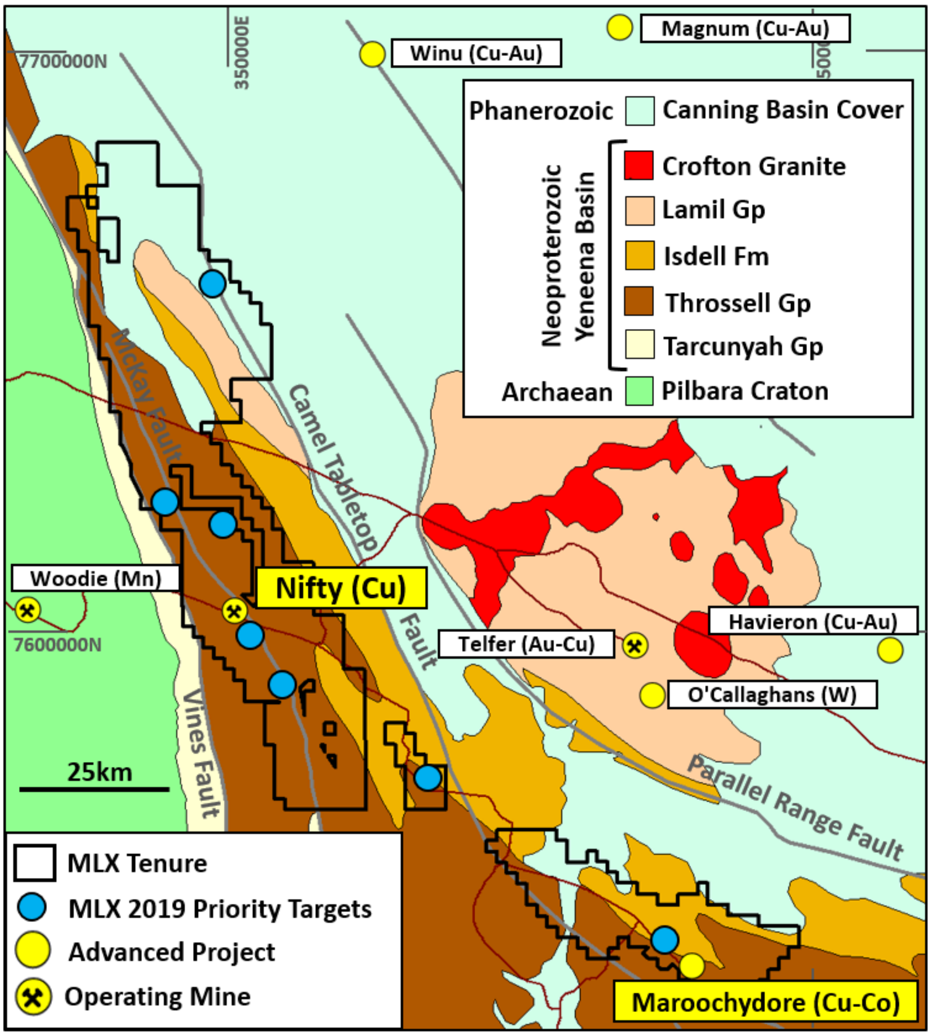
PLAN AND LONGSECTION THROUGH THE NIFTY DEPOSIT SHOWING PRIORITY TARGET AREAS

The Company controls 2,900km^2 of exploration tenure within the Paterson Province. The recent discovery of the new Winu copper deposit by Rio Tinto, and exciting copper-gold drilling results from the Greatland Gold – Newcrest Mining JV Havieron prospect, continue to demonstrate this area's prospectivity.

Regional exploration activities during the period focussed on program finalisation and field preparation for the upcoming field season exploration programs. Primary targets include surface diamond drilling programs testing new lithostructural interpretations southeast of the Nifty orebody within Eastern Zones 2/3 and the new Brookes target within Eastern Zone 4, as well as planned RC drilling programs at the Rainbow and Juniper prospects located north of Nifty, and the Noosa and Spitfire targets located near Maroochydore.

The Noosa prospect is targeting an area 4km to the west of the Maroochydore deposit where interpreted Maroochydore host rocks are in structural contact with the Eva Well intrusive. The Spitfire prospect also targets the contact position of the Eva Well and Broadhurst stratigraphy immediately to the north of Maroochydore. Drilling is also planned to test the eastern extensions to the known sulphide mineralisation at Maroochydore itself.

COPPER DIVISION (continued)



REGIONAL GEOLOGY OF THE PATERSON PROVINCE SHOWING MLX TENURE AND PRIORITY EXPLORATION TARGETS

Maroochydore Copper Project

The Maroochydore deposit, located approximately 85km south east of Nifty, consists of a significant oxide Mineral Resource of 43.5 million tonnes at 0.91% Cu and 391ppm Co, with a small primary sulphide Mineral Resource of 5.43 million tonnes at 1.66% Cu and 292ppm Co based upon the limited drilling to date (refer to ASX announcement dated 18 August 2016).

Following the completion of drilling activities at Maroochydore in 2018, work has focused on developing additional metallurgical testwork programs. Metallurgical domaining of the orebody has been completed and further testwork is planned.

In addition to the oxide resources, copper sulphide mineralisation has been identified at depth in historic drilling. However, the area is sparsely drilled and inadequately defined, with primary copper sulphide mineralisation remaining open along-strike and down-dip. Geophysical modelling of high resolution aeromagnetic data suggests that the Maroochydore deposit lies within a north-trending structural corridor with the possibility of a structural repetition of the mineralised horizon occurring to the east of the current resource area. A comprehensive review of historic exploration was conducted during the previous period with key exploration targets identified for the upcoming drilling field season.

TIN DIVISION

Metals X is the largest Australian tin producer through its 50% ownership of the Renison joint arrangement which holds three key assets:

1. The world class Renison Tin Operations (“Renison”);
2. The Renison Tailings Retreatment Project (“Rentails”); and
3. The historic Mt Bischoff Project, currently on care and maintenance.

Renison Tin Operations (50%)

The Renison Tin Mine is located approximately 15km north-east of Zeehan on Tasmania’s west coast. Renison is a world-class, long life underground mining operation producing tin concentrate.

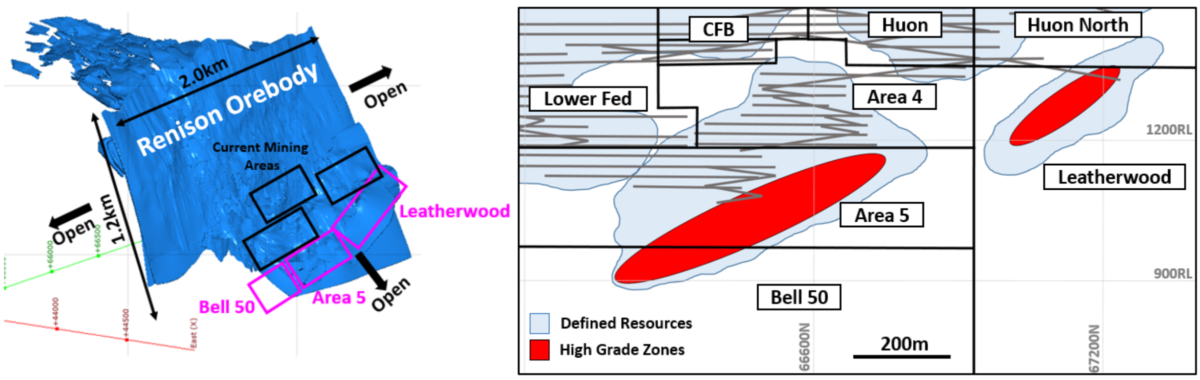
Key activities for the period were:

- Commissioning and optimisation of the ore sorting plant which increases the grade of ore processed and production by 15-20% by rejecting waste material prior to the processing plant;
- Substantial Mineral Resource upgrade with a 22% increase in contained tin and an increase in total Mineral Resource grade from 1.31% Sn to 1.50% Sn (refer to ASX Announcement dated 24 May 2019);
- Area 5 subset Mineral Resource of 4.47Mt at 1.91% Sn for 85,200 tonnes of contained tin represents an outstanding high-grade opportunity with development underway:
    - Phase 1 ventilation works to allow increased depth of operations completed;
    - Mining optimisation study commenced in conjunction with overall mine planning and Renison life-of-mine planning targeting an increase in mining rate to 1Mtpa;
- Drilling continued to demonstrate resource growth in the Leatherwood Trend, proximal to existing development, as well as strong drilling results from other extensional exploration priority areas to the north and south of the current mining area (Huon North and Bell 50);
- Commencement of a metallurgical improvement program with the objective of increasing mill throughput rate and metallurgical recovery; and
- Surface exploration work with downhole electromagnetic testing for new targets in the proximity of current underground operations.

During the period, mining rates achieved the steady-state production rate required to sustain the expanded processing facility and ore sorter. The significant surface stockpile of ore that was created in the previous period was drawn upon, as planned, during commissioning of the ore sorter.

The drilling focus remained on further expanding the resource definition program in the Area 5, Deep Federal, Leatherwood, Bell 50, Central Federal Bassett and Huon North lodes. Results from these campaigns demonstrated exceptional mineralisation, in particular holes targeting Area 5 and the Leatherwood trend which are upcoming production zones.

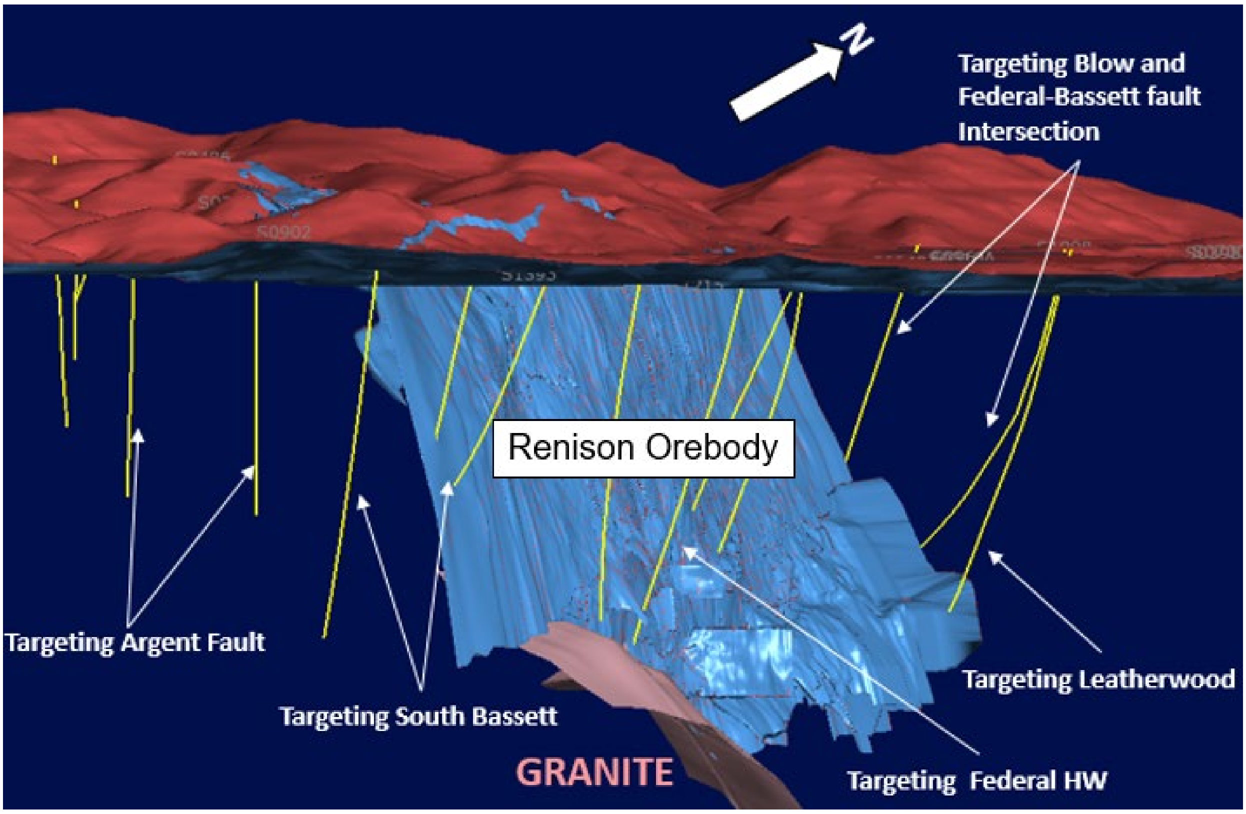
Mine planning activities to identify the most efficient mining methods to capitalise on the high-grade Area 5 orebody commenced. Development of the decline to access the high grade zone and additional development to allow an immediate upgrade of ventilation to support mining in the area is also underway. Stoping in Area 5 is planned to progressively increase in the second half of the financial year. The increased percentage of Area 5 feed into the mill will increase mill feed grade. In addition, mining rate, throughput and recovery increases are planned to further increase production across the year.



(LEFT) ISOMETRIC VIEW OF THE RENISON OREBODY SHOWING CURRENT MINING AREAS AND RESOURCE DEFINITION AREAS (PINK) AND (RIGHT) LONG SECTION THROUGH THE AREA 5 AND LEATHERWOOD AREAS

TIN DIVISION (continued)

In addition to the "in-mine" resource definition programs described above, a "near-mine" exploration strategy was developed targeting potential new stand alone and incremental resource exploration targets within the Renison area. During the period, exploration activities focussed on the planned downhole electromagnetic survey ("DHEM") in the Argent, South Bassett, North Federal and Lead-Blow target areas. This work included completion of various permitting requirements along with re-establishment of access tracks within the target areas and the commencement of drilling to clean-out and case selected drill holes in preparation for the DHEM survey. In addition to this work, historic data compilation and 3D geological modelling was undertaken in support of additional targeting programs.



RENISON EXPLORATION – PRIORITY TARGET AREAS RELATIVE TO THE RENISON OREBODY SHOWING SELECTED HISTORIC DRILL HOLES (YELLOW) FOR DHEM SURVEY

Renison Tailings Retreatment Project

The objective of the Rentails Project is to re-process the estimated 22.5 Mt of tailings at an average grade of 0.44% tin and 0.23% copper from the historical processing of tin ore. The current tailings dams have a Probable Ore Reserve containing approximately 99,000 tonnes of tin and 51,000 tonnes of copper.

The Rentails Definitive Feasibility Study proposed to retreat the historical tailings over an 11-year period at an average rate of 2Mtpa to produce approximately 5,400 tonnes of tin in a high grade tin fume product and 2,200 tonnes of copper in a high grade copper matte (refer to ASX announcement dated 3 July 2017).

The key Rentails activities during the period were the continuation of the environmental approvals process and further evaluation of tin fuming testwork. Mining studies, with associated geochemical testwork, to produce a basis of design for tailings dam deconstruction and reconstruction have been completed.

Mt Bischoff Project

The Mt Bischoff Project is located approximately 80km north of the Renison mine. Mt Bischoff was a significant historical tin operation, producing some 60,000 tonnes of tin metal since the late 1800's. Open pit mining by the Company between 2009 and 2011 produced a further 5,000 tonnes of tin metal before the initial open pit mine was depleted. Whilst the mine remains on care and maintenance, significant resources remain at depth and numerous historically mined areas remain underexplored and offer future development opportunity at higher tin prices.

NICKEL DIVISION

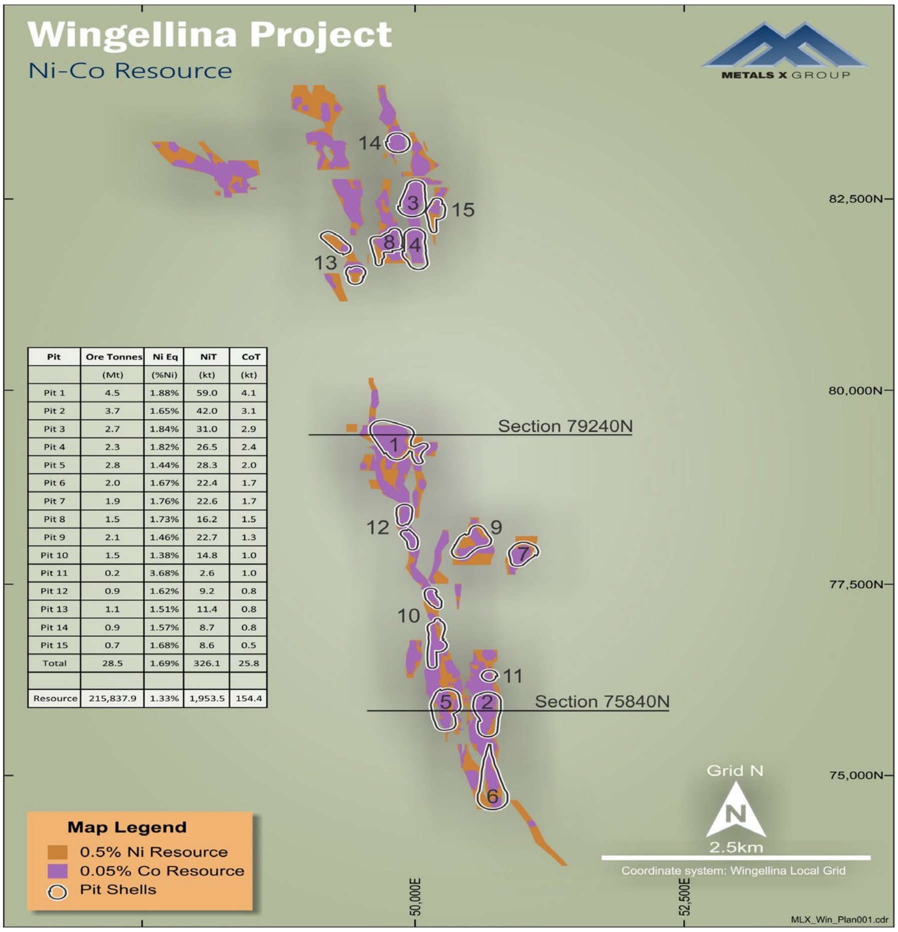
Metals X's nickel strategy remains focused on the Central Musgrave Nickel Project that straddles the triple-point of the Western Australia/Northern Territory/South Australia borders. The project comprises the globally significant Wingellina nickel-cobalt limonite deposit, the similar Claude Hills deposit and the Mt Davies exploration prospects. The project includes a large tract of prospective exploration tenure encompassing the whole of the Wingellina layered intrusive sub-set of the Giles Complex rocks in Western and Southern Australia.

Wingellina is one of the largest undeveloped nickel–cobalt deposits in the world. Metals X has defined an Ore Reserve estimate of approximately 168 million tonnes containing 1.56 million tonnes of nickel, 123,000 tonnes of cobalt and a significant inventory of scandium and iron.

Metals X has completed a feasibility study (+/-25%) and has signed an agreement with the Traditional Owners which provides consent to undertake mining activities. Metals X has also received Environmental Protection Authority (EPA) approval to develop the project.

During the previous period, the Company undertook a review of the high grade cobalt and nickel zones and identified an initial 15 high grade pits. An infill drilling program was successfully completed on 6 of 15 identified high grade nickel-cobalt pit shells within the defined resource area. The drilling program demonstrated the potential for a high grade, smaller project start-up with a lower capital cost. Metals X also successfully completed metallurgical testwork for the production of high quality nickel sulphate and cobalt sulphate from Wingellina.

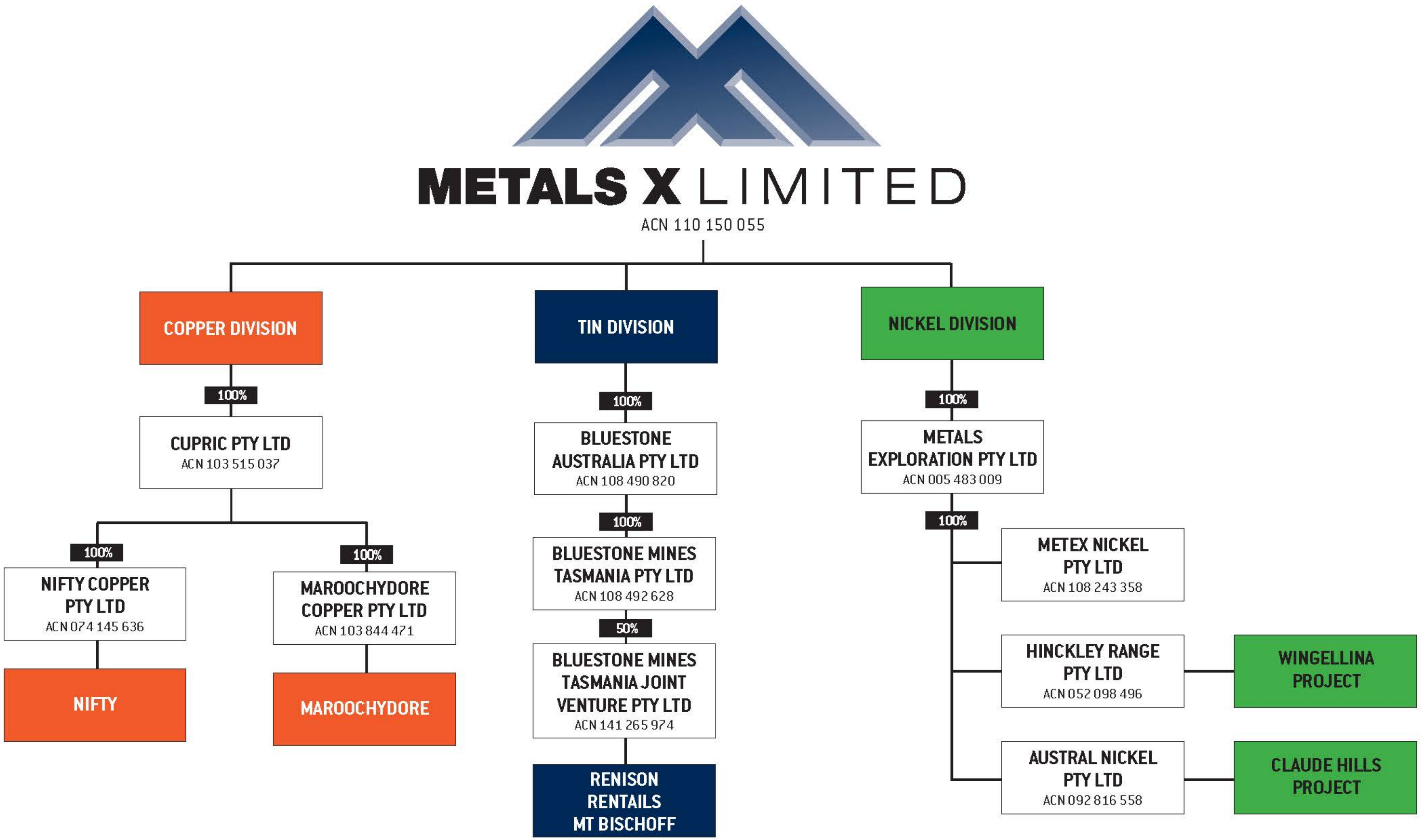
The potential for improved economics from a high grade start-up and demonstrated ability to produce nickel sulphate and cobalt sulphate provides further options for the development of the project in terms of scale, payback on capital and final product. Off the back of these expanded options for the project, Metals X has actively re-engaged in discussions with potential partners for the development of Wingellina. This includes parties with which initial discussions have been held previously as well as other interested organisations including downstream end-users of product.



Pit	Ore Tonnes	Ni Eq	NiT	CoT
	(Mt)	(%Ni)	(kt)	(kt)
Pit 1	4.5	1.88%	59.0	4.1
Pit 2	3.7	1.65%	42.0	3.1
Pit 3	2.7	1.84%	31.0	2.9
Pit 4	2.3	1.82%	26.5	2.4
Pit 5	2.8	1.44%	28.3	2.0
Pit 6	2.0	1.67%	22.4	1.7
Pit 7	1.9	1.76%	22.6	1.7
Pit 8	1.5	1.73%	16.2	1.5
Pit 9	2.1	1.46%	22.7	1.3
Pit 10	1.5	1.38%	14.8	1.0
Pit 11	0.2	3.68%	2.6	1.0
Pit 12	0.9	1.62%	9.2	0.8
Pit 13	1.1	1.51%	11.4	0.8
Pit 14	0.9	1.57%	8.7	0.8
Pit 15	0.7	1.68%	8.6	0.5
Total	28.5	1.69%	326.1	25.8
Resource	215,837.9	1.33%	1,953.5	154.4

OVERVIEW OF WINGELLINA DEPOSIT SHOWING 9KM FOOTPRINT OF +0.5% NI RESOURCE WIREFRAMES, +0.05% CO RESOURCE WIREFRAMES AND POTENTIAL HIGH GRADE OPEN PIT OUTLINES. ALL COORDINATES ARE WINGELLINA 2015 LOCAL GRID

CORPORATE STRUCTURE



The Directors submit their report together with the financial and annual report of Metals X Limited and of the Consolidated Entity, being the Company and its controlled entities, for the year ended 30 June 2019.

DIRECTORS

The names and details of the Company's Directors in office during the financial period and until the date of this report are as follows. Directors were in office for this entire period unless otherwise stated.

Names, qualifications, experience and special responsibilities

Peter Newton – Independent Non-Executive Chairman

Mr Newton was a stockbroker for 25 years until 1994. Since then he has been a significant participant in the Australian resource industry as an investor and a director of a number of listed companies. In past years, he has been the Chairman of both Hill 50 Limited and Abelle Limited. Mr Newton is also the Chairman of the Company's Remuneration & Nomination Committee and serves on the Audit & Risk Committee.

During the past three years he has served as a director of the following public listed companies:

- Westgold Resources Limited *.

Damien Marantelli - Managing Director (Appointed 12 November 2018)

Mr Marantelli has a Diploma of Mining Engineering from the Royal Melbourne Institute of Technology and extensive worldwide operational experience spanning almost 40 years in the industry. During the past 18 years, Mr Marantelli has had General Manager or Chief Operating Officer accountability for open pit and underground mines in Australia, Turkey, Spain, Zambia, Canada and Mexico. This includes exposure to bulk materials, base metals and precious metals as well as overall exploration and brownfields project management at those operations.

Mr Marantelli has held no public company directorships in the past three years.

Warren Hallam - Managing Director (Appointed 1 March 2005 – Resigned 12 November 2018)

Mr Hallam is a Metallurgist (B. App Sci (Metallurgy)), a Mineral Economist (MSc (Min. Econ)), holds a Graduate Diploma in finance and has around 30 years of technical and commercial experience within the resources industry.

During the past three years he has served as a director of the following public listed companies:

- Westgold Resources Limited (Appointed 18 March 2010 – Resigned 2 February 2017).

Stephen Robinson – Executive Director (Appointed 25 November 2016 – Resigned 3 September 2018)

Mr Robinson holds a BSc and is an experienced Australian mining executive and a Rhodes Scholar. Mr Robinson has extensive international experience at senior executive levels within the mining industry. Previously he has been the Director of Business Development & Strategy at Barrick (Australia Pacific) Limited, Group Manager Planning with Iluka Resources Ltd and a senior manager in the gold business unit at WMC Resources Ltd.

During the past three years he has served as a director of the following public listed companies:

- Sumatra Copper & Gold Plc (Appointed 8 July 2013 - Resigned 30 June 2017).

Simon Heggen – Independent Non-Executive Director

Mr Heggen holds a Bachelor of Economics and a Bachelor of Laws Degrees from the Australian National University and has around 30 years proven experience in strategic planning, corporate development, M&A and corporate finance within the Resources sector. Mr Heggen is Chairman of the Company's Audit Committee and also serves on the Remuneration & Nomination Committee.

During the past three years he has served as a director of the following public listed companies:

- Auris Minerals Limited (Appointed 31 October 2015 – Resigned 25 November 2015).

Yimin Zhang – Non-Executive Director

Mr Zhang is the Chief Representative for Jinchuan Australia and is also an Executive Director of Sino Nickel Pty Limited. Mr Zhang has worked for Jinchuan since 1981 and has been posted to several overseas positions to which he has been involved in numerous Jinchuan co-operative ventures. Mr Zhang holds a Diploma from the Metallurgical and Architectural Institute of Chang Chun. Mr Zhang served as an Alternative Non-Executive Director for Mr Xie Penggen until 9 January 2017, at that time Mr Zhang was appointed a Non-Executive Director of the Company.

Mr Zhang has held no public company directorships in the past three years.

Milan Jerkovic – Independent Non-Executive Director

Mr Jerkovic has over 30 years of experience in the mining industry involving resource evaluation, operations, financing, acquisition, project development and general management. Mr Jerkovic is a Geologist with post graduate qualifications in Mineral Economics and Mining, is a Fellow of the Australian Institute of Mining and Metallurgy and a member of the Australasian Institute of Company Directors. He was previously the CEO of Straits Resources Limited and was the founding Chairman of Straits Asia Resources Limited which was listed on the Singapore Stock Exchange. Mr Jerkovic has also held positions with WMC, BHP, Nord Pacific, Hargraves, and Tritton. Mr Jerkovic is currently Chairman of both Geopacific Resources Limited and Blackham Resources Limited. Mr Jerkovic also serves on the Company's Audit and Remuneration & Nomination Committees.

During the past three years he has served as a director of the following public listed companies:

- Blackham Resources Limited *; and
- Geopacific Resources Limited (Appointed 23 April 2013 – Resigned 8 May 2019).

* Denotes current directorship

INTERESTS IN THE SHARES OF THE COMPANY

As at the date of this report, the interests of the Directors in the shares and options of Metals X Limited were:

Director	Fully Paid Ordinary Shares	Options
DM Marantelli	-	3,000,000
SD Heggen	6,689	-
PJ Newton	16,070,217	-
M Jerkovic	917,500	-
Y Zhang	-	-
Total	**16,994,406**	**3,000,000**

COMPANY SECRETARY

Fiona Van Maanen – Chief Financial Officer and Company Secretary

Mrs Van Maanen is a CPA, holds a Bachelor of Business (Accounting) degree and a Graduate Diploma in Company Secretarial Practice. Mrs Van Maanen has significant experience in accounting and financial management in the mining and resources industry.

PRINCIPAL ACTIVITIES

The principal activities during the year of the Consolidated Entity were:

- operation of tin and copper mines in Australia; and
- exploration and development of base metals projects in Australia.

EMPLOYEES

The Consolidated Entity had 467 employees at 30 June 2019 (2018: 446).

DIVIDENDS

No dividends were paid during the period to members in respect to the 2018 financial year.

The Directors do not propose to pay any dividend for the financial year ended 30 June 2019.

Refer to note 10 for available franking credits.

SHARE OPTIONS

Unissued shares

As at the date of this report, there were 29,173,202 ordinary shares under options, refer to note 27(e).

Option holders do not have any right, by virtue of the option, to participate in any share issue of the Company or any related body corporate.

Shares issued as a result of exercising options

There were no options converted to shares during the financial year.

RESULTS OF OPERATIONS

In accordance with the transitional provisions of AASB 9 and AASB 15, the comparative information below has not been restated.

- Consolidated total loss after income tax - $116,968,634 (2018: loss $26,297,186);
- Total consolidated revenue - $204,722,012 (2018: $209,901,427);
- Total cost of sales - $238,146,757 (2018: $217,533,046);
- Impairment losses - $64,199,644 (2018: $1,988,131);
- Exploration and evaluation expenditure write off - $6,569,771 (2018: $115,718)
- Cash flows used in operating activities - $15,161,400 (2018: from $27,295,830);
- Cash flows used in investing activities - $46,309,541 (2018: $38,889,357); and
- Cash flows from financing activities - $41,600,495 (2018: used in $7,296,798).

Key results for the period are:

Capital Investment Activities

Cash flows used in investing activities was $46,309,541, which was higher than the previous period (2018: $38,889,357), mainly due to capital expenditure at Nifty. This was offset by the sale of shares investments for net proceeds of $4,542,993. Capital re-investment during the period:

- Tin Division $9,034,209 (2018: $21,361,744), expenditure was higher in the previous period due to the construction of the purpose built three stage crushing, screening and ore sorting plant and a tailings dam lift;
- Copper Division $40,498,845 (2018: $14,919,739), expenditure was higher than the previous period due to expenditure on upgrading and refurbishing infrastructure and additional capital development being undertaken to develop new mining areas outside of the Central Zone; and
- Nickel Division $1,187,766 (2018: $1,308,239).

RESULTS OF OPERATIONS (continued)

Copper Division

- Revenue from the Nifty Copper Operations was $119,445,784 (2018: $127,972,186). The revenue is lower than the previous year as a result of a lower copper price.
- The cost of sales was $159,566,683 (2018: $159,538,701) which was similar to the previous period due to a similar level of production from the mine. Total All-in-costs was $188,525,055 (2018: $169,684,968) which was higher than the previous period due to expenditure on upgrading and refurbishing infrastructure and additional capital development being undertaken to develop new mining areas outside of the Central Zone.

Performance of the Copper Division is summarised below:

		30 June 2019	30 June 2018
Physical Summary	**Units**		
UG Ore Mined	t	1,321,032	1,361,019
UG Grade Mined	% Cu	1.43	1.32
Ore Processed	t	1,254,879	1,361,371
Head Grade	g/t	1.45	1.33
Recovery	% Cu	92.58	92.16
Copper Produced	t	16,913	16,774
Copper Sold	t	15,776	15,738
Copper Price	A$/t	8,579	8,910
Realised Copper Price (net of Tc/Rc charges)	A$/t	7,571	8,131
Copper Sales Revenue (net of Tc/Rc charges)	A$	119,445,784	127,972,186
Cost Summary			
Mining	A$	75,472,175	82,313,732
Processing	A$	43,449,375	36,009,678
Admin	A$	18,735,339	23,800,592
Stockpile Adj	A$	(5,699,413)	(33,111)
C1 Cash Cost (produced t) *	**A$**	**131,957,476**	**142,090,891**
Cost per tonne produced	***A$/t***	**7,802**	**8,471**
Royalties	A$	6,498,003	6,618,388
Other Marketing Costs	A$	7,290,294	6,640,767
Sustaining Capital	A$	19,630,240	10,366,342
Reclamation & other adj.	A$	69,544	100,123
Corporate Costs	A$	934,075	1,029,372
All-in Sustaining Costs **	**A$**	**166,379,632**	**166,845,883**
Cost per tonne produced	***A$/t***	**9,838**	**9,947**
Project Startup Capital	A$	18,819,431	-
Exploration Holding Cost	A$	3,325,992	2,839,085
All-in Cost ***	**A$**	**188,525,055**	**169,684,968**
Cost per tonne produced	***A$/t***	**11,147**	**10,116**
Reconciliation to cost of sales			
All-in Sustaining Costs	A$	**166,379,632**	**166,845,883**
Sustaining Capital	A$	(19,630,240)	(10,366,342)
Depreciation and amortisation	A$	20,134,407	12,888,303
Inventory movements and other adjustments	A$	(7,317,116)	(9,829,143)
Cost of sales	**A$**	**159,566,683**	**159,538,701**

- * C1 Cash Cost (C1): represents the cost for mining, processing and administration after accounting for movements in inventory (predominantly ore stockpiles). It includes net proceeds from by-product credits, but excludes the cost of royalties and capital costs for exploration, mine development and plant and equipment.
- ** All-in Sustaining Cost (AISC): is made up of the C1 cash cost plus royalty expense, sustaining capital expense and general corporate and administration expenses.
- *** All-in Cost (AIC): is made up of the AISC plus growth (major project) capital and discovery expenditure.
- C1, AISC and AIC are non-IFRS financial information and are not subject to audit. These are widely used "industry standard" terms that certain investors use to evaluate company performance.

RESULTS OF OPERATIONS (continued)

Tin Division

- Revenue from the 50% owned Renison Tin Operations was $85,276,228 (2018: $81,929,241). The revenue was higher than the previous year as a result of higher tin sales and prices.
- The cost of sales was $78,580,075 (2018: $57,994,348). The costs are higher than the previous period due to increased operating costs associated with the new crushing plant and ore sorter, drawdown of the large low grade ore stockpile developed in the previous period as feed for the ore sorter and inventory write downs to net realisable value.

Performance of the Tin Division (50% share) is summarised below:

		30 June 2019	30 June 2018
Physical Summary	**Units**		
UG Ore Mined	t	398,990	401,174
UG Grade Mined	% Sn	1.21%	1.19%
Ore Processed	t	372,592	366,242
Head Grade	g/t	1.32%	1.25%
Recovery	% Sn	72.36%	73.31%
Tin Produced	t	3,562	3,370
Tin Sold	t	3,445	3,434
Tin Price	A$/t	27,913	26,595
Realised Tin Price (net of Tc/Rc charges)	A$/t	24,754	23,862
Tin Sales Revenue (net of Tc/Rc charges)	A$	85,276,228	81,929,241
Cost Summary			
Mining	A$	23,682,022	23,081,846
Processing	A$	19,967,097	16,438,961
Administration	A$	4,289,385	3,639,709
Stockpile Adj	A$	3,320,898	(3,349,166)
C1 Cash Cost	**A$**	**51,259,402**	**39,811,350**
Cost per tonne produced	***A$/t***	***14,391***	***11,814***
Royalties	A$	2,125,852	4,381,904
Other Marketing Costs	A$	456,526	487,088
Sustaining Capital	A$	8,078,134	10,979,218
Reclamation & other adj.	A$	18,432	42,097
Corporate Costs	A$	100,563	103,325
All-in Sustaining Costs	**A$**	**62,038,909**	**55,804,982**
Cost per tonne produced	***A$/t***	***17,417***	***16,559***
Project Startup Capital	A$	4,228,363	15,079,888
Exploration Holding Cost	A$	228,278	-
All-in Cost	**A$**	**66,495,550**	**70,884,870**
Cost per tonne produced	***A$/t***	***18,668***	***21,034***
Reconciliation to cost of sales			
All-in Sustaining Costs	A$	**62,038,909**	**55,804,982**
Sustaining Capital	A$	(8,078,134)	(10,979,218)
Depreciation and amortisation	A$	14,757,984	12,535,023
Inventory movements and other adjustments	A$	9,861,316	633,561
Cost of sales	**A$**	**78,580,075**	**57,994,348**

REVIEW OF OPERATIONS

A full review of the operations of the Consolidated Entity during the year ended 30 June 2019 is set out on page 13 of this report.

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

Total equity decreased by 40% ($68,856,845) to $101,593,334 (2018: $170,450,179). The decrease was mainly due to asset impairments ($64,199,644) and operating losses ($40,120,899) incurred at the Copper Division, which was offset by a capital raise of $50,000,000 (before costs) in August 2018.

SIGNIFICANT EVENTS AFTER THE BALANCE DATE

On 29 August 2019 the Company entered into a facility agreement with Citibank N.A. for a A$35,000,000 secured term loan facility ("Facility") through the Company's 100%-owned subsidiary Bluestone Mines Tasmania Pty Ltd. The key terms of the facility agreement are:

Loan term:	4 years;
Repayments:	Quarterly in arrears commencing 31 December 2019 with accelerated prepayment from cash sweep commencing 30 June 2020. Early repayment allowed, without penalty, at any time;
Security:	All material assets of the Company and certain subsidiaries excluding the Renison Tin Operations joint venture participating interest and tenements;
Key terms:	Mandatory tin hedging, minimum liquidity and standard debt service ratios; and
Conditions Precedent:	Drawdown conditional upon completion of tin hedge arrangements and other conditions customary for a facility of this nature.

LIKELY DEVELOPMENTS AND EXPECTED RESULTS

It is expected that the Consolidated Entity will continue its exploration, mining, processing, production and marketing of tin and copper concentrates in Australia, and will continue the development of its nickel exploration projects. These are described in more detail in the Review of Operations on page 13.

ENVIRONMENTAL REGULATION AND PERFORMANCE

The Consolidated Entity's operations are subject to the relevant environmental protection legislation (Commonwealth and State legislation). The Consolidated Entity holds various environmental licenses issued under these laws, to regulate its mining and exploration activities in Australia. These licenses include conditions and regulations in relation to specifying limits on discharges into the air, surface water and groundwater, rehabilitation of areas disturbed during the course of mining and exploration activities and the storage of hazardous substances.

All environmental performance obligations are monitored by the board of directors and subjected from time to time to Government agency audits and site inspections. There have been no material breaches of the Consolidated Entity's licenses and all mining and exploration activities have been undertaken in compliance with the relevant environmental regulations.

INDEMNIFICATION AND INSURANCE OF DIRECTORS AND OFFICERS

During the financial year, the Company paid a premium in respect of a contract of insurance to insure Directors and officers of the Company and related bodies corporate against those liabilities for which insurance is permitted under section 199B of the Corporations Act 2001. Disclosure of the nature of the liabilities and the amount of the premium is prohibited under the conditions of the contract of insurance.

INDEMNIFICATION OF AUDITORS

To the extent permitted by law, the Company has agreed to indemnify its auditors, Ernst & Young, as part of the terms of its audit engagement agreement against claims by third parties arising from the audit (for an unspecified amount). No payment has been made to indemnify Ernst & Young during or since the financial year.

REMUNERATION REPORT (Audited)

Contents

1. REMUNERATION REPORT OVERVIEW

The Directors of Metals X present the Remuneration Report ("the Report") for the Consolidated Entity for the year ended 30 June 2019 ("FY2019"). This Report forms part of the Director's Report and has been audited in accordance with section 300A of the *Corporations Act 2001* and its regulations.

The Report details the remuneration arrangements for Metals X's Key Management Personnel ("KMP"):

- Non-Executive Directors ("NEDs")
- Managing Director ("MD"), executive directors and senior executives (collectively the executives).

KMP are those who directly or indirectly, have authority and responsibility for planning, directing and controlling the major activities of the Consolidated Entity and includes all directors of the parent entity.

Details of KMP of the Consolidated Entity are set out below:

	Name	Position	Appointed	Resigned
(i)	**Non-Executive Directors**			
	PJ Newton	Non-Executive Chairman	14 Dec 2012	-
	SD Heggen	Non-Executive Director	25 Oct 2012	-
	M Jerkovic	Non-Executive Director	1 May 2017	-
	DM Marantelli [1]	Non-Executive Director	3 Sep 2018	12 Nov 2018
	Y Zhang	Non-Executive Director	9 Jan 2017	-
(ii)	**Executive Directors**			
	DM Marantelli [1]	Managing Director	12 Nov 2018	-
	WS Hallam	Managing Director	1 Mar 2005	12 Nov 2018
	SD Robinson [2]	Executive Director	1 Jul 2005	3 Sep 2018
(iii)	**Senior Executives**			
	CC Baird	EGM – Mining & Technical	3 Sep 2018	-
	RL Cole	General Manager – Nifty	23 Aug 2018	-
	JR Croall	General Manager – Nifty	2 Nov 2017	6 July 2018
	AH King	Chief Operating Officer	24 Feb 2014	12 Nov 2018
	M Recklies	General Manager - Renison	24 Mar 2017	-
	SB Rigby	EGM – Geology & Business Development	5 Jun 2018	-
	SD Robinson [2]	EGM – Projects & Planning	3 Sep 2018	-
	FJ Van Maanen	CFO & Company Secretary	1 Jul 2005	-

1. DM Marantelli was appointed as a Non-executive Director on 3 September 2018 and was subsequently employed as an Executive Director on 12 November 2018.
2. SD Robinson resigned as an Executive Director on 3 September and was subsequently employed as the EGM - Projects and Planning.

2. REMUNERATION GOVERNANCE

Remuneration and Nomination Committee Responsibility

The remuneration and nomination committee is a subcommittee of the Board. It is primarily responsible for making recommendations to the Board on:

- Non-Executive Director fees;
- Executive remuneration (directors and senior executives); and
- The executive remuneration framework and incentive plan policies.

REMUNERATION REPORT (Audited) (continued)

2. REMUNERATION GOVERNANCE (CONTINUED)

The remuneration and nomination committee assesses the appropriateness of the nature and amount of remuneration of non-executive directors and executives on a periodic basis by reference to relevant employment market conditions with the overall objective of ensuring maximum stakeholder benefit from the retention of a high performing director and executive team.

The composition of the remuneration and nomination committee is set out on page 31 of this annual report.

Use of remuneration consultants

In forming remuneration recommendations, each year the Remuneration and Nomination Committee ("the Committee") obtains and considers industry specific independent data and professional advice as appropriate. All reports and professional advice relating to the MD's remuneration are commissioned and received directly by the Committee.

The Committee did not engage a remuneration consultant in FY2019. In accordance with the Committee's charter, where a remuneration consultant is appointed in relation to remuneration of KMP, the Committee directly engages the consultant and receives the reports of the consultant. The Committee has delegated authority to the MD for approving remuneration recommendations for employees other than KMP, within the parameters of approved remuneration levels and structures.

During the FY2018 period the Committee approved the engagement of BDO Remuneration and Reward Pty Ltd ("BDO") to review and provide recommendations on the Consolidated Entity's executive remuneration framework and policies.

Both BDO and the Committee are satisfied the advice received from BDO was free from undue influence from the KMP to whom the remuneration recommendations apply.

The fees paid to BDO for the remuneration recommendations in FY2018 were $27,250.

Outcome of BDO Remuneration Review

Following the BDO remuneration review the following changes to the remuneration structure were made during *FY2018:*

The introduction of a formal short term incentive ("STI") policy that has the objective of linking executive remuneration with the achievement of the Consolidated Entity's key operational and financial targets. The STI will be an annual "at risk" component of remuneration for executives that is payable in cash based on performance against key performance indicators (refer to section 4).

Following the BDO *remuneration review the following changes to the remuneration structure were made in FY2019:*

The long term incentive policy was amended to focus the efforts of executives on long term value creation to further align management's interests with those of the shareholders. The LTI is an annual "at risk" component of remuneration for executives that is payable in performance options (being an option to acquire an ordinary share in Metals X for nil consideration).

The MD will have a maximum LTI opportunity of 80% of fixed remuneration and other executives have a maximum LTI opportunity of 60% of fixed remuneration. The number of performance options to be granted will be determined by dividing the LTI remuneration dollar amount by the volume weighted average price of Metals X shares traded on the ASX during the 5 day trading period prior to the day of the grant.

As a transitional arrangement, for the options granted in FY2019, the LTI performance period was treated as two tranches:

- 50% of the performance options will be performance tested against the LTI performance measures for the period 1 July 2018 to 30 June 2020.
- 50% of the performance options will be performance tested against the LTI performance measures for the period 1 July 2018 to 30 June 2021.

All subsequent grants of performance options will have a three year performance period. There will be no opportunity for re-testing. Any performance options that do not vest will lapse after testing. Executives are able to exercise any performance options that vest for up to two years after the vesting date before the vested performance options lapse.

REMUNERATION REPORT (Audited) (continued)

Performance options will be subject to the following performance conditions:

- Relative Total Shareholder Return ("Relative TSR") (50%); and
- Return on Capital Employed ("ROCE") (50%).

Relative Total Shareholder Return Performance Condition

Total Shareholder Return is the percentage growth in shareholder value, which takes into account factors such as changes in share price and dividends paid. The Relative TSR performance condition measures Metals X's ability to deliver superior shareholder returns relative to its peer companies by comparing the TSR performance of Metals X against the performance of the S&P/ASX Metals and Mining Index.

The Board considers that TSR is an appropriate performance hurdle because it ensures that a proportion of each participant's remuneration is explicitly linked to shareholder value and ensures that participants only receive a benefit where there is a corresponding direct benefit to shareholders.

The vesting schedule for the Relative TSR measure is as follows:

Relative TSR Performance	% Contribution to the Number of Employee Options to Vest
Below Index	0%
Equal to the Index	50%
Above Index and below 15% above the Index	Pro-rata from 50% to 100%
15% above the Index	100%

Return on Capital Employed Performance Condition

ROCE measures the efficiency with which management uses capital in seeking to increase shareholder value.

The Board considers ROCE as an appropriate measure as it focuses executives on generating earnings that efficiently use shareholder capital as the reinvestment of earnings.

The vesting schedule for the ROCE measure is as follows:

ROCE Performance	% Contribution to the Number of Employee Options to Vest
Less than or equal to the average annual weighted average cost of capital ("WACC")	0%
WACC (calculated as above) + 3%	50%
WACC (calculated as above) + between 3% and 6%	Pro-rata from 50% to 100%
WACC (calculated as above) + 6%	100%

3. NON-EXECUTIVE DIRECTOR REMUNERATION

NED Remuneration Policy

Metals X's NED fee policy is designed to attract and retain high calibre directors who can discharge the roles and responsibilities required in terms of good governance, strong oversight, independence and objectivity.

The Company's constitution and the ASX listing rules specify that the NED fee pool limit, shall be approved periodically by shareholders. The last determination was at the annual general meeting ("AGM") held on 26 November 2014 when shareholders approved an aggregate fee pool of $600,000 per year.

The amount of the aggregate remuneration sought to be approved by shareholders and the manner in which it is paid to NEDs is reviewed annually against comparable companies. The Board also considers advice from external advisors when undertaking the review.

Non-executive directors have long been encouraged by the Board to hold shares in the Company and align their interests with the Company's shareholders. The shares are purchased by the directors at the prevailing market share price.

REMUNERATION REPORT (Audited) (continued)

3. NON-EXECUTIVE DIRECTOR REMUNERATION (continued)

NED Remuneration Structure

The remuneration of NEDs consists of director's fees. There is no scheme to provide retirement benefits to NEDs other than statutory superannuation. NEDs do not participate in any performance related incentive programs.

Fees paid to NEDs cover all activities associated with their role on the Board and any sub-committees. No additional fees are paid to NEDs for being a Chair or Member of a sub-committee. However, NEDs are entitled to fees or other amounts as the Board determines where they perform special duties or otherwise perform extra services on behalf of the Company. They may also be reimbursed for out of pocket expenses incurred as a result of their Directorships.

4. EXECUTIVE REMUNERATION

Executive Remuneration Policy

In determining executive remuneration, the Board aims to ensure that remuneration practices are:

- competitive and reasonable, enabling the Company to attract and retain high calibre talent;
- aligned to the Company's strategic and business objectives and the creation of shareholder value;
- transparent and easily understood; and
- acceptable to shareholders.

The Company's approach to remuneration ensures that remuneration is competitive, performance-focused, clearly links appropriate reward with desired business performance, and is simple to administer and understand by executives and shareholders.

In line with the remuneration policy, remuneration levels are reviewed annually to ensure alignment to the market and the Company's stated objectives.

Executive Remuneration Structure

The Company's remuneration structure provides for a combination of fixed and variable pay with the following components:

- fixed remuneration;
- short-term incentives ("STI"); and
- long-term incentives ("LTI").

In accordance with the Company's objective to ensure that executive remuneration is aligned to Company performance, a portion of executives' remuneration is placed "at risk". The relative proportion of FY2019 total remuneration packages split between the fixed and variable remuneration is shown below:

Executive	Fixed Remuneration	STI	LTI
Managing Director	43%	22%	35%
Other Executives	50%	20%	30%

Elements of remuneration

Fixed remuneration

Fixed remuneration consists of base salary, superannuation and other non-monetary benefits and is designed to reward for:

- the scope of the executive's role;
- the executive's skills, experience and qualifications; and
- individual performance.

REMUNERATION REPORT (Audited) (continued)

4. EXECUTIVE REMUNERATION (continued)

Short Term Incentive arrangements

Under the STI, all executives have the opportunity to earn an annual incentive award which is delivered in cash. The STI recognises and rewards annual performance.

<table>
<tr><td>How is it paid?</td><td>Any STI award is paid in cash after the assessment of annual performance.</td></tr>
<tr><td>How much can executives earn?</td><td>In FY2019, the MD had a maximum STI opportunity of 50% of total fixed remuneration and other executives had a maximum STI opportunity of 40% of total fixed remuneration.</td></tr>
<tr><td>How is performance measured?</td><td>A combination of personal and business Key Performance Indicators ("KPIs") are chosen to reflect the core drivers of short term performance and also to provide a framework for delivering sustainable value to the Consolidated Entity and its shareholders. Robust threshold, target and maximum targets are established for all KPIs to drive high levels of personal and business performance. The annual budget generally forms the basis for the target performance set by the Board. The specific KPIs and weightings may change from year to year to best reflect the priorities and critical success factors of the Company.
The following KPIs, weightings and measures were chosen for the 2019 financial year:
• KPI 1: All-in-sustaining cost ("AISC") per tonne (25%)
Threshold - 5% above budget, Target – equal to budget and Maximum – 5% below budget;
• KPI 2: Production (tonnes of copper and tin metal) (25%)
Threshold - 10% below budget, Target – equal to budget and Maximum – 10% above budget;
• KPI 3: Safety performance (25%)
Threshold - 5% below prior year TRIFR, Target – 10% below prior year TRIFR and Maximum – 15% below prior year TRIFR; and
• KPI 4: Board discretion based on performance of the Consolidated Entity and/or the individual (25%).</td></tr>
<tr><td>When is it paid?</td><td>The STI award is determined after the end of the financial year following a review of performance over the year against the STI performance measures by the Remuneration and Nomination Committee. The Board approves the final STI award based on this assessment of performance and the award is paid in cash up to three months after the end of the performance period.</td></tr>
<tr><td>What happens if an executive leaves?</td><td>Where an executive ceases to be an employee of the Consolidated Entity:
• due to resignation or termination for cause, before the end of the financial year, no STI is awarded for that year; or
• due to redundancy, ill health, death or other circumstances approved by the Board, the executive will be entitled to a pro-rata cash payment based on assessment of performance up to the date of ceasing employment for that year.
unless the Board determines otherwise.</td></tr>
<tr><td>What happens if there is a change of control</td><td>In the event of a change of control, a pro-rata cash payment will be made based on assessment of performance up to the date of the change of control (subject to Board discretion).</td></tr>
</table>

REMUNERATION REPORT (Audited) (continued)

4. EXECUTIVE REMUNERATION (continued)

Long Term Incentive arrangements

Under the LTI plan, annual grants of performance options are made to executives to align remuneration with the creation of shareholder value over the long-term.

How is it paid?	Executives are eligible to receive performance options. In FY2019 options issued were performance options, being an option to acquire an ordinary share in Metals X for nil consideration.
How much can executives earn?	The MD had a maximum LTI opportunity of 80% of total fixed remuneration and other executives had a maximum LTI opportunity of 50% of total fixed remuneration. The number of performance options to be granted will be determined by dividing the LTI remuneration dollar amount by the volume weighted average price of Metals X shares traded on the ASX during the 5 day trading period prior to the day of the grant.
How is performance measured?	Performance options are subject to performance measures over a two and three year performance period. The performance measures are: • Relative Total Shareholder Return (50%); and • Return on Capital Employed (50%). Refer to note 30 for vesting schedules of the performance measures.
When is performance measured?	Performance is measured at the end of the performance periods. The performance periods is 1 July 2019 to 30 June 2022.
What happens if an executive leaves?	Where an executive ceases to be an employee of the Consolidated Entity: • due to resignation or termination for cause, then any unvested performance options will automatically lapse on the date of the cessation of employment; or • due to redundancy, ill health, death or other circumstances approved by the Board, the executive will generally be entitled to a pro-rata number of unvested performance options based on achievement of the performance measures over the performance period up to the date of cessation of employment; and • where an employee ceases employment after the vesting of their performance options, the performance options automatically lapse after three months of cessation of employment. unless the Board determines otherwise.
What happens if there is a change of control	In the event of a change of control, the performance period end date will be brought forward to the date of the change of control and performance options will vest based on performance over the shortened period (subject to board discretion).
Are executives eligible for dividends	Executives are not eligible to receive dividends on unvested performance options.

Sign on payments

In addition to fixed remuneration, STI and LTI, the Board may determine, from time to time, to award sign on payments to new executives.

Mr Marantelli received a share-based sign on payment of 3,000,000 options. In January 2019, after receiving approval from shareholders at an Extraordinary General Meeting, the options were granted to Mr Marantelli. The options will vest over a three year period, as follows: 1,000,000 options on 22 January 2020, 1,000,000 options on 22 January 2021 and 1,000,000 options on 22 January 2022 (refer to Table 3 for further details). There are no other performance conditions as this was designed to attract and retain talent.

REMUNERATION REPORT (Audited) (continued)

5. PERFORMANCE AND EXECUTIVE REMUNERATION OUTCOMES

Remuneration earned by executives in 2019

The actual remuneration earned by executives in the year ended 30 June 2019 is set out in Table 1. This provides shareholders with a view of the remuneration paid to executives for performance in FY2019.

STI performance and outcomes

A combination of financial and non-financial measures were used to measure performance for STI rewards. Company performance against those measures is as follows for FY2019:

Metric	Weighting	Actuals	Achievement	Weighted Achievement
AISC	Copper – 12.5% Tin – 12.5%	Copper - below threshold Tin - between threshold and target	Copper – 0% Tin – 28%	0% 3.5%
Production	Copper – 12.5% Tin – 12.5%	Copper - below threshold Tin – between target and maximum	Copper – 0% Tin – 76%	0% 9.5%
Reduction in total recordable injury frequency rate (TRIFR)	Copper – 12.5% Tin – 12.5%	Copper - below threshold Tin - between threshold and target	Copper – 0% Tin – 32%	0% 4.0%
Board Discretion	25%	Below threshold	0%	0%
Percentage of Maximum STI achieved				17%

The Board has absolute discretion to reduce, withhold or cancel the final STI award based on assessment of performance of the Consolidated Entity and/or the individual.

Based on this assessment, the STI payments for FY2019 to executives were recommended as detailed in the following table:

Name	Position	Maximum STI Awardable $	Achieved STI %	STI Awarded $
DM Marantelli	Managing Director	200,105 *	17%	34,703
RL Cole	General Manager – Nifty	148,920	-	-
CC Baird	EGM – Mining & Technical	147,128 *	17%	25,515
SB Rigby	EGM – Geology & Business Development	142,350	17%	24,687
SD Robinson	EGM – Projects & Planning	164,250	17%	28,485
FJ Van Maanen	Chief Financial Officer & Company Secretary	160,000	17%	27,748

** Maximum STI awardable is calculated on a pro-rata basis from date of employment.*

The STI payments, subject to Board approval, are expected to be paid in September 2019.

LTI performance and outcomes

LTI performance options granted to the Executives in FY2018 are subject to achievement of performance measures over a two and three year vesting period ending on 30 June 2020 and 30 June 2021 respectively.

LTI performance options granted to Executives in FY2019 will be subject to achievement of performance measures a three year vesting period ending on 30 June 2022.

No performance options vested during the period.

For further details of options granted and vested refer to Table 3 below.

REMUNERATION REPORT (Audited) (continued)

5. PERFORMANCE AND EXECUTIVE REMUNERATION OUTCOMES (continued)

Clawback of remuneration

In the event of serious misconduct or material misstatement in the Consolidated Entity's financial statements, the board has the discretion to reduce, cancel or clawback any unvested short term incentives or long term incentives.

Share trading policy

The Metals X trading policy applies to all non-executive directors and executives. The policy prohibits employees from dealing in Metals X securities while in possession of material non-public information relevant to the Consolidated Entity. Executives must not enter into any hedging arrangements over unvested long term incentives under the Consolidated Entity's long term incentive plan. The Consolidated Entity would consider a breach of this policy as gross misconduct, which may lead to disciplinary action and potentially dismissal.

Overview of company performance

The table below sets out information about Metals X's earnings and movements in shareholder wealth for the past five years up to and including the current financial year. In accordance with the transitional provisions of AASB 9 and AASB 15, the comparative information below has not been restated.

	30 June 2015 *	30 June 2016 *	30 June 2017	30 June 2018	30 June 2019
Closing share price	$1.38	$1.40	$0.67	$0.80	$0.25
Profit/(loss) per share (cents)	9.87	-5.21	-17.43	-4.30	-17.17
Net tangible assets per share	$0.72	$0.82	$0.27	$0.28	$0.15
Total Shareholder Return	35%	4%	12%	19%	-69%
Dividend paid per shares (cents)	2.950	-	1.000	0.000	-

* Pre demerger of Westgold Resources Limited.

6. EXECUTIVE EMPLOYMENT ARRANGEMENTS

A summary of the key terms of employment agreements for executives is set out below. There is no fixed term for executive service agreements and all executives are entitled to participate in the Company's STI and LTI plans. The Company may terminate employment agreements immediately for cause, in which the executive is not entitled to any payment other than the value of fixed remuneration and accrued leave entitlements up to the termination date.

Name	Base Salary	Superannuation	Notice Period	Termination Payment
DM Marantelli (Managing Director)	$550,000	9.5%	3 months	6 months base salary
CC Baird (EGM – Mining & Technical)	$400,000	9.5%	3 months	6 months base salary
RL Cole (General Manager – Nifty Copper Operations)	$340,000	9.5%	1 month	per NES *
M Recklies (General Manager – Renison Tin Operations) **	$280,000 [100%]	9.5%	1 month	per NES *
SB Rigby (EGM – Geology & Business Development)	$325,000	9.5%	3 months	6 months base salary
SD Robinson (Executive Director)	$375,000	9.5%	3 months	6 months base salary
FJ Van Maanen (Chief Financial Officer & Company Secretary)	$365,297	9.5%	3 months	6 months base salary

* NES are National Employment Standards as defined in the *Fair Work Act 2009 (Cth)*.

** Mr Recklies is the General Manager of the 50% owned Renison Tin Operations Joint Venture. Metals X Limited is responsible for 50% of Mr Recklies remuneration arrangements.

REMUNERATION REPORT (Audited) (continued)

6. EXECUTIVE EMPLOYMENT ARRANGEMENTS (continued)

Table 1: Remuneration for the year ended 30 June 2019

Remuneration of key management personnel of the Consolidated Entity	Short Term			Post employment	Long term benefits	Share based payment	Termination payments	Total	
	Salary and Fees	Cash Bonus	Non monetary benefits	Superannuation	Employee Entitlements	Options			% Performance related
Non-executive Directors									
PJ Newton	110,000	-	-	10,450	-	-	-	120,450	-
SD Heggen	80,000	-	-	7,600	-	-	-	87,600	-
M Jerkovic	80,000	-	-	7,600	-	-	-	87,600	-
Y Zhang	80,000	-	-	7,600	-	-	-	87,600	-
	350,000	**-**	**-**	**33,250**	**-**	**-**	**-**	**383,250**	
Executive Directors									
DM Marantelli [1]	368,019	34,703	-	34,962	34,449	125,676	-	597,809	27
WS Hallam [2]	213,508	-	5,059	48,613	10,642	199,389	407,695	884,906	23
Other key management personnel									
CC Baird [3]	333,333	25,515	4,609	31,667	19,302	45,893	-	460,319	16
RL Cole [3]	286,784	-	-	27,245	34,170	39,009	-	387,208	10
JR Croall [2]	6,624	-	-	5,538	(2,403)	(51,066)	51,667	10,360	(493)
AH King [2]	127,435	-	44	28,444	1,277	(175,085)	94,232	76,347	(229)
M Recklies	153,846	25,278	-	17,017	7,256	-	-	203,397	12
SB Rigby [3]	326,555	24,687	3,068	31,023	24,450	31,551	-	441,334	13
SD Robinson [4]	393,128	28,485	9,167	25,410	21,171	162,658	-	640,019	30
FJ Van Maanen	395,982	27,748	11,421	17,021	67,934	157,102	-	677,208	27
	2,605,214	**166,416**	**33,368**	**266,940**	**218,248**	**535,127**	**553,594**	**4,378,907**	
Totals	**2,955,214**	**166,416**	**33,368**	**300,190**	**218,248**	**535,127**	**553,594**	**4,762,157**	

1. DM Marantelli was appointed as a Non-executive Director on 3 September 2018 and was subsequently employed as an Executive Director on 12 November 2018.
2. WS Hallam and AH King both resigned on 12 November 2018 and JR Croall resigned on 6 July 2018.
3. CC Baird, RL Cole and SB Rigby were employed on 3 September 2018, 23 August 2018 and 5 June 2018 respectively.
4. SD Robinson resigned as an Executive Director on 3 September and was subsequently employed as the Executive General Manger-Projects and Planning.

DIRECTORS' REPORT (continued)

REMUNERATION REPORT (Audited) (continued)

6. EXECUTIVE EMPLOYMENT ARRANGEMENTS (continued)

Table 2: Remuneration for the year ended 30 June 2018

Remuneration of key management personnel of the Consolidated Entity	Short Term			Post employment	Long term benefits	Share based payment	Total	
	Salary and Fees	Cash Bonus	Non monetary benefits	Superannuation	Employee Entitlements	Options		% Performance related
Non-executive Directors								
PJ Newton	110,000	-	-	10,450	-	-	120,450	-
SD Heggen	80,000	-	-	7,600	-	-	87,600	-
M Jerkovic	80,000	-	-	7,600	-	-	87,600	-
Y Zhang	80,000	-	-	7,600	-	-	87,600	-
	350,000	**-**	**-**	**33,250**	**-**	**-**	**383,250**	
Executive Directors								
WS Hallam	478,700	127,716	7,321	25,000	2,732	498,225	1,139,694	55
SD Robinson [1]	385,625	83,293	8,426	25,000	1,768	185,544	689,656	39
Other key management personnel								
JR Croall [2]	204,679	-	-	19,445	-	-	224,124	-
AH King [3]	350,000	117,740	163	37,050	2,344	290,007	797,304	51
MR Poepjes [4]	245,980	-	4,341	20,879	-	56,695	327,895	17
M Recklies	141,544	14,565	9,932	14,830	-	-	180,871	8
FJ Van Maanen	312,954	70,996	9,466	19,300	1,766	290,007	704,489	51
	2,119,482	**414,310**	**39,649**	**161,504**	**8,610**	**1,320,478**	**4,064,033**	
Totals	**2,469,482**	**414,310**	**39,649**	**194,754**	**8,610**	**1,320,478**	**4,447,283**	

1. SD Robinson was appointed as a Non-executive Director on 25 November 2016 and was subsequently employed as an Executive Director on 1 May 2017.
2. JR Croall was appointed on 2 November 2017 and resigned on 6 July 2018.
3. AH King received a $40,000 board discretionary cash bonus in addition to the FY2018 STI award of $77,740.
4. MR Poepjes resigned on 11 May 2018.

REMUNERATION REPORT (Audited) (continued)

7. ADDITIONAL STATUTORY DISCLOSURES

This section sets out the additional disclosures required under the *Corporations Act 2001*.

Table 3: Options granted and vested during the year (Consolidated)

	Year	Options granted during the year (No.)	Performance options granted during the year (No.)	Grant date	Fair value per option at grant date	Value of options at grant date $	Vesting date	Exercise price	Expiry dated	Options vesting during the period	Options lapsed during the year
DM Marantelli [1]	**2019**	**1,000,000**	-	**25 Jan 2019**	**$0.12**	**124,410**	**22 Jan 2020**	**$0.54**	**22 Jan 2022**	-	-
DM Marantelli [1]	**2019**	**1,000,000**	-	**25 Jan 2019**	**$0.15**	**145,044**	**22 Jan 2021**	**$0.56**	**22 Jan 2023**	-	-
DM Marantelli [1]	**2019**	**1,000,000**	-	**25 Jan 2019**	**$0.16**	**163,212**	**22 Jan 2022**	**$0.58**	**22 Jan 2024**	-	-
CC Baird	**2019**	-	**83,413**	**7 Dec 2018**	**$0.26**	**21,270**	**1 Jul 2020**	**$0.00**	**30 Jun 2022**	-	-
CC Baird	**2019**	-	**83,413**	**7 Dec 2018**	**$0.40**	**33,365**	**1 Jul 2020**	**$0.00**	**30 Jun 2022**	-	-
CC Baird	**2019**	-	**83,413**	**7 Dec 2018**	**$0.27**	**22,522**	**1 Jul 2021**	**$0.00**	**30 Jun 2023**	-	-
CC Baird	**2019**	-	**83,413**	**7 Dec 2018**	**$0.40**	**33,365**	**1 Jul 2021**	**$0.00**	**30 Jun 2023**	-	-
RL Cole	**2019**	-	**70,901**	**7 Dec 2018**	**$0.26**	**18,080**	**1 Jul 2020**	**$0.00**	**30 Jun 2022**	-	-
RL Cole	**2019**	-	**70,901**	**7 Dec 2018**	**$0.40**	**28,360**	**1 Jul 2020**	**$0.00**	**30 Jun 2022**	-	-
RL Cole	**2019**	-	**70,901**	**7 Dec 2018**	**$0.27**	**19,143**	**1 Jul 2021**	**$0.00**	**30 Jun 2023**	-	-
RL Cole	**2019**	-	**70,901**	**7 Dec 2018**	**$0.40**	**28,360**	**1 Jul 2021**	**$0.00**	**30 Jun 2023**	-	-
SB Rigby	**2019**	-	**57,347**	**7 Dec 2018**	**$0.26**	**14,623**	**1 Jul 2020**	**$0.00**	**30 Jun 2022**	-	-
SB Rigby	**2019**	-	**57,347**	**7 Dec 2018**	**$0.40**	**22,939**	**1 Jul 2020**	**$0.00**	**30 Jun 2022**	-	-
SB Rigby	**2019**	-	**57,347**	**7 Dec 2018**	**$0.27**	**15,484**	**1 Jul 2021**	**$0.00**	**30 Jun 2023**	-	-
SB Rigby	**2019**	-	**57,347**	**7 Dec 2018**	**$0.40**	**22,939**	**1 Jul 2021**	**$0.00**	**30 Jun 2023**	-	-
SD Robinson	**2019**	-	**78,200**	**7 Dec 2018**	**$0.26**	**19,941**	**1 Jul 2020**	**$0.00**	**30 Jun 2022**	-	-
SD Robinson	**2019**	-	**78,200**	**7 Dec 2018**	**$0.40**	**31,280**	**1 Jul 2020**	**$0.00**	**30 Jun 2022**	-	-
SD Robinson	**2019**	-	**78,200**	**7 Dec 2018**	**$0.27**	**21,114**	**1 Jul 2021**	**$0.00**	**30 Jun 2023**	-	-
SD Robinson	**2019**	-	**78,200**	**7 Dec 2018**	**$0.40**	**31,280**	**1 Jul 2021**	**$0.00**	**30 Jun 2023**	-	-
SD Robinson [2]	2018	1,200,000	-	22-Nov-17	$0.25	305,178	22-Nov-18	$1.32	30-Nov-20	1,200,000	-
FJ Van Maanen	**2019**	-	**76,177**	**7 Dec 2018**	**$0.26**	**19,425**	**1 Jul 2020**	**$0.00**	**30 Jun 2022**	-	-
FJ Van Maanen	**2019**	-	**76,177**	**7 Dec 2018**	**$0.40**	**30,471**	**1 Jul 2020**	**$0.00**	**30 Jun 2022**	-	-
FJ Van Maanen	**2019**	-	**76,177**	**7 Dec 2018**	**$0.27**	**20,568**	**1 Jul 2021**	**$0.00**	**30 Jun 2023**	-	-
FJ Van Maanen	**2019**	-	**76,177**	**7 Dec 2018**	**$0.40**	**30,471**	**1 Jul 2021**	**$0.00**	**30 Jun 2023**	-	-
FJ Van Maanen	2018	1,200,000	-	23-Nov-17	$0.24	291,808	23-Nov-18	$1.32	30-Nov-20	1,200,000	-
WS Hallam [2]	2018	2,000,000	-	22-Nov-17	$0.25	508,630	22-Nov-18	$1.32	30-Nov-20	2,000,000	-
AH King [3]	2018	1,200,000	-	23-Nov-17	$0.24	291,808	23-Nov-18	$1.32	30-Nov-20	-	1,200,000

REMUNERATION REPORT (Audited) (continued)

7. ADDITIONAL STATUTORY DISCLOSURES (continued)

1. Grant of options was subject to shareholder approval at an Extraordinary General Meeting, which occurred on 22 January 2019.
2. Grant of options was subject to shareholder approval at the Annual General Meeting, which occurred on 22 November 2017.
3. During the period 1,200,000 options issued to AH King lapsed upon his resignation as the options had not vested at that date and were subsequently forfeited.

For details on vesting conditions and valuation of the options, including models and assumptions used, please refer to note 30.

The value of the share based payments granted during the period is recognised in compensation over the vesting period of the grant.

Table 4: Shareholdings of key management personnel (including nominees)

Ordinary shares held in Metals X Limited (number)

	Balance held at 30 June 2018	On exercise of options	Net change other ^	Balance held at 30 June 2019
Directors				
PJ Newton	14,070,217	-	2,000,000	16,070,217
WS Hallam	2,142,928	-	(2,142,928)	-
SD Heggen	6,689	-	-	6,689
M Jerkovic	367,500	-	550,000	917,500
DM Marantelli	-	-	-	-
Y Zhang	-	-	-	-
Executives				
CC Baird	-	-	123,000	123,000
RL Cole	-	-	-	-
JR Croall	-	-	-	-
AH King	71,072	-	(71,072)	-
M Recklies	1,487	-	15,000	16,487
SB Rigby	-	-	20,000	20,000
SD Robinson	45,000	-	84,000	129,000
FJ Van Maanen	521,041	-	-	521,041
Total	**17,225,934**	**-**	**578,000**	**17,803,934**

^ Represents acquisitions and disposals of shares on market and shares issued under the dividend reinvestment plan, as well as departures and appointments.

REMUNERATION REPORT (Audited) (continued)

7. ADDITIONAL STATUTORY DISCLOSURES (continued)

Table 5: Share option holdings of key management personnel (including nominees)

	Share options balance at end of period 30 June 2018	Share options granted as remuneration	Share options lapsed during the period and forfeited	Share options balance at end of period 30 June 2019	Share options not vested and not exercisable	Share options vested and exercisable
Directors						
PJ Newton	-	-	-	-	-	-
WS Hallam	4,000,000	-	-	4,000,000	-	4,000,000
SD Heggen	-	-	-	-	-	-
M Jerkovic	-	-	-	-	-	-
DM Marantelli	-	3,000,000	-	3,000,000	3,000,000	-
Y Zhang	-	-	-	-	-	-
Executives						
CC Baird	-	-	-	-	-	-
RL Cole	-	-	-	-	-	-
JR Croall	-	-	-	-	-	-
AH King	2,400,000	-	(2,400,000)	-	-	-
M Recklies	-	-	-	-	-	-
SB Rigby	-	-	-	-	-	-
SD Robinson	1,200,000	-	-	1,200,000	-	1,200,000
FJ Van Maanen	2,400,000	-	-	2,400,000	-	2,400,000
Total	**10,000,000**	**3,000,000**	**(2,400,000)**	**10,600,000**	**3,000,000**	**7,600,000**

^ Options lapsed during the period and forfeited.

REMUNERATION REPORT (Audited) (continued)

7. ADDITIONAL STATUTORY DISCLOSURES (continued)

Table 6: Performance option holdings of key management personnel (including nominees)

	Performance options balance at end of period 30 June 2018	Performance options granted as remuneration	Performance options lapsed during the period and forfeited	Performance options balance at end of period 30 June 2019	Performance options not vested and not exercisable	Performance options vested and exercisable
Directors						
PJ Newton	-	-	-	-	-	-
WS Hallam	-	-	-	-	-	-
SD Heggen	-	-	-	-	-	-
M Jerkovic	-	-	-	-	-	-
DM Marantelli	-	-	-	-	-	-
Y Zhang	-	-	-	-	-	-
Executives						
CC Baird	-	333,654	-	333,654	333,654	-
RL Cole	-	283,606	-	283,606	283,606	-
JR Croall	-	-	-	-	-	-
AH King	-	-	-	-	-	-
M Recklies	-	-	-	-	-	-
SB Rigby	-	229,388	-	229,388	229,388	-
SD Robinson	-	312,800	-	312,800	312,800	-
FJ Van Maanen	-	304,708	-	304,708	304,708	-
Total	**-**	**1,464,156**	**-**	**1,464,156**	**1,464,156**	**-**

End of Audited Remuneration Report.

DIRECTORS' MEETINGS

The number of meetings of Directors' (including meetings of committees of Directors) held during the year and the number of meetings attended by each Director was as follows:

	Directors Meetings	Audit Committee	Remuneration & Nomination Committee
No of meetings held:	9	2	3
No of meetings attended:			
WS Hallam	4	-	-
SD Heggen	9	2	3
M Jerkovic	9	2	3
PJ Newton	9	2	3
DM Marantelli	6	-	-
SD Robinson	3	-	-
Y Zhang	9	-	-

All Directors were eligible to attend all meetings held except for the following:

- Mr Hallam who resigned on 12 November 2019;
- Mr Marantelli who was appointed on 3 September 2019; and
- Mr Robinson who resigned on 3 September 2019.

COMMITTEE MEMBERSHIP

As at the date of this report, the Company had an Audit Committee and a Remuneration and Nomination Committee of the Board of Directors.

Members acting on the committees of the Board during the year were:

Audit Committee	Remuneration and Nomination Committee
SD Heggen *	PJ Newton *
PJ Newton	SD Heggen
M Jerkovic	M Jerkovic

Notes:

* Designates the Chairman of the Committee.

CORPORATE GOVERNANCE

In recognising the need for the highest standards of corporate behaviour and accountability, the Directors of the Company support and have adhered to the principles of Corporate Governance. The Company's corporate governance statement is available at the Company's website at http://metalsx.com.au/about us/corporate governance.

AUDITOR'S INDEPENDENCE AND NON-AUDIT SERVICES

AUDITOR INDEPENDENCE

The Directors' received the Independence Declaration, as set out on page 33, from Ernst & Young.

NON-AUDIT SERVICES

The following non-audit services were provided by the entity's auditor, Ernst & Young. The directors are satisfied that the provision of non-audit is compatible with the general standard of independence for auditors imposed by the *Corporations Act 2001*. The nature and scope of each type of non-audit service provided means that auditor independence was not compromised.

Ernst & Young received or are due to receive the following amounts for the provision of non-audit services (refer to note 32):

	$
Tax compliance services	54,500

Signed in accordance with a resolution of the Directors.

DM Marantelli
Managing Director
Perth, 29 August 2019

Ernst & Young
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Perth WA 6000 Australia
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Auditor's Independence Declaration to the Directors of Metals X Limited

As lead auditor for the audit of Metals X Limited for the financial year ended 30 June 2019, I declare to the best of my knowledge and belief, there have been:

a) No contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and

b) No contraventions of any applicable code of professional conduct in relation to the audit.

This declaration is in respect of Metals X Limited and the entities it controlled during the financial year.

Ernst & Young

Ernst & Young

Philip Teale
Partner
29 August 2019

PT:CT:MLX:028

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2019

	Notes	2019	2018
Continuing operations			
Revenue	5	204,722,012	209,901,427
Cost of sales	7(a)	(238,146,757)	(217,533,046)
Gross loss		**(33,424,745)**	**(7,631,619)**
Other income	6	919,945	1,817,195
Administration expenses	7(b)	(6,732,351)	(4,478,838)
Gain/(loss) on derivative instruments	7(c)	4,387,238	(10,364,135)
Finance costs	7(d)	(1,472,286)	(1,469,351)
Fair value change in financial assets	7(e)	(4,422,234)	(47,300)
Impairment loss on available-for-sale financial assets		-	(1,748,370)
Share-based payments	30	(693,929)	(2,019,289)
Fair value loss on provisionally priced trade receivables	12	(4,760,857)	-
Impairment loss on assets	39, 19	(64,199,644)	(239,761)
Exploration and evaluation expenditure written off	20	(6,569,771)	(115,718)
Loss before income tax from continuing operations		**(116,968,634)**	**(26,297,186)**
Income tax expense	8	-	-
Loss for the period from continuing operations		**(116,968,634)**	**(26,297,186)**
Other comprehensive income			
Items that may be reclassified subsequently to profit or loss			
Changes in the fair value of available-for-sale financial assets, net of tax		-	-
Other comprehensive loss for the period, net of tax		-	-
Total comprehensive loss for the period		**(116,968,634)**	**(26,297,186)**
Loss attributable to:			
Members of the parent		(116,968,634)	(26,297,186)
		(116,968,634)	**(26,297,186)**
Total comprehensive loss attributable to:			
Members of the parent		(116,968,634)	(26,297,186)
		(116,968,634)	**(26,297,186)**
Loss per share for the loss attributable to the ordinary equity holders of the parent (cents per share)			
Basic loss per share	9	(17.17)	(4.30)
Diluted loss per share	9	(17.17)	(4.30)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2019

	Notes	2019	2018
CURRENT ASSETS			
Cash and cash equivalents	11	11,364,399	31,234,845
Trade and other receivables	12	16,545,008	13,676,176
Inventories	13	45,858,778	55,278,112
Prepayments	14	2,455,368	1,421,373
Total current assets		**76,223,553**	**101,610,506**
NON-CURRENT ASSETS			
Other financial assets	15	10,771,569	10,311,569
Derivative financial instruments	16	44,850	82,950
Available-for-sale financial assets	17	-	9,170,714
Financial assets at fair value through profit and loss	17	243,586	-
Property, plant and equipment	18	46,465,692	48,585,729
Mine properties and development costs	19	42,547,133	80,287,603
Exploration and evaluation expenditure	20	10,178,774	11,242,392
Total non-current assets		**110,251,604**	**159,680,957**
TOTAL ASSETS		**186,475,157**	**261,291,463**
CURRENT LIABILITIES			
Trade and other payables	21	25,441,824	31,686,792
Derivative financial instruments	22	-	1,078,251
Provisions	23	7,817,701	6,752,654
Interest bearing loans and borrowings	25	5,043,404	4,848,201
Total current liabilities		**38,302,929**	**44,365,898**
NON-CURRENT LIABILITIES			
Provisions	24	42,268,613	40,953,035
Interest bearing loans and borrowings	26	4,310,335	5,522,351
Total non-current liabilities		**46,578,948**	**46,475,386**
TOTAL LIABILITIES		**84,881,877**	**90,841,284**
NET ASSETS		**101,593,280**	**170,450,179**
EQUITY			
Issued capital	27	302,004,550	254,586,744
Accumulated losses	28	(228,455,539)	(115,249,072)
Share based payments reserve	29	28,044,269	27,350,340
Fair value reserve	29	-	3,762,167
TOTAL EQUITY		**101,593,280**	**170,450,179**

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2019

	Notes	2019	2018
OPERATING ACTIVITIES			
Receipts from customers		201,635,495	229,168,725
Interest received		816,179	702,626
Other income		97,376	472,471
Payments to suppliers and employees		(217,168,988)	(202,568,449)
Interest paid		(541,462)	(479,543)
Net cash flows (used in)/from operating activities	11	**(15,161,400)**	**27,295,830**
INVESTING ACTIVITIES			
Payments for property, plant and equipment		(10,845,722)	(21,011,277)
Payments for mine properties and development		(34,516,083)	(10,427,201)
Payments for exploration and evaluation		(5,506,154)	(6,465,944)
Proceeds from sale of property, plant and equipment		15,425	664,621
Payments for equity instruments		-	(1,618,306)
Payment for derivatives held for trading		-	(31,250)
Proceeds from sale of equity instruments		4,542,993	-
Net cash flows used in investing activities		**(46,309,541)**	**(38,889,357)**
FINANCING ACTIVITIES			
Payment of finance lease liabilities		(5,351,548)	(3,831,333)
Payments for dividends		(5,763)	(4,530,084)
Proceeds from share issue		50,000,000	532,000
Payments for share issue costs		(2,582,194)	(13,861)
Payments for performance bond facility		(460,000)	546,480
Net cash flows from/(used in) financing activities		**41,600,495**	**(7,296,798)**
Net increase/(decrease) in cash and cash equivalents		(19,870,446)	(18,890,325)
Cash and cash equivalents at the beginning of the financial period		31,234,845	50,125,170
Cash and cash equivalents at the end of the period	11	**11,364,399**	**31,234,845**

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2019

	Issued capital	Accumulated losses	Share based payments reserve	Fair value reserves	Total Equity
2018					
At 1 July 2017	**252,511,413**	**(82,858,477)**	**25,331,051**	**3,762,167**	**198,746,154**
Profit for the year	-	(26,297,186)	-	-	(26,297,186)
Other comprehensive income, net of tax	-	-	-	-	-
Total comprehensive (loss)/profit for the year net of tax	-	(26,297,186)	-	-	(26,297,186)
Transactions with owners in their capacity as owners					
Dividend paid	-	(6,093,409)	-	-	(6,093,409)
Share based payments	-	-	2,019,289	-	2,019,289
Issue of share capital	2,089,192	-	-	-	2,089,192
Share issue costs	(13,861)	-	-	-	(13,861)
At 30 June 2018	**254,586,744**	**(115,249,072)**	**27,350,340**	**3,762,167**	**170,450,179**
2019					
At 1 July 2018 as previous stated	**254,586,744**	**(115,249,072)**	**27,350,340**	**3,762,167**	**170,450,179**
New accounting standards adjustment to opening balances (note 2(e))	-	3,762,167	-	(3,762,167)	-
Restated at 1 July 2018	**254,586,744**	**(111,486,905)**	**27,350,340**	**-**	**170,450,179**
Loss for the year	-	(116,968,634)	-	-	(116,968,634)
Other comprehensive income, net of tax	-	-	-	-	-
Total comprehensive (loss)/profit for the year net of tax	-	(116,968,634)	-	-	(116,968,634)
Transactions with owners in their capacity as owners					
Share based payments	-	-	693,929	-	693,929
Issue of share capital	50,000,000	-	-	-	50,000,000
Share issue costs	(2,582,194)	-	-	-	(2,582,194)
At 30 June 2019	**302,004,550**	**(228,455,539)**	**28,044,269**	**-**	**101,593,280**

1. CORPORATE INFORMATION

The financial report of Metals X Limited for the year ended 30 June 2019 was authorised for issue in accordance with a resolution of the Directors on 22 August 2019.

Metals X Limited ("the Company or the Parent") is a for profit company limited by shares incorporated in Australia whose shares 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 5, 197 St Georges Terrace, Perth WA 6000.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of Preparation

The financial report is a general purpose financial report, which has been prepared in accordance with the requirements of the *Corporations Act 2001* and Australian Accounting Standards and other authoritative pronouncements of the Australian Accounting Standards Board.

The financial report has been prepared on a historical cost basis, except for certain financial assets measured at fair value through profit and loss.

The financial report is presented in Australian dollars.

(b) Statement of compliance

The financial report complies with Australian Accounting Standards as issued by the Australian Accounting Standards Board which include International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board.

(c) Going concern basis of preparation

The Consolidated Entity incurred a net loss after income tax of $116,968,634 for the year ended 30 June 2019 (2018: $26,297,186) which includes an impairment loss on assets of $64,199,644 (2018: $239,761) and a net cash outflow of $19,870,446 (2018: outflow $18,890,325) which includes proceeds from share issue of $50,000,000 (2018: $532,000). As at 30 June 2019 the Consolidated Entity had cash and cash equivalents of $11,364,399 (2018: $31,234,845) and a net current asset surplus of $37,920,624 (2018: $57,244,608 surplus). The Consolidated Entity's available cash on 29 August 2019 amounted to $15,545,194.

The Consolidated Entity will require further funding in future years to progress its projects. Based on the Consolidated Entity's cash flow forecast the Board of Directors is aware of the Consolidated Entity's need to access additional working capital in the future to enable the Consolidated Entity to continue its normal business activities and to ensure the realisation of assets and extinguishment of liabilities as and when they fall due.

The Directors are satisfied that at the date of signing of the financial report, there are reasonable grounds to believe that the Consolidated Entity will be able to continue to meet its debts as and when they fall due and that it is appropriate for the financial statements to be prepared on a going concern basis. The Directors have based this on the following pertinent matters:

- The Directors regularly monitor the Consolidated Entity's cash position and, on an on-going basis, consider a number of strategic initiatives to ensure that adequate funding continues to be available.
- The Consolidated Entity has entered into a loan facility with Citibank N.A. for $35,000,000 (refer to note 40 and ASX announcement dated 29 August 2019). The loan will be available for drawn down in early September 2019.
- The Directors have determined that future equity raisings will be required in the next financial year to provide funding for the Consolidated Entity's activities and to meet the Consolidated Entity's objectives.
- The Directors believe that future funding will be available to meet the Consolidated Entity's objectives and debts as and when they fall due.

Should the Consolidated Entity not achieve the matters set out above, there is uncertainty whether it will be able to continue as a going concern and therefore whether it will be able to pay its debts as and when they fall due and realise its assets and extinguish its liabilities in the normal course of business and at the amounts stated in the financial statements.

The financial report does not include any adjustments relating to the recoverability or classification of recorded asset amounts, or to the amounts or classification of liabilities that might be necessary should the Consolidated Entity not be able to continue as a going concern.

(d) New and amended accounting standards and interpretations

Since 1 July 2018, the Consolidated Entity has adopted all Accounting Standards and Interpretations effective from 1 July 2018. Other than the changes described below, the accounting policies adopted are consistent with those of the previous financial year. The Consolidated Entity has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(e) Change in accounting policies and disclosures

The Consolidated Entity applied AASB 15 *Revenue from Contracts with Customers* ("AASB 15") and AASB 9 *Financial Instruments* ("AASB 9") for the first time from 1 July 2018. The nature and effect of these changes as a result of the adoption of these new Accounting Standards are described below.

Several other new and amended Accounting Standards and Interpretations applied for the first time from 1 July 2018, but did not have an impact on the consolidated financial statements of the Consolidated Entity and, hence, have not been disclosed.

AASB 15

AASB 15 supersedes AASB 118 Revenue ("AASB 118") and related Interpretations and it applies to all revenue arising from contracts with customers, unless those contracts are in the scope of other standards. The new standard establishes a five-step model to account for revenue arising from contracts with customers. Under AASB 15, revenue is recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer.

The standard requires entities to exercise judgement, taking into consideration all of the relevant facts and circumstances when applying each step of the model to contracts with their customers. The standard also specifies the accounting for the incremental costs of obtaining a contract and the costs directly related to fulfilling a contract.

The Consolidated Entity adopted AASB 15 using the modified retrospective method of adoption with the date of initial application being 1 July 2018. The Consolidated Entity elected to apply the standard only to contracts that were not completed contracts at the initial date of application. The comparative information has not been restated and continues to be reported under AASB 118 and related interpretations.

Overall Impact

The Consolidated Entity's revenue from contracts with customers comprises two main streams being the sale of tin in concentrate and copper in concentrate. The Consolidated Entity undertook a comprehensive analysis of the impact of the new revenue standard based on a review of the contractual terms of its principal revenue streams with the primary focus being to understand whether the timing and amount of revenue recognised could differ under AASB 15.

Impact on statement of profit or loss and other comprehensive income

Tin and copper concentrate (metal in concentrate) sales: there were no changes identified with respect to the timing of revenue recognition in relation to metal in concentrate. This is because control transfers to customers (mainly smelting companies) at the date of shipment for copper concentrate and at the date of arrival at customer's works for tin concentrate, which is consistent with the point in time when risks and rewards passed under AASB 118. There were some reclassification changes arising from metal in concentrate sales that have provisional pricing terms (refer below).

There has been a change in the amount of revenue recognised for copper concentrate sold under Cost, Insurance and Freight ("CIF") Incoterms where the Consolidated Entity provides shipping services. This is because these services are now considered to represent a separate performance obligation which is satisfied at a different point in time from the sale of metal in concentrate. Therefore, some of the transaction price that was previously all allocated to the sale of metal in concentrate under AASB 118 is now required to be allocated to this new performance obligation under AASB 15 (see below for further discussion).

Provisionally priced commodity sales: the Consolidated Entity's sales of metal in concentrate to customers contain terms which allow for price adjustments based on the market price at the end of a quotational period ("QP") stipulated in the contract – these are referred to as "provisionally priced sales".

Under previous accounting standards (AASB 118 and AASB 139 *Financial Instruments: Recognition and Measurement*), provisionally priced sales were considered to contain an embedded derivative ("ED"). For receivables relating to tin concentrate the Consolidated Entity accounted for the ED separately ("Tin ED") from the host contract. For receivables relating to copper concentrate, the Consolidated Entity measured the receivable, being the hybrid instrument, at fair value through profit and loss. Revenue was initially recognised for these arrangements based on the estimated forward price that the Consolidated Entity expected to receive at the end of the QP, determined at the date the sale was initially recognised. Subsequent changes in the fair value of the Tin ED / copper concentrate receivable were recognised in the Statement of Comprehensive Income each period until the end of the QP, and were presented as part of 'revenue'. Under AASB 15, the initial accounting for this revenue will remain unchanged in that revenue will be recognised when control passes to the customer and will be measured at the amount to which the Consolidated Entity expects to be entitled. This will be the estimate of the price expected to be received at the end of the QP, i.e. the forward price. The Consolidated Entity will now present the fair value movements after the date of sale in profit or loss as 'fair value gains/losses on provisionally priced trade receivables' and as such will not be included in total revenue from contracts with customers.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(e) Change in accounting policies and disclosures (continued)

AASB 15 (continued)

Assay and weight variations: the Consolidated Entity's sales of metal in concentrate to customers contain terms, which allow for assay and weight adjustments based on the final assay and weight results. Revenue is initially recognised at the date control of the concentrate passes to the customer based on the most recently determined estimate of metal in concentrate using the expected value approach based on initial internal assay and weight results. Subsequent changes in value based on the customer's final assay and weight results at the end of the QP are recognised in revenue. The Consolidated Entity has determined that it is highly unlikely that a significant reversal of the amount of revenue recognised will occur due to variations in assay and weight results.

Shipping services: the Consolidated Entity's copper concentrate sales are sold under CIF Incoterms, whereby the Consolidated Entity is responsible for providing shipping services after the date that it transfers control of the copper concentrate to the customer. Under AASB 118, shipping services were not accounted for as separate services. Instead, all of the revenue relating to the sale was recognised at the date of loading and presented as sales revenue. Under AASB 15, it has been concluded that the provision of these services represents separate performance obligations and the Consolidated Entity acts as principal.

As a result, under AASB 15, a portion of the transaction price is now required to be allocated to these performance obligations and will be recognised over time, on a gross basis, as the services are provided. The Consolidated Entity receives a portion of the transaction price in cash for each shipment at or near the date of shipment under a provisional invoice. Given this, a portion of the transaction price relating to these shipping services is received in advance of the Consolidated Entity providing these services. Such amounts have been recognised as a contract liability upon receipt under AASB 15 and are then recognised as revenue over time as the services are provided. Given the nature of the Consolidated Entity's commodity shipping profile, most of these services are completed in the same reporting period that control of the underlying copper concentrate passes to the customer with only a very small percentage of shipments subject to these Incoterms being on the water over a reporting period end.

Other impacts

The change did not have a material impact on the total comprehensive loss for the year ended 30 June 2019. There was no impact on the consolidated statement of financial position as at 1 July 2018 or 30 June 2019. There was no impact on the statement of cash flows or earnings per share for the year ended 30 June 2019. The QP fair value movement after the date of sale that is included in profit or loss as a 'fair value gains/losses on provisionally priced trade receivables' for the period was $4,760,857. Under the previous accounting policy these gains and losses were included in revenue.

AASB 9 Financial Instruments

AASB 9 *Financial Instruments* replaces parts of AASB 139 bringing together all three aspects of the accounting for financial instruments: classification and measurement; impairment; and hedge accounting. The accounting policies have been updated to reflect the application of AASB 9 for the period from 1 July 2018 (refer to note 2(p)).

The Consolidated Entity has applied AASB 9 retrospectively, with the initial application date being 1 July 2018. The cumulative impact of applying AASB 9 is recognised at the date of initial application as an adjustment to the opening balance of retained earnings. The Consolidated Entity has elected not to adjust comparative information.

AASB 9 introduced new classification and measurement models for financial assets. A financial asset shall be measured at amortised cost, if it is held within a business model whose objective is to hold assets in order to collect contractual cash flows, which arise on specified dates and are solely payments of principal and interest ("SPPI"). All other financial instrument assets are to be classified and measured at fair value through profit or loss ("FVTPL") unless the entity makes an irrevocable election on initial recognition to present gains and losses on equity instruments (that are not held-for trading) in other comprehensive income ("OCI").

For financial liabilities, the standard requires the portion of the change in fair value that relates to the entity's own credit risk to be presented in OCI (unless it would create an accounting mismatch). New simpler hedge accounting requirements more closely align the accounting treatment with the risk management activities of the Consolidated Entity.

Impairment requirements use an 'expected credit loss' ("ECL") model to recognise an allowance. Impairment is measured under a 12-month ECL method unless the credit risk on a financial instrument has increased significantly since initial recognition in which case the lifetime ECL method is adopted.

The key impacts of adopting AASB 9 are summarised below:

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(e) Change in accounting policies and disclosures (continued)

AASB 9 Financial Instruments (continued)

Classification and measurement

Financial *assets* - The Consolidated Entity continued measuring at fair value all financial assets previously held at fair value under AASB 139. The following are the changes in the classification of the Consolidated Entity's financial assets:

1. *Term deposit and other receivables* (not subject to provisional pricing), previously classified as *Loans and receivables*: these were assessed as being held to collect contractual cash flows and give rise to cash flows representing SPPI. These are now classified and measured as Debt instruments at amortised cost.
2. *Trade receivables (subject to provisional pricing)* and *Quotational period derivatives*: The exposure of trade receivables to commodity price movements over the QP, gives rise to an ED). Prior to the adoption of AASB 9, the Consolidated Entity accounted for the ED separately from the host contract for receivables relating to tin concentrate. For receivables relating to copper concentrate, the Consolidated Entity measured the receivable, being the hybrid instrument, at fair value through profit and loss. Under AASB 9, embedded derivatives are no longer separated from financial assets. Instead, the exposure of the trade receivable to future commodity price movements will cause the trade receivable to fail the SPPI test. Therefore, the entire receivable is now required to be measured at fair value through profit or loss, with subsequent changes in fair value recognised in the Consolidated Statement of Comprehensive Income each period until final settlement. Accordingly, the adoption of AASB 9 did not impact the classification of trade receivables relating to copper concentrate. It has resulted in the reclassification of trade receivables relating to tin concentrate from loans and receivables under AASB 139 to financial assets at fair value through profit and loss under AASB 9. This reclassification adjustment did not have a material impact on the measurement of trade receivables.

The Consolidated Entity previously presented fair value changes in the ED and Copper Concentrate trade receivable in 'revenue' but will now present fair value movements in trade receivables subject to provisional pricing as 'fair value gains/losses on provisionally priced trade receivables'.

Financial liabilities - There are no changes in classification and measurement for the Consolidated Entity's financial liabilities.

Equity investments - Listed equity investments previously classified as Available-for-Sale financial assets are now classified and measured as financial assets at FVTPL. As a consequence the reclassification the fair value reserve at 1 July 2018 relating to Available-for-Sale financial assets was transferred to retained earnings (see below).

Impact on statement of financial position

The following table summarises the impact, net of tax, of transition to AASB 9 on reserves and accumulated losses at 1 July 2018.

Fair value reserve	
Closing balance under AASB 139 (30 June 2018)	3,762,167
Equity instruments reclassified as financial assets at FVTPL	(3,762,167)
Opening balance under AASB 9 (1 July 2018)	-
Accumulated losses	
Closing balance under AASB 139 (30 June 2018)	(115,249,072)
Equity instruments reclassified as financial assets at FVTPL	3,762,167
Opening balance under AASB 9 (1 July 2018)	(111,486,905)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(e) Change in accounting policies and disclosures (continued)

Classification of financial assets and financial liabilities on the date of initial application of AASB 9

The following table shows the original measurement categories under AASB 139 and the new measurement categories under AASB 9 for each class of the Consolidated Entity's financial assets and financial liabilities as at 1 July 2018.

Financial assets	Original classification under AASB 139	New classification under AASB 9	Original carrying amount under AASB 139	New carrying amount under AASB 9
Equity investments	Available-for-sale investment	FVTPL	9,253,664	9,253,664
Cash and cash equivalents	Loans and receivables	Amortised cost	31,234,845	31,234,845
Tin concentrate trade receivables – host contract	Loans and receivables	FVTPL	4,528,645	4,528,645
Copper concentrate trade receivables	FVTPL	FVTPL	2,048,186	2,048,186
Other receivables	Loans and receivables	Amortised cost	7,099,345	7,099,345
Other financial assets	Loans and receivables	Amortised cost	10,311,569	10,311,569
Total financial assets			64,476,254	64,476,254
Financial liabilities				
Interest bearing loans	Amortised cost	Amortised cost	10,370,552	10,370,552
Trade and other payables	Amortised cost	Amortised cost	31,686,792	31,686,792
Total financial liabilities			42,057,344	42,057,344

Impairment

The adoption of AASB 9 has changed the Consolidated Entity's accounting for impairment losses for financial assets by replacing AASB 139's incurred loss approach with a forward-looking ECL approach. AASB 9 requires the Consolidated Entity to recognise an allowance for ECLs for all debt instruments not held at fair value through profit or loss.

As all of the Consolidated Entity's other receivables which the Consolidated Entity measures at amortised cost are short term (ie less than 12 months) and the Consolidated Entity has risk management policies in place, the change to a forward-looking ECL approach did not have a material impact on the amounts recognised in the financial statements.

Hedge Accounting

The Consolidated Entity has elected to adopt the new general hedge accounting model in AASB 9. However, the changes introduced by AASB 9 relating to hedge accounting currently have no impact, as the Consolidated Entity does not apply hedge accounting.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(f) New and amended Accounting Standards issued but not yet effective

Certain new and amended accounting standards and interpretations have been issued that are not mandatory for 30 June 2019 reporting periods. These standards and interpretations have not been early adopted.

Reference	Title	Summary	Impact on Metals X	Application date of standard*	Application date for Consolidated Entity*
AASB 16	*Leases*	AASB 16 requires lessees to account for all leases under a single on- balance sheet model in a similar way to finance leases under AASB 117 *Leases*. The standard includes two recognition exemptions for lessees – leases of 'low-value' assets (e.g., personal computers) and short-term leases (i.e., leases with a lease term of 12 months or less). At the commencement date of a lease, a lessee will recognise a liability to make lease payments (i.e., the lease liability) and an asset representing the right to use the underlying asset during the lease term (i.e., the right-of-use asset). Lessees will be required to separately recognise the interest expense on the lease liability and the depreciation expense on the right-of-use asset. Lessees will be required to remeasure the lease liability upon the occurrence of certain events (e.g., a change in the lease term, a change in future lease payments resulting from a change in an index or rate used to determine those payments). The lessee will generally recognise the amount of the remeasurement of the lease liability as an adjustment to the right-of-use asset. Lessor accounting is substantially unchanged from today's accounting under AASB 117. Lessors will continue to classify all leases using the same classification principle as in AASB 117 and distinguish between two types of leases: operating and finance leases.	AASB 16 Leases eliminates the distinction between operating and finance leases, and brings all leases (other than short term leases) onto the balance sheet. The standard does not apply mandatorily before 1 July 2019. The Consolidated Entity plans to adopt the modified retrospective approach on transition, where the lease liability is measured as the present value of future lease payments on the initial date of application being 1 July 2019. Work completed by the Consolidated Entity to date indicates the new leases standard is expected to have a material effect on the Consolidated Entity's financial statements as it will significantly increase the Consolidated Entity's recognised assets and liabilities. There will be an increase in property, plant and equipment (right of use) assets and a corresponding increase in lease liabilities of at least $500,000 as at 1 July 2019. As a result of the creation of a right-of-use asset and lease liability, depreciation expense and interest expense are expected to increase and operating lease expense will be reduced. This is due to the change in the accounting for expenses of leases that were classified as operating leases under AASB 117. In addition, the classification between cash flow from operating activities and cash flow from financing activities will also change. Many commonly used financial ratios and performance metrics for the Consolidated Entity's, using existing definitions, will also be impacted including net debt, gearing, EBITDA, unit costs and operating cash flows. The Consolidated Entity's existing equipment and property operating leases will be the main source of leases under the new standard. Information on the Consolidated Entity's operating lease commitments under AASB 117 Leases (undiscounted) is disclosed in note 33 Commitments – operating lease commitments – Consolidated Entity as lessee.	1 January 2019	1 July 2019
IAS 19	*Amendments to Australian Accounting Standards – Plan Amendment, Curtailment or Settlement*	This Standards amends AASB 119 Employee Benefits - address the accounting when a plan amendment, curtailment or settlement occurs during a reporting period. *Determining the current service cost and net interest*	There will be no material impact.	1 January 2019	1 July 2019

Reference	Title	Summary	Impact on Metals X	Application date of standard*	Application date for Consolidated Entity*
		When accounting for defined benefit plans under IAS 19, the standard generally requires entities to measure the current service cost using actuarial assumptions determined at the start of the annual reporting period. Similarly, the net interest is generally calculated by multiplying the net defined benefit liability (asset) by the discount rate, both as determined at the start of the annual reporting period. The amendments specify that when a plan amendment, curtailment or settlement occurs during the annual reporting period, an entity is required to: • Determine current service cost for the remainder of the period after the plan amendment, curtailment or settlement, using the actuarial assumptions used to remeasure the net defined benefit liability (asset) reflecting the benefits offered under the plan and the plan assets after that event • Determine net interest for the remainder of the period after the plan amendment, curtailment or settlement using: the net defined benefit liability (asset) reflecting the benefits offered under the plan and the plan assets after that event; and the discount rate used to remeasure that net defined benefit liability (asset) *Effect on asset ceiling requirements* A plan amendment, curtailment or settlement may reduce or eliminate a surplus in a defined benefit plan, which may cause the effect of the asset ceiling to change. The amendments clarify that an entity first determines any past service cost, or a gain or loss on settlement, without considering the effect of the asset ceiling. This amount is recognised in profit or loss. An entity then determines the effect of the asset ceiling after the plan amendment, curtailment or settlement. Any change in that effect, excluding amounts included in the net interest, is recognised in other comprehensive income. This clarification provides that entities might have to recognise a past service cost, or a gain or loss on settlement, that reduces a surplus that was not recognised before. Changes in the effect of the asset ceiling are not netted with such amounts.			

Reference	Title	Summary	Impact on Metals X	Application date of standard*	Application date for Consolidated Entity*
AASB Interpretation 23, and relevant amending standards	*Uncertainty over Income Tax Treatments*	The Interpretation clarifies the application of the recognition and measurement criteria in AASB 112 *Income Taxes* when there is uncertainty over income tax treatments. The Interpretation specifically addresses the following: ► Whether an entity considers uncertain tax treatments separately ► The assumptions an entity makes about the examination of tax treatments by taxation authorities ► How an entity determines taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates ► How an entity considers changes in facts and circumstances.	The Company is still assessing whether there will be any material impact.	1 January 2019	1 July 2019
AASB 2019-1	*Conceptual Framework for Financial Reporting* ♯, and relevant amending	The revised Conceptual Framework includes some new concepts, provides updated definitions and recognition criteria for assets and liabilities and clarifies some important concepts. It is arranged in eight chapters, as follows: ► Chapter 1 – The objective of financial reporting ► Chapter 2 – Qualitative characteristics of useful financial information ► Chapter 3 – Financial statements and the reporting entity ► Chapter 4 – The elements of financial statements ► Chapter 5 – Recognition and derecognition ► Chapter 6 – Measurement ► Chapter 7 – Presentation and disclosure ► Chapter 8 – Concepts of capital and capital maintenance Amendments to References to the Conceptual Framework in AASB Standards has also been issued, which sets out the amendments to affected standards in order to update references to the revised Conceptual Framework. . In most cases, the standard references are updated to refer to the Conceptual Framework. There are exemptions in developing accounting policies for regulatory account balances for two standards, namely, AASB 3 and for those applying AASB 108.	There will be no material impact.	1 March 2018	1 March 2018

Reference	Title	Summary	Impact on Metals X	Application date of standard*	Application date for Consolidated Entity*
AASB 2018-7	Definition of Material	In October 2018, the IASB issued amendments to AASB 101 Presentation of Financial Statements and AASB 108 to align the definition of 'material' across the standards and to clarify certain aspects of the definition. The new definition states that, 'Information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements, which provide financial information about a specific reporting entity.' The amendments clarify that materiality will depend on the nature or magnitude of information, or both. An entity will need to assess whether the information, either individually or in combination with other information, is material in the context of the financial statements. *Obscuring information* The amendments explain that information is obscured if it is communicated in a way that would have a similar effect as omitting or misstating the information. Material information may, for instance, be obscured if information regarding a material item, transaction or other event is scattered throughout the financial statements, or disclosed using a language that is vague or unclear. Material information can also be obscured if dissimilar items, transactions or other events are inappropriately aggregated, or conversely, if similar items are inappropriately disaggregated. *New threshold* The amendments replaced the threshold 'could influence', which suggests that any potential influence of users must be considered, with 'could reasonably be expected to influence' in the definition of 'material'. In the amended definition, therefore, it is clarified that the materiality assessment will need to take into account only reasonably expected influence on economic decisions of primary users. *Primary users of the financial statements* The current definition refers to 'users' but does not specify their characteristics, which can be interpreted to imply that an entity is required to consider all possible users of the financial statements when deciding what information to disclose. Consequently, the IASB decided to refer to primary users in the new definition to help respond to concerns that the term 'users' may be interpreted too widely.	The Company is still assessing whether there will be any material impact.	1 January 2020	1 July 2020

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(g) Basis of consolidation

The consolidated financial statements comprise the financial statements of the parent entity and its subsidiaries ('the Consolidated Entity') as at 30 June each year. Control is achieved when the Consolidated Entity is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Consolidated Entity controls an investee if and only if the Consolidated Entity has:

- Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee)
- Exposure, or rights, to variable returns from its involvement with the investee, and
- The ability to use its power over the investee to affect its returns

When the Consolidated Entity has less than a majority of the voting or similar rights of an investee, the Consolidated Entity considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement with the other vote holders of the investee
- Rights arising from other contractual arrangements
- The Consolidated Entity's voting rights and potential voting rights

The Consolidated Entity re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Consolidated Entity obtains control over the subsidiary and ceases when the Consolidated Entity loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the statement of comprehensive income from the date the Consolidated Entity gains control until the date the Consolidated Entity ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income are attributed to the equity holders of the parent of the Consolidated Entity and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Consolidated Entity's accounting policies. All intra-Consolidated Entity assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Consolidated Entity are eliminated in full on consolidation.

(h) Foreign currency translation

(i) Functional and presentation currency

Both the functional and presentation currency of the Company and its Australian subsidiaries is Australian dollars (A$).

(ii) Transactions and balances

Transactions in foreign currencies are initially recorded in the functional currency by applying the exchange rates ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange at the reporting date.

All exchange differences in the consolidated financial report are taken to the profit or loss.

(i) Operating segments

An operating segment is a component of an entity that engages in business activities from which it may earn revenues and incur expenses (including revenues and expenses relating to transactions with other components of the same entity), whose operating results are regularly reviewed by the entity's chief operating decision maker to make decisions about resources to be allocated to the segment and assess its performance and for which discrete financial information is available. This includes start up operations which are yet to earn revenues. Management will also consider other factors in determining operating segments such as the existence of a line manager and the level of segment information presented to the board of directors.

Operating segments have been identified based on the information provided to the chief operating decision makers – being the executive management team. The Consolidated Entity aggregates two or more operating segments when they have similar economic characteristics.

Operating segments that meet the quantitative criteria as prescribed by AASB 8 are reported separately. However, an operating segment that does not meet the quantitative criteria is still reported separately where information about the segment would be useful to users of the financial statements.

Information about other business activities and operating segments that are below the quantitative criteria are combined and disclosed in a separate category for "all other segments".

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(j) Cash and cash equivalents

Cash and cash equivalents in the statement of financial position comprise cash at bank and in hand and short-term deposits that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

For the purposes of the Statement of cash flows, cash and cash equivalents consist of cash and cash equivalents as defined above, net of outstanding bank overdrafts. Bank overdrafts are included within interest bearing loans and borrowings in the current liabilities on the statement of financial position.

(k) Inventories

Inventories are valued at the lower of cost and net realisable value.

Cost includes expenditure incurred in acquiring and bringing the inventories to their existing condition and location and is determined using the weighted average cost method.

(l) Provisions

Provisions are recognised when the Consolidated Entity has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the reporting date. The discount rate used to determine the present value reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision resulting from the passage of time is recognised in finance costs.

(m) Joint arrangements

Joint arrangements are arrangements over which two or more parties have joint control. Joint Control is the contractual agreed sharing of control of the arrangement which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control. Joint arrangements are classified as ether a joint operation or a joint venture, based on the rights and obligations arising from the contractual obligations between the parties to the arrangement.

To the extent the joint arrangement provides the Consolidated Entity with rights to the individual assets and obligations arising from the joint arrangement, the arrangement is classified as a joint operation and as such, the Consolidated Entity recognises its:

- Assets, including its share of any assets held jointly
- Liabilities, including its share of liabilities incurred jointly;
- Revenue from the sale of its share of the output arising from the joint operation;
- Share of revenue from the sale of the output by the joint operation; and
- Expenses, including its share of any expenses incurred jointly

To the extent the joint arrangement provides the Consolidated Entity with rights to the net assets of the arrangement, the investment is classified as a joint venture and accounted for using the equity method. Under the equity method, the cost of the investment is adjusted by the post-acquisition changes in the Consolidated Entity's share of the net assets of the joint venture.

(n) Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset (i.e. an asset that necessarily takes a substantial period of time to get ready for its intended use or sale) are capitalised as part of the cost of that asset. All other borrowing costs are expensed in the period they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

(o) Rehabilitation costs

The Consolidated Entity is required to decommission and rehabilitate mines and processing sites at the end of their producing lives to a condition acceptable to the relevant authorities.

The expected cost of any approved decommissioning or rehabilitation programme, discounted to its net present value, is provided when the related environmental disturbance occurs. The cost is capitalised when it gives rise to future benefits, whether the rehabilitation activity is expected to occur over the life of the operation or at the time of closure. The capitalised cost is amortised over the life of the operation and the increase in the net present value of the provision for the expected cost is included in financing expenses. Expected decommissioning and rehabilitation costs are based on the discounted value of the estimated future cost of detailed plans prepared for each site. Where there is a change in the expected decommissioning and restoration costs, the value of the provision and any related asset are adjusted and the effect is recognised in profit or loss on a prospective basis over the remaining life of the operation.

The estimated costs of rehabilitation are reviewed annually and adjusted as appropriate for changes in legislation, technology or other circumstances. Cost estimates are not reduced by potential proceeds from the sale of assets or from plant clean up at closure.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(p) Financial instruments

On 1 July 2018 the Consolidated Entity implemented AASB 9 Financial Instruments and elected not to restate comparative information. The Consolidated Entity has disclosed the current and prior year accounting policies as below.

Pre 1 July 2018 accounting policy

Initial recognition and measurement

Financial assets and financial liabilities were recognised when the entity became party to the contractual provisions to the instrument. For financial assets, this was equivalent to the date that the Company committed itself to either the purchase or sale of the asset.

Financial assets were classified, at initial recognition, as financial assets at fair value through profit or loss, trade and other receivables, trade and other payables, held-to-maturity investments, available-for-sale financial assets, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

Financial instruments were initially measured at fair value plus transaction costs, except where the instrument was classified "at fair value through profit or loss", in which case transaction costs were expensed to profit or loss immediately.

Classification and subsequent measurement

Financial instruments are subsequently measured at fair value, amortised cost using the effective interest method, or cost.

Amortised cost is calculated as the amount at which the financial asset or financial liability is measured at initial recognition less principal repayments and any reduction for impairment, and adjusted for any cumulative amortisation of the difference between that initial amount and the maturity amount calculated using the effective interest method.

Fair value is determined based on current bid prices for all quoted investments. Valuation techniques are applied to determine the fair value for all unlisted securities, including recent arm's length transactions, reference to similar instruments and option pricing models.

The effective interest method is used to allocate interest income or interest expense over the relevant period and is equivalent to the rate that discounts estimated future cash payments or receipts (including fees, transaction costs and other premiums or discounts) over the expected life (or when this cannot be reliably predicted, the contractual term) of the financial instrument to the net carrying amount of the financial asset or financial liability. Revisions to expected future net cash flows will necessitate an adjustment to the carrying amount with a consequential recognition of an income or expense item in profit or loss.

i. Trade and other receivables

On initial recognition copper trade receivables are designated as fair value through profit and loss (refer to note 2(y)), accordingly these trade receivables are measured at fair value as at reporting date. Credit balances are reclassified to trade and other payables.

Tin trade receivables and other receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest rate method, less an allowance for impairment. The revenue adjustment mechanism embedded within the sales contract had the characteristics of a commodity derivative which was bifurcated from the trade receivable. The fair value movements in this embedded derivative were re-estimated continuously and changes in fair value recognised as an adjustment to revenue in the consolidated statement of comprehensive income.

Collectability of tin trade receivables and other receivables carried at amortised cost is reviewed on an ongoing basis. Individual debts that are known to be uncollectible are written off when identified. An impairment allowance is recognised when there is objective evidence that the Consolidated Entity will not be able to collect the receivable. Financial difficulties of the debtor, default payments or debts more than 60 days overdue are considered objective evidence of impairment. The amount of the impairment loss is the receivable carrying amount compared to the present value of estimated future cash flows, discounted at the original effective interest rate.

ii. Trade and other payables

Trade payables and other payables are carried at amortised cost and due to their short-term nature they are not discounted. They represent liabilities for goods and services provided to the Consolidated Entity prior to the end of the financial year that are unpaid and arise when the Consolidated Entity becomes obliged to make future payments in respect of the purchase of these goods and services. The amounts are unsecured and usually paid within 30 days of recognition.

iii. Derivative financial instruments and hedging

The Consolidated Entity uses derivative financial instruments to manage commodity price exposures. Such derivative financial instruments are initially recorded at fair value on the date on which the derivative contract is entered into and are subsequently remeasured to fair value.

Certain derivative instruments are also held for trading for the purpose of making short term gains. None of the derivatives qualify for hedge accounting and changes in fair value are recognised immediately in profit or loss in other revenue and expenses.

Derivatives are carried as assets when their fair value is positive and as liabilities when their fair value is negative.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(p) Financial instruments (continued)

iv. Available-for-sale investments

Available-for-sale investments are those non-derivative financial assets, principally equity securities that are designated as available-for-sale. Investments are designated as available-for-sale if they do not have fixed maturities and fixed and determinable payments and management intends to hold them for the medium to long term.

After initial recognition, available-for-sale investments are measured at fair value. Gains or losses are recognised in other comprehensive income and presented as a separate component of equity until the investment is sold, collected or otherwise disposed of, or until the investment is determined to be impaired, at which time the cumulative gain or loss previously reported in equity is included in profit or loss.

The fair value of investments that are actively traded in organised markets is determined by reference to quoted market bid prices at the close of business on the reporting date.

For investments with no active market, fair value is determined using valuation techniques. Such valuation techniques include using recent arm's length transactions; reference to the current market value of another instrument that is substantially the same; discounted cash flow analysis and option pricing models. Where fair value cannot be reliably measured for certain unquoted investments, these investments are measured at cost.

v. Interest-bearing loans and borrowings

All loans and borrowings are initially recognised at the fair value of the consideration received less directly attributable transaction costs. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the effective interest rate method.

Borrowings are classified as current liabilities unless the Consolidated Entity has the unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

Post 1 July 2018 accounting policy

Financial assets

Initial recognition and measurement

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through other comprehensive income (OCI), and fair value through profit or loss.

The classification of financial assets at initial recognition that are debt instruments depends on the financial asset's contractual cash flow characteristics and the Consolidated Entity's business model for managing them. With the exception of trade receivables, the Consolidated Entity initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables are measured at the transaction price determined under AASB 15. Refer to the revenue from contracts with customer accounting policy in note 2(y).

In order for a financial asset to be classified and measured at amortised cost or fair value through OCI, it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding. This assessment referred to as the SPPI test is performed at an instrument level.

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in four categories:

- Financial assets at amortised cost (debt instruments);
- Financial assets at fair value through OCI with recycling of cumulative gains and losses (debt instruments);
- Financial assets designated at fair value through OCI with no recycling of cumulative gains and losses upon derecognition (equity instruments); or
- Financial assets at fair value through profit or loss.

Financial assets at amortised cost (debt instruments)

The Consolidated Entity measures financial assets at amortised cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at amortised cost are subsequently measured using the effective interest rate (EIR) method and are subject to impairment. Interest received is recognised as part of finance income in the Consolidated Statement of Comprehensive Income. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

The Consolidated Entity's financial assets at amortised cost include trade receivables (not subject to provisional pricing), other receivables and term deposits.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(p) Financial instruments (continued)

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss include financial assets held for trading, financial assets designated upon initial recognition at fair value through profit or loss, or financial assets mandatorily required to be measured at fair value. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. Derivatives, including separated embedded derivatives, are also classified as held for trading unless they are designated as effective hedging instruments. Financial assets with cash flows do not pass the SPPI test are classified and measured at fair value through profit or loss, irrespective of the business model. Debt instruments may be designated at fair value through profit or loss on initial recognition if doing so eliminates, or significantly reduces, an accounting mismatch.

Financial assets at fair value through profit or loss are carried in the statement of financial position at fair value with net changes in fair value recognised in the profit or loss.

This category also includes trade receivables subject to provisional pricing (QP adjustment), and listed equity investments which the Consolidated Entity has not irrevocably elected to classify at fair value through OCI. Dividends on listed equity investments are also recognised as other income in the statement of profit or loss when the right of payment has been established.

Derecognition

A financial asset is primarily derecognised when:

- The rights to receive cash flows from the asset have expired; or
- The Consolidated Entity has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a ‘pass-through’ arrangement; and either (a) the Consolidated Entity has transferred substantially all the risks and rewards of the asset, or (b) the Consolidated Entity has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

Impairment of financial assets

The Consolidated Entity recognises an allowance for ECLs for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Consolidated Entity expects to receive, discounted at an approximation of the original EIR. ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

For receivables other than those subject to provisional pricing, and due in less than 12 months, the Consolidated Entity does not track changes in credit risk, but instead, recognises a loss allowance based on the financial asset’s lifetime ECL at each reporting date. The Consolidated Entity has established a provision matrix for these receivables that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment. For any other financial assets carried at amortised cost (which are due in more than 12 months), the ECL is based on the 12-month ECL when there has not been a significant increase in credit risk since origination. The 12-month ECL is the proportion of lifetime ECLs that results from default events on a financial instrument that are possible within 12 months after the reporting date.

When there has been a significant increase in credit risk since origination, the allowance will be based on the lifetime ECL. When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Consolidated Entity considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Consolidated Entity’s historical experience and informed credit assessment including forward-looking information. The Consolidated Entity considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Consolidated Entity may also consider a financial asset to be in default when internal or external information indicates that the Consolidated Entity is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Consolidated Entity. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows and usually occurs when past due for more than one year and not subject to enforcement activity.

At each reporting date, the Consolidated Entity assesses whether financial assets carried at amortised cost are credit impaired. A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(p) Financial instruments (continued)

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Consolidated Entity's financial liabilities include trade and other payables, derivatives loans and borrowings.

Subsequent measurements

The measurement of financial liabilities depends on their classification, as described below:

Loans and borrowings and trade and other payables

After initial recognition, interest-bearing loans and borrowings and trade and other payables are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in the statement of profit or loss and other comprehensive income when the liabilities are derecognised, as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit or loss and other comprehensive income.

This category generally applies to interest-bearing loans and borrowings and trade and other payables.

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Group that are not designated as hedging instruments in hedge relationships as defined by IFRS 9. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments. Gains or losses on liabilities held for trading are recognised in the statement of profit or loss and other comprehensive income

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

(q) Impairment of non-financial assets

The Consolidated Entity assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Consolidated Entity estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples or other available fair value indicators.

The Consolidated Entity bases its impairment calculation on detailed budgets and forecasts, which are prepared separately for each of the Consolidated Entity's CGUs to which the individual assets are allocated, based on the life-of-mine plans. The estimated cash flows are based on expected future production, metal selling prices, operating costs and forecast capital expenditure based on life-of-mine plans.

Value in use does not reflect future cash flows associated with improving or enhancing an asset's performance, whereas anticipated enhancements to assets are included in fair value less costs of disposal calculations.

Impairment losses of continuing operations, including impairment on inventories, are recognised in the profit and loss. For such properties, the impairment is recognised in other comprehensive income up to the amount of any previous revaluation.

For assets, an assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Consolidated Entity estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in profit or loss unless the asset is carried at a revalued amount, in which case, the reversal is treated as a revaluation increase.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(r) Business combinations

Business combinations are accounted for using the acquisition method. The consideration transferred in a business combination shall be measured at fair value, which shall be calculated as the sum of the acquisition-date fair values of the assets transferred by the acquirer, the liabilities incurred by the acquirer to former owners of the acquiree and the equity issued by the acquirer, and the amount of any non-controlling interest in the acquiree. For each business combination, the acquirer measures the non-controlling interest in the acquiree either at fair value or at the appropriate share of the acquiree's identifiable net assets. Acquisition-related costs are expensed as incurred.

When the Consolidated Entity acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic conditions, the Consolidated Entity's operating or accounting policies and other pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in the host contracts by the acquiree.

If the business combination is achieved in stages, the acquisition date fair value of the acquirer's previously held equity interest in the acquiree is remeasured at fair value as at the acquisition date through profit or loss.

Any contingent consideration to be transferred by the acquirer will be recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration which is deemed to be an asset or liability will be recognised in accordance with AASB 9 either in profit or loss or in other comprehensive income. If the contingent consideration is classified as equity, it shall not be remeasured and subsequent settlement is accounted for within equity. In instances, where the contingent consideration does not fall within the scope of AASB 9, it is measured in accordance with the appropriate Accounting Standard.

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interest over the fair value of the identifiable net assets acquired and liabilities assumed. If this consideration is lower than the fair value of the identifiable net assets of the subsidiary acquired, the difference is recognised in profit or loss.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Consolidated Entity's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

Where goodwill forms part of a cash-generating unit and part of the operation within that unit is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on disposal of the operation. Goodwill disposed of in this circumstance is measured based on the relative value of the operation disposed of and the portion of the cash-generating unit retained.

(s) Property, plant and equipment

Plant and equipment is stated at historical cost less accumulated depreciation and any impairment in value.

Capital work-in-progress is stated at cost and comprises all costs directly attributable to bringing the assets under construction ready to their intended use. Capital work-in-progress is transferred to property, plant and equipment at cost on completion.

Depreciation is calculated on a straight-line basis over the estimated useful life of the asset, or where appropriate, over the estimated life of the mine.

Major depreciation periods are:

- Mine specific plant and equipment is depreciated using – the shorter of life of mine and useful life. Useful life ranges from 2 to 10 years.
- Buildings – the shorter of life of mine and useful life. Useful life ranges from 5 to 40 years.
- Office Plant and equipment is depreciated at 33% per annum for computers and office machines and 20% per annum for other office equipment and furniture.

Impairment

The carrying values of plant and equipment are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable.

For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

If any such indication exists and where the carrying values exceed the estimated recoverable amount, the assets or cash-generating units are written down to their recoverable amount. Refer to note 2(q) for further discussion on impairment testing performed by the Consolidated Entity.

Derecognition

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset.

Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the item) is included in the profit and loss in the period the item is derecognised.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(t) Exploration and evaluation expenditure

Expenditure on acquisition, exploration and evaluation relating to an area of interest is carried forward at cost where rights to tenure of the area of interest are current and;

(i) it is expected that expenditure will be recouped through successful development and exploitation of the area of interest or alternatively by its sale and/or;

(ii) exploration and evaluation activities are continuing in an area of interest but at reporting date have not yet reached a stage which permits a reasonable assessment of the existence or otherwise of economically recoverable reserves.

A regular review is undertaken of each area of interest to determine the appropriateness of continuing to carry forward costs in relation to that area of interest. Where uncertainty exists as to the future viability of certain areas, the value of the area of interest is written off to the profit and loss or provided against.

Impairment

The carrying value of capitalised exploration and evaluation expenditure is assessed for impairment regularly and if after expenditure is capitalised, information becomes available suggesting that the recovery of expenditure is unlikely or that the Consolidated Entity no longer holds tenure, the relevant capitalised amount is written off to profit or loss in the period when the new information becomes available.

(u) Mine properties and development

Expenditure on the acquisition and development of mine properties within an area of interest are carried forward at cost separately for each area of interest. Accumulated expenditure is amortised over the life of the area of interest to which such costs relate on a production output basis.

A regular review is undertaken of each area of interest to determine the appropriateness of continuing to carry forward costs in relation to that area of interest.

Impairment

The carrying value of capitalised mine properties and development expenditure is assessed for impairment whenever facts and circumstances suggest that the carrying amount of the asset may exceed its recoverable amount.

Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. Refer to note 2(q) for further discussion on impairment testing performed by the Consolidated Entity.

(v) Leases

Leases are classified at their inception as either operating or finance leases based on the economic substance of the agreement so as to reflect the risks and benefits incidental to ownership.

(i) Operating Leases

The minimum lease payments of operating leases, where the lessor effectively retains substantially all of the risks and benefits of ownership of the leased item, are recognised as an expense in profit and loss on a straight-line basis over the lease term.

Contingent rentals are recognised as an expense in the financial year in which they are incurred.

(ii) Finance Leases

Leases which effectively transfer substantially all the risks and benefits incidental to ownership of the leased item to the Consolidated Entity are capitalised at the inception of the lease at the fair value of the leased property or, if lower, at the present value of the minimum lease payments.

Lease payments are apportioned between the finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged directly to profit and loss.

Capitalised leased assets are depreciated over the estimated useful life of the asset or where appropriate, over the estimated life of the mine.

The cost of improvements to or on leasehold property is capitalised, disclosed as leasehold improvements, and amortised over the unexpired period of the lease or the estimated useful lives of the improvements, whichever is the shorter.

(w) Interest receivable

Revenue is recognised as interest accrues using the effective interest method. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

(x) Issued capital

Issued and paid up capital is recognised at the fair value of the consideration received by the Consolidated Entity. Any transaction costs arising on the issue of ordinary shares are recognised directly in equity as a reduction in the proceeds received.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(y) Revenue from contracts with customers

On 1 July 2018 the Consolidated Entity implemented AASB 15 *Revenue from Contracts with Customers* using the modified retrospective method of adoption. The Consolidated Entity has disclosed the current and prior year accounting policies as below:

Pre 1 July 2018 accounting policy

Revenue was measured at the fair value of the consideration received or receivable to the extent it was probable that the economic benefits would flow to the Consolidated Entity and the revenue could be reliably measured. The following specific recognition criteria had to be met before revenue was recognised

Copper concentrate sales

Revenue from copper production was recognised when the significant risks and rewards of ownership have passed to the buyer. Sales revenue is subject to adjustment based on final assay results. In addition, the terms of the sales contracts for copper concentrate contain provisional pricing arrangements. Adjustments to the sales price are based on movements in metal prices up to the date of final pricing. Final settlement is between 2 and 4 months after the date of delivery (the “quotational period”) with pricing based on the average LME copper price for the month of settlement. The revenue adjustment mechanism embedded within the sales contract has the characteristics of a commodity derivative which significantly modifies the cash flows under the contract. The Consolidated Entity has decided to designate the trade receivables arising on initial recognition of these sales transaction as a financial asset at fair value through profit and loss and not separately account for the embedded derivative. Accordingly, the fair value of the receivable is re-estimated continuously and changes in fair value recognised as an adjustment to revenue in the consolidated statement of comprehensive income**.**

Tin concentrate sales

Revenue from tin and gold production is recognised when the significant risks and rewards of ownership have passed to the buyer. In addition, the terms of the sales contracts for tin concentrate contain provisional pricing arrangements. Adjustments to the sales price are based on movements in metal prices up to the date of final pricing. Final settlement is between 11 and 46 days after the date of delivery (the “quotational period”) with pricing based on the average LME or KLTM tin price for the month of settlement. The revenue adjustment mechanism embedded within the sales contract has the characteristics of a commodity derivative which is bifurcated from the trade receivable. The fair value movements in this embedded derivative are re-estimated continuously and changes in fair value recognised as an adjustment to revenue in the consolidated statement of comprehensive income.

Post 1 July 2018 accounting policy

The Consolidated Entity is principally engaged in the business of producing tin and copper in concentrate. Revenue from contracts with customers is recognised when control of the goods or services is transferred to the customer at an amount that reflects the consideration to which the Consolidated Entity expects to be entitled in exchange for those goods or services.

The Consolidated Entity has generally concluded that it is the principal in its revenue contracts because it typically controls the goods or services before transferring them to the customer.

For the Consolidated Entity’s metal in concentrate sales not sold under cost, insurance and freight (“CIF”) Incoterms, the performance obligation is the delivery of the concentrate. Where the Consolidated Entity’s copper concentrate is sold under CIF Incoterms the Consolidated Entity is also responsible for providing shipping services. In these situations, the shipping services also represent separate performance obligations.

The Consolidated Entity’s sales of metal in concentrate allow for price adjustments based on the market price at the end of the relevant Quotational Period (“QP”) stipulated in the contract. These are referred to as provisional pricing arrangements and are such that the selling price for metal in concentrate is based on prevailing spot prices on a specified future date after shipment to the customer. Adjustments to the sales price occur based on movements in quoted market prices up to the end of the QP. The period between provisional invoicing and the end of the QP can be up to three months for copper concentrate. The QP for tin concentrate is not expected to result in a material adjustment due to the short period between the point of control of the concentrate passes to the customer and the end of the QP.

Based on the current contractual terms, revenue is recognised when control passes to the customer, which occurs at a point in time when the metal in concentrate is physically transferred onto a vessel for copper concentrate and physically arrives at the customer’s works for tin concentrate. The revenue is measured as the amount to which the Consolidated Entity expects to be entitled, being the estimate of the price expected to be received at the end of the QP, and a corresponding trade receivable is recognised.

For the provisional pricing arrangements, any future changes that occur over the QP are embedded within the provisionally priced trade receivables and are, therefore, within the scope of AASB 9 and not within the scope of AASB 15. Given the exposure to the commodity price, these provisionally priced trade receivables fail the cash flow characteristics test within AASB 9 and are classified and measured at fair value through profit or loss from initial recognition and until the date of settlement. Subsequent changes in fair value of the receivable are recognised in the Consolidated Statement of Comprehensive Income each period and presented separately from revenue from contracts with customers as part of ‘fair value gains/losses on provisionally priced trade receivables’. Changes in fair value over, and until the end of, the QP, are estimated by reference to updated forward market prices for copper and tin as well as taking into account relevant other fair value considerations, including interest rate and credit risk adjustments.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(y) Revenue from contracts with customers (continued)

Revenue is initially recognised based on the most recently determined estimate of metal in concentrate using the expected value approach based on initial internal assay and weight results. The Consolidated Entity has determined that it is highly unlikely that a significant reversal of the amount of revenue recognised will occur due to variations in assay and weight results. Subsequent changes in the fair value based on the customer's final assay and weight results are recognised in revenue at the end of the QP.

For CIF arrangements, the transaction price (as determined above) is allocated to the metal in concentrate and shipping services using the relative stand-alone selling price method. Under these arrangements, a portion of consideration is received from the customer at, or around, the date of shipment under a provisional invoice. Therefore, some of the upfront consideration that relates to the shipping services yet to be provided is deferred. It is then recognised as revenue over time using an output method (being days of shipping/transportation elapsed) to measure progress towards complete satisfaction of the service as this best represents the Consolidated Entity's performance. This is on the basis that the customer simultaneously receives and consumes the benefits provided by the Consolidated Entity as the services are being provided. The costs associated with these freight/shipping services are also recognised over the same period of time as incurred. Deferred revenue is generally not material at the balance sheet date.

(z) Share-based payment transactions

The Consolidated Entity provides benefits to employees (including Directors) in the form of share-based payment transactions, whereby employees render services in exchange for shares or rights over shares (equity-settled transactions). The Consolidated Entity has one plan in place that provides these benefits. It is the Long Term Incentive Plan ("LTIP") which provides benefits to all employees including Directors.

In valuing equity-settled transactions, no account is taken of any vesting conditions (such as service conditions), other than conditions linked to the price of the shares of Metals X Limited (market conditions) if applicable.

The cost of these equity-settled transactions with employees is measured by reference to the fair value at the date at which they are granted. The fair value is determined by using a Black & Scholes model. Further details of which are given in note 30.

The cost of equity-settled transactions is recognised, together with a corresponding increase in equity, over the period in which the performance and/or service conditions are fulfilled (the vesting period), ending on the date on which the relevant employees become fully entitled to the award (the vesting date).

At each subsequent reporting date until vesting, the cumulative charge to the statement of comprehensive income is the product of (i) the grant date fair value of the award; (ii) the current best estimate of the number of awards that will vest, taking into account such factors as the likelihood of employee turnover during the vesting period and the likelihood of non-market performance conditions being met; and (iii) the expired portion of the vesting period.

The charge to profit and loss for the period is the cumulative amount as calculated above less the amounts already charged in previous periods. There is a corresponding credit to equity.

Until an award has vested, any amounts recorded are contingent and will be adjusted if more or fewer awards vest than were originally anticipated to do so. Any award subject to a market condition is considered to vest irrespective of whether or not the market condition is fulfilled, provided that all other conditions are satisfied.

If a non-vesting condition is within the control of the Consolidated Entity, Company or the employee, the failure to satisfy the condition is treated as a cancellation. If a non-vesting condition within the control of neither the Consolidated Entity, Company nor employee is not satisfied during the vesting period, any expense for the award not previously recognised is recognised over the remaining vesting period, unless the award is forfeited.

If the terms of an equity-settled award are modified, as a minimum an expense is recognised as if the terms had not been modified. An additional expense is recognised for any modification that increases the total fair value of the share-based payment arrangement, or is otherwise beneficial to the employee, as measured at the date of modification.

If an equity-settled award is cancelled, it is treated as if it had vested on the date of cancellation, and any expense not yet recognised for the award is recognised immediately. However, if a new award is substituted for the cancelled award, and designated as a replacement award on the date that it is granted, the cancelled and new award are treated as if they were a modification of the original award, as described in the previous paragraph.

The dilutive effect, if any, of outstanding options is reflected as additional share dilution in the computation of dilutive earnings per share.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(aa) Employee benefits

(i) Wages, salaries, sick leave and other short-term benefits

Liabilities for wages and salaries, including non-monetary benefits, accumulating sick leave and other short term benefits expected to be settled wholly within 12 months of the reporting date are recognised in respect of employees' services up to the reporting date. They are measured at the amounts expected to be paid when the liabilities are settled.

(ii) Long service leave

The liability for long service leave is recognised and measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures, and periods of service. Expected future payments are discounted using market yields at the reporting date on high quality corporate bonds with terms to maturity and currencies that match, as closely as possible, the estimated future cash outflows.

(iii) Superannuation

Contributions made by the Consolidated Entity to employee superannuation funds, which are defined contribution plans, are charged as an expense when incurred.

(ab) Income tax

The Consolidated Entity entered into a tax Consolidated Entity as of 1 July 2004.

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the reporting date in the countries where the Consolidated Entity operates and generates taxable income.

Deferred tax is provided for using the balance sheet full liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date

Deferred income tax liabilities are recognised for all taxable temporary differences except:

- when the deferred income tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred income tax assets are recognised for all deductible temporary differences, carry-forward of unused tax assets and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry-forward of unused tax assets and unused tax losses can be utilised except:

- when the deferred income tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of the deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are only recognised to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred income tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised.

Unrecognised income taxes are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Income taxes relating to items recognised directly in equity are recognised in equity and not in the profit and loss.

Deferred tax assets and deferred tax liabilities are offset only if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred tax assets and liabilities relate to the same taxable entity and the same taxation authority.

Tax consolidation legislation

Metals X Limited and its wholly-owned Australian controlled entities have implemented the tax consolidation legislation as of 1 July 2004. The head entity, Metals X Limited and the controlled entities in the tax consolidated group continue to account for their own current and deferred tax amounts. The Consolidated Entity has applied the group allocation approach in determining the appropriate amount of current taxes and deferred taxes to allocate to members of the tax consolidated group.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(ac) Other taxes

Revenues, expenses and assets are recognised net of the amount of GST except:

- when the GST incurred on a purchase of goods and services is not recoverable from the taxation authority, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
- receivables and payables, which are stated with the amount of GST included.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statement of financial position.

Cash flows are included in the statement of cash flows on a gross basis and the GST component of cash flows arising from investing and financing activities, which is recoverable from, or payable to, the taxation authority are classified as operating cash flows.

Commitments and contingencies are disclosed net of amounts of GST recoverable from, or payable to, the taxation authority.

(ad) Earnings per share

Basic earnings per share is calculated as net profit attributable to members of the parent, adjusted to exclude any costs of servicing equity (other than dividends) and preference share dividends, divided by the weighted average number of ordinary shares, adjusted for any bonus element.

Diluted earnings per share is calculated as net profit attributable to members of the parent adjusted for:

- cost of servicing equity (other than dividends) and preference share dividends;
- the after tax effect of dividends and interest associated with dilutive potential ordinary shares that have been recognised; and
- other non-discriminatory changes in revenues or expenses during the period that would result from the dilution of potential ordinary shares;

divided by the weighted average number of ordinary shares and dilutive potential ordinary shares, adjusted for any bonus element.

(ae) Comparative figures

Comparative figures have been adjusted to reclassify other financial assets of $10,311,569 from current assets to non-current assets to conform with the changes in the presentation of the current financial year. The adjustment has no impact on the net assets for the year ended 30 June 2018.

3. SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements and estimates on historical experience and on other various factors it believes to be reasonable under the circumstances, the result of which form the basis of the carrying values of assets and liabilities that are not readily apparent from other sources.

Management has identified the following critical accounting policies for which significant judgements have been made as well as the following key estimates and assumptions that have the most significant impact on the financial statements. Actual results may differ from these estimates under different assumptions and conditions and may materially affect financial results or the financial position reported in future periods.

Further details of the nature of these assumptions and conditions may be found in the relevant notes to the financial statements.

(i) Significant judgments made in applying accounting policies

- **Identification of the enforceable contract**

  For copper and tin in concentrate (metal in concentrate) sales, there are master services agreements with key customers that set out the general terms and conditions governing any sales that occur. The customer is only obliged to purchase copper and tin in concentrate when it places an order for each shipment. Therefore, the enforceable contract has been determined to be each purchase order.

  Identification of performance obligations for arrangements subject to CIF Incoterms

  A proportion of the Consolidated Entity's metal in concentrate sales subject to CIF Incoterms, whereby the Consolidated Entity is responsible for providing freight/shipping services. The freight/shipping services are a promise to transfer services in the future and are part of the negotiated exchange between the Consolidated Entity and the customer. The Consolidated Entity determined that both the metal in concentrate and the freight/shipping services are capable of being distinct as the customer can benefit from both products on their own. The Consolidated Entity also determined that the promises to transfer the metal in concentrate and the freight/shipping services are distinct within the context of the contract. Consequently, the Consolidated Entity allocated a portion of the transaction price to the metal in concentrate and the freight/shipping services based on relative stand-alone selling prices.

3. SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS (continued)

(i) Significant judgments made in applying accounting policies (continued)

- **Principal versus agent considerations – freight/shipping services**

  As noted above, in some arrangements subject to CIF Incoterms, the Consolidated Entity is responsible for providing freight/shipping services. While the Consolidated Entity does not actually provide nor operate the vessels, the Consolidated Entity has determined that it is principal in these arrangements because it has concluded it controls the specified services before they are provided to the customer. This is on the basis that the Consolidated Entity obtains control of a right to freight/shipping services after entering into the contract with the customer, but before those services are provided to the customer. The terms of the Consolidated Entity's contract with the service provider give the Consolidated Entity the ability to direct the service provider to provide the specified services on the Consolidated Entity's behalf.

  In addition, the Consolidated Entity has concluded that the following indicators provide evidence that it controls the freight/shipping services before they are provided to the customer:

  ♦ The Consolidated Entity is primarily responsible for fulfilling the promise to provide freight/shipping services. Although the Consolidated Entity has hired a service provider to perform the services promised to the customer, it is the Consolidated Entity itself that is responsible for ensuring that the services are performed and are acceptable to the customer (i.e., the Consolidated Entity is responsible for fulfilment of the promise in the contract, regardless of whether the Consolidated Entity performs the services itself or engages a third-party service provider to perform the services).

  ♦ The Consolidated Entity has discretion in setting the price for the services to the customer as this is negotiated directly with the customer.

- **Determining the timing of satisfaction of freight/shipping services**

  The Consolidated Entity concluded that revenue for freight/shipping services is to be recognised over time because the customer simultaneously receives and consumes the benefits provided by the Consolidated Entity. The fact that another entity would not need to re-perform the freight/shipping services that the Consolidated Entity has provided to date demonstrates that the customer simultaneously receives and consumes the benefits of the Consolidated Entity's performance as it performs. The Consolidated Entity determined that the input method is the best method for measuring progress of the freight/shipping services because there is a direct relationship between the Consolidated Entity's effort (i.e., time elapsed) and the transfer of service to the customer. The Consolidated Entity recognises revenue on the basis of the time elapsed relative to the total expected time to complete the service.

- **Provision for expected credit losses (ECLs) on trade receivables carried at amortised cost**

  The Consolidated Entity uses a provision matrix to calculate ECLs for short term receivables carried at amortised cost.

  The provision matrix is initially based on the Consolidated Entity's historical observed default rates. The Consolidated Entity will calibrate the matrix to adjust the historical credit loss experience with forward-looking information. For instance, if forecast economic conditions are expected to deteriorate over the next year, which can lead to an increased number of defaults, the historical default rates are adjusted. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

  The assessment of the correlation between historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and of forecast economic conditions. The Consolidated Entity's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future.

(ii) Significant accounting estimates and assumptions

- **Determination of mineral resources and ore reserves**

  The determination of reserves impacts the accounting for asset carrying values, depreciation and amortisation rates and provisions for mine rehabilitation. The Consolidated Entity estimates its mineral resource and reserves in accordance with the *Australian code for Reporting of Exploration Results, Mineral Resources and Ore Reserves 2012 (*the "JORC code"). The information on mineral resources and ore reserves were prepared by or under the supervision of Competent Persons as defined in the JORC code. The amounts presented are based on the mineral resources and ore reserves determined under the JORC code.

  There are numerous uncertainties inherent in estimating mineral resources and ore reserves and assumptions that are valid at the time of estimation may change significantly when new information becomes available.

  Changes in the forecast prices of commodities, exchange rates, production costs or recovery rates may change the economic status of reserves and may, ultimately, result in the reserves being restated.

3. SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS (continued)

(ii) Significant accounting estimates and assumptions (continued)

- **Mine rehabilitation provision**

  The Consolidated Entity assesses its mine rehabilitation provision on an annual basis in accordance with the accounting policy stated in note 2(o). In determining an appropriate level of provision, consideration is given to the expected future costs to be incurred, the timing of those future costs (largely dependent on the life of mine) and the estimated level of inflation. The ultimate rehabilitation costs are uncertain, and cost estimates can vary in response to many factors, including estimates of the extent and costs of rehabilitation activities, technological changes, regulatory changes, cost increases as compared to the inflation rates, and changes in discount rates. The expected timing of expenditure can also change, for example in response to changes in reserves or to production rates. These uncertainties may result in future actual expenditure differing from the amounts currently provided. Therefore, significant estimates and assumptions are made in determining the provision for mine rehabilitation. As a result, there could be significant adjustments to the provisions established which would affect future financial result. The provision at reporting date represents management's best estimate of the present value of the future rehabilitation costs required.

- **Life of mine method of amortisation and depreciation**

  The Consolidated Entity applies the life of mine method of amortisation and depreciation to its mine specific plant and to mine properties and development based on ore tonnes mined. These calculations require the use of estimates and assumptions. Significant judgement is required in assessing the available reserves and the production capacity of the plants to be depreciated under this method. Factors that are considered in determining reserves and production capacity are the Consolidated Entity's history of converting resources to reserves and the relevant time frames, the complexity of metallurgy, markets and future developments. When these factors change or become known in the future, such differences will impact pre tax profit and carrying values of assets.

- **Impairment of capitalised exploration and evaluation expenditure**

  The future recoverability of capitalised exploration and evaluation expenditure is dependent on a number of factors, including whether the Consolidated Entity decides to exploit the related area interest itself or, if not, whether it successfully recovers the related exploration and evaluation asset through sale.

  Factors that could impact the future recoverability include the level of reserves and resources, future technological changes, which could impact the cost of mining, future legal changes (including changes to environmental restoration obligations) and changes to commodity prices.

  To the extent that capitalised exploration and evaluation expenditure is determined not to be recoverable in the future, profits and net assets will be reduced in the period in which this determination is made.

  In addition, exploration and evaluation expenditure is capitalised if activities in the area of interest have not yet reached a stage that permits a reasonable assessment of the existence or otherwise of economically recoverable reserves. To the extent it is determined in the future that this capitalised expenditure should be written off, profits and net assets will be reduced in the period in which this determination is made.

- **Impairment of capitalised mine development expenditure**

  The Consolidated Entity assess each asset or cash generating unit ("CGU") at the end of each reporting period to determine whether an indication of impairment exists. Where an indicator of impairment exists, a formal estimate of the recoverable mount is made, which is considered to be the higher of value in use ("VIU") (being net present value of expected future cash flows of the relevant cash generating unit) and fair value less costs to sell" ("FVLCS").

  The future recoverability of capitalised mine development expenditure is dependent on a number of factors, including the level of proved, probable and inferred mineral resources, future technological changes, which could impact the cost, future legal changes (including changes to environmental restoration obligations) and changes to commodity prices.

  The Consolidated Entity regularly reviews the carrying values of its mine development assets in the context of independent expert valuations, internal and external consensus forecasts for commodity prices and foreign exchange rates, with the application of appropriate discount rates for the assets concerned.

  To the extent that capitalised mine development expenditure is determined not to be recoverable in the future, this will reduce profit in the period in which this determination is made. Capitalised mine development expenditure is assessed for recoverability in a manner consistent with property, plant and equipment as described below. Refer to note 39 for further details on the impairment assessment process undertaken by the Consolidated Entity.

3. SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS (continued)

(ii) Significant accounting estimates and assumptions (continued)

- **Impairment of property, plant and equipment**

  The Consolidated Entity assess each asset or CGU at the end of each reporting period to determine whether an indication of impairment exists. Where an indicator of impairment exists, a formal estimate of the recoverable mount is made, which is considered to be the higher of VIU and FVLCS.

  In determining the value in use, future cash flows for each CGU (i.e. each mine site) are prepared utilising management's latest estimates of;

  ♦ the quantities of ore reserves and mineral resources for which there is a high degree of confidence of economic extraction;

  ♦ royalties and taxation;

  ♦ future production levels;

  ♦ future commodity prices;

  ♦ future cash costs of production; and

  ♦ other relevant cash inflows and outflows.

  Cash flow scenarios for a range of commodity prices and foreign exchange rates are assessed using internal and external market forecasts, and the present value of the forecast cash flows.

  The Consolidated Entity's cash flows are most sensitive to movements in commodity price, expected quantities of ore reserves and mineral resources and key operating costs.

  Variations to the expected cash flows, and the timing thereof, could result in significant changes to any impairment losses recognised, if any, which in turn could impact future financial results. Refer to note 39 for further details on the impairment assessment process undertaken by the Consolidated Entity.

4. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Consolidated Entity's principal financial instruments comprise receivables, payables, finance lease and hire purchase contracts, cash and short-term deposits, and equity investments.

Risk exposures and responses

The Consolidated Entity manages its exposure to key financial risks in accordance with the Consolidated Entity's financial risk management policy. The objective of the policy is to support the delivery of the Consolidated Entity's financial targets while protecting future financial security.

The Consolidated Entity enters into derivative transactions, principally zero cost collar put and call options. The purpose is to manage the commodity price risks arising from the Consolidated Entity's operations. These derivatives provide economic hedges, but do not qualify for hedge accounting and are based on limits set by the board. The main risks arising from the Consolidated Entity's financial instruments are interest rate risk, foreign currency risk, commodity risk, credit risk, equity price risk and liquidity risk. The Consolidated Entity uses different methods to measure and manage different types of risks to which it is exposed. These include monitoring levels of exposure to interest rate, foreign exchange risk and assessments of market forecasts for interest rate, foreign exchange and commodity prices. Ageing analysis of and monitoring of receivables are undertaken to manage credit risk, liquidity risk is monitored through the development of future rolling cash flow forecasts.

The board reviews and agrees policies for managing each of these risks as summarised below.

Primary responsibility for identification and control of financial risks rests with the Board. The Board reviews and agrees policies for managing each of the risks identified below, including for interest rate risk, credit allowances and cash flow forecast projections.

Details of the significant accounting policies and methods adopted, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised, in respect of each class of financial asset, financial liability and equity instrument are disclosed in note 2 to the financial statements.

The accounting classification of each category of financial instruments as defined in note 2, and their carrying amounts, are set out below:

4. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

(a) Interest rate risk

The Consolidated Entity's exposure to risks of changes in market interest rates relate primarily to the Consolidated Entity's trade receivables carried at fair value through profit and loss and cash balances. The Consolidated Entity's policy is to manage its interest cost using fixed rate debt. Therefore, the Consolidated Entity does not have any variable interest rate risk on its debt. The Consolidated Entity constantly analyses its interest rate exposure. Within this analysis consideration is given to potential renewals of existing positions, alternative financing positions and the mix of fixed and variable interest rates. The following sensitivity analysis is based on the interest rate risk exposures in existence at the reporting date. The sensitivity analysis is for variable rate cash balances and trade receivables carried at fair value through profit and loss.

At 30 June 2019, if interest rates had moved by a reasonably possible 0.25%, as illustrated in the table below, with all other variables held constant, post tax profits and equity would have been affected as follows:

	Post tax profit higher/(lower)		Other Comprehensive Income higher/(lower)	
	2019	2018	2019	2018
Judgements of reasonably possible movements:				
+ 0.25% (25 basis points)	24,088	40,732	-	-
- 0.25% (25 basis points)	(24,088)	(40,732)	-	-

A sensitivity of +0.25% or -0.25% has been selected as this is considered reasonable given the current level of short-term and long-term Australian dollar interest rates. The movements in profit are due to possible higher or lower interest income from variable rate cash balances. The sensitivity is lower in 2019 than 2018 mainly due to a decrease in the balance of cash and cash equivalents held in variable interest rate accounts in 2019, which has offset by an increase in the balance of trade receivables carried at fair value through profit and loss.

At the reporting date the Consolidated Entity's exposure to interest rate risk for classes of financial assets and financial liabilities is set out below.

2019	Floating interest rate	Fixed interest	Non-Interest bearing	Total carrying amount
Financial Assets				
Cash and cash equivalents	728,687	174,361	10,461,351	11,364,399
Trade receivables at fair value through the profit and loss	8,211,481	-	-	8,211,481
Other receivables	4,824,183	-	3,509,344	8,333,527
Other financial assets	-	10,771,569	-	10,771,569
	13,764,351	**10,945,930**	**13,970,695**	**38,680,976**
Financial Liabilities				
Trade and other payables	-	-	(25,441,824)	(25,441,824)
Interest bearing liabilities	-	(9,353,739)	-	(9,353,739)
	-	**(9,353,739)**	**(25,441,824)**	**(34,795,563)**
Net financial assets/(liabilities)				**3,885,413**

2018	Floating interest rate	Fixed interest	Non-Interest bearing	Total carrying amount
Financial Assets				
Cash and cash equivalents	21,227,486	15,000	9,992,359	31,234,845
Trade receivables at fair value through the profit and loss	2,048,186	-	-	2,048,186
Trade receivables at amortised cost	-	-	4,825,234	4,825,234
Other financial assets	-	10,311,569	-	10,311,569
	23,275,672	**10,326,569**	**14,817,593**	**48,419,834**
Financial Liabilities				
Trade and other payables	-	-	(31,686,792)	(31,686,792)
Interest bearing liabilities	-	(10,370,552)	-	(10,370,552)
	-	**(10,370,552)**	**(31,686,792)**	**(42,057,344)**
Net financial assets/(liabilities)				**6,362,490**

4. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

(b) Credit risk

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Consolidated Entity is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks and financial institutions, foreign exchange transactions and other financial instruments. Cash and cash equivalents are held with ANZ Bank which is an Australian Bank with an AA- credit rating (Standard & Poor's). The Consolidated Entity's exposure to credit risk arises from potential default of the counter party, with the maximum exposure equal to the carrying amount of the financial assets (as outlined in each applicable note).

The Consolidated Entity does not hold any credit derivatives to offset its credit exposure.

The Consolidated Entity trades only with recognised, creditworthy third parties and as such collateral, letters of credit or other forms of credit insurance is not requested nor is it the Consolidated Entity's policy to securitise its trade and other loans and receivables. The Consolidated Entity evaluates the concentration of risk with respect to trade receivables as low, as its customers are located in several jurisdictions and operate in largely independent markets.

Receivable balances are monitored on an ongoing basis with the result that the Consolidated Entity does not have a significant exposure to bad debts.

Significant concentrations of credit risk are in relation to cash and cash equivalents with Australian banks.

At 30 June 2019, the Consolidated Entity had three customers (2018: three customers) that each owed the Consolidated Entity $3,698,679, $1,561,519 and $1,164,196 respectively and accounted for approximately 56% (2018: 80%) of all receivables owing.

At 30 June 2019, there are no material trade receivables at amortised cost that are past due.

Refer to note 12 for details of the Consolidated Entity's credit risk exposure on the Consolidated Entity's trade receivables using a provision matrix.

(c) Price risk

Equity Security Price Risk

The Consolidated Entity's revenues are exposed to equity security price fluctuations arising from investments in equity securities.

At 30 June 2019, if equity security prices had moved by a reasonably possible 20%, as illustrated in the table below, with all other variables held constant, post tax profits and equity would have been affected as follows:

	Post tax profit higher/(lower)		Other Comprehensive Income higher/(lower)	
	2019	**2018**	**2019**	**2018**
Judgements of reasonably possible movements:				
Price + 20%	45,715	-	-	1,289,150
Price - 20% *	(45,715)	(1,289,150)	-	-

* Provided the decline is below cost and is significant or prolonged.

A sensitivity of +20% or -20% has been selected as this is considered reasonable given recent fluctuations in equity prices and management's expectations of future movements. The movements in profit or loss for 2019 are due to possible higher or lower equity security prices from investments in equity securities that are classified as Financial assets at fair value through profit and loss (refer to note 2(p)).

(d) Foreign currency risk

As a result of tin and copper concentrate sales receipts being denominated in US dollars, the Consolidated Entity's cash flows can be affected by movements in the US dollar/Australian dollar exchange rate.

At the balance date the Consolidated Entity had the following exposure to US dollar foreign currency:

	2019	2018
Cash and cash equivalents	10,461,351	9,992,359
Trade and other receivables	8,211,481	2,048,186
	18,672,832	**12,040,545**

4. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

(d) Foreign currency risk (continued)

At 30 June 2019, if foreign currency rates had moved by a reasonably possible 10%, as illustrated in the table below, with all other variables held constant, post tax profits and equity would have been affected as follows:

	Post tax profit higher/(lower)		Other Comprehensive Income higher/(lower)	
	2019	**2018**	**2019**	**2018**
Judgements of reasonably possible movements:				
A$/US$ Price +10%	1,867,283	1,204,055	-	-
A$/US$ Price -10%	(1,867,283)	(1,204,055)	-	-

A sensitivity of +10% or -10% has been selected as this is considered reasonable given recent fluctuations in foreign currency rates and management's expectations of future movements. The overall sensitivity for post-tax profits in 2019 is lower than 2018 due to a decrease in the value exposed to fluctuations in US dollar foreign currency.

(e) Commodity price risk

The Consolidated Entity's revenues are exposed to commodity price fluctuations. Periodically the Consolidated Entity enters into contracts to manage commodity price risk.

	2019	**2018**
Gross value of open copper concentrate positions *	28,864,239	30,601,768
Derivative financial instruments **	-	(1,078,251)
	28,864,239	**29,523,517**

* This relates to the provisional amount of copper tonnes remaining open to price adjustments (gross sales). Refer to note 12 for the open quantity.

** This relates to a forward commodity option over 1,500 tonnes of copper maturing in July 2018. The put has a strike price of $7,800 per tonne of LME copper and the call has a strike price of $8,255 per tonne of LME copper (refer to note 22).

*** There is no significant commodity price risk for tin.

At 30 June 2019, if commodity prices had moved by a reasonably possible 10%, as illustrated in the table below, with all other variables held constant, post tax profits and equity would have been affected as follows:

	Post tax profit higher/(lower)		Other Comprehensive Income higher/(lower)	
	2019	**2018**	**2019**	**2018**
Judgements of reasonably possible movements:				
Copper prices +10%	2,886,424	2,952,352	-	-
Copper prices -10%	(2,886,424)	(2,952,352)	-	-

A sensitivity of +10% or -10% has been selected as this is considered reasonable given recent fluctuations in commodity prices and management's expectations of future movements. The overall sensitivity for post-tax profits in 2019 is lower than 2018 due to a decrease in the value exposed to fluctuations in commodity prices.

4. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

(f) Liquidity risk

Liquidity risk arises from the financial liabilities of the Consolidated Entity and the subsequent ability to meet the obligations to repay the financial liabilities as and when they fall due.

The Consolidated Entity's objective is to maintain a balance between continuity of funding and flexibility through the use of finance and hire purchase leases.

The tables below reflect all contractually fixed payments including interest for recognised financial liabilities as of 30 June 2019. Cash flows for financial liabilities without fixed amount or timing are based on the conditions existing as 30 June.

The remaining contractual maturities of the Consolidated Entity's financial liabilities are:

	2019	2018
6 months or less	(25,442,837)	(34,328,510)
6 - 12 months	(808)	(2,422,226)
1 - 5 years	(1,160)	(5,768,093)
Over 5 years	-	-
	(25,444,805)	**(42,518,829)**

Maturity analysis of financial assets and liabilities based on management's expectation.

The risk implied from the values shown in the table below, reflects a balanced view of cash inflows and outflows. Leasing obligations, trade payables and other financial liabilities mainly originate from the financing of assets used in our ongoing operations such as property, plant, equipment and investments of working capital e.g. inventories and trade receivables. To monitor existing financial assets and liabilities as well as to enable effective controlling of future risks, management monitors its Consolidated Entity's expected settlement of financial assets and liabilities on an ongoing basis.

2019	<6 months	6-12 months	1-5 years	>5 years	Total
Financial assets					
Cash and equivalents	11,580,518	-	-	-	11,580,518
Trade and other receivables	8,333,527	-	-	-	8,333,527
Other financial assets	10,976,414	-	-	-	10,976,414
	30,890,459	-	-	-	30,890,459
Financial liabilities					
Trade and other payables	(25,441,824)	-	-	-	(25,441,824)
Interest bearing loans	(1,013)	(808)	(1,160)	-	(2,981)
	(25,442,837)	(808)	(1,160)	-	(25,444,805)
Net inflow/(outflow)	**5,447,622**	**(808)**	**(1,160)**	**-**	**5,445,654**

2018	<6 months	6-12 months	1-5 years	>5 years	Total
Financial assets					
Cash and equivalents	31,684,596	-	-	-	31,684,596
Trade and other receivables	6,873,420	-	-	-	6,873,420
Other financial assets	10,460,045	-	-	-	10,460,045
	49,018,061	-	-	-	49,018,061
Financial liabilities					
Trade and other payables	(31,686,792)	-	-	-	(31,686,792)
Interest bearing loans	(2,641,718)	(2,422,226)	(5,768,093)	-	(10,832,037)
	(34,328,510)	(2,422,226)	(5,768,093)	-	(42,518,829)
Net inflow/(outflow)	**14,689,551**	**(2,422,226)**	**(5,768,093)**	**-**	**6,499,232**

4. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

(g) Fair values

For all financial assets and liabilities recognised in the statement of financial position, carrying amount approximates fair value unless otherwise stated in the applicable notes.

The methods for estimating fair value are outlined in the relevant notes to the financial statements.

The Consolidated Entity uses various methods in estimating the fair value of a financial instrument. The methods comprise:

Level 1 – the fair value is calculated using quoted prices in active markets.
Level 2 - the fair value is estimated using inputs other than quoted prices included in level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from price).
Level 3 – the fair value is estimated using inputs for the asset or liability that are not based on observable market data.

The fair value of the financial instruments as well as the methods used to estimate the fair value are summarised in the table below.

	2019			
	Quoted market price (Level 1)	Valuation technique market observable inputs (Level 2)	Valuation technique non market observable inputs (Level 3)	**Total**
Financial Assets				
Trade receivables				
Tin sales [1]	-	-	-	**-**
Copper sales [1]	-	8,211,481	-	**8,211,481**
Equity investments				
Listed investments [2]	243,586	-	-	**243,586**
Derivatives				
Listed investments [2]	37,500	-	-	**37,500**
Unlisted investments [3]	-	7,350	-	**7,350**
	281,086	**8,218,831**	**-**	**8,499,917**

	2018			
	Quoted market price (Level 1)	Valuation technique market observable inputs (Level 2)	Valuation technique non market observable inputs (Level 3)	**Total**
Financial Assets				
Trade receivables				
Copper sales [1]	-	2,048,186	-	**2,048,186**
Equity investments				
Listed investments [2]	9,170,714	-	-	**9,170,714**
Derivatives				
Listed investments [2]	37,500	-	-	**37,500**
Unlisted investments [3]	-	45,450	-	**45,450**
	9,208,214	**2,093,636**	**-**	**11,301,850**
Financial Liabilities				
Derivatives				
Forward commodity options [4]	-	1,078,251	-	**1,078,251**
	-	**1,078,251**	**-**	**1,078,251**

1. The fair value of trade receivables relates to tin and copper concentrate provisionally sold at the reporting date. The fair value is based on the applicable KLM or LME spot prices. Changes in fair value over, and until the end of, the QP, are estimated by reference to updated forward market prices for copper and tin as well as taking into account relevant other fair value considerations, including interest rate and credit risk adjustments. Refer to note 2(y) for further details.
2. Quoted market price represents the fair value determined based on quoted prices on active markets as at the reporting date without any deduction for transaction costs. The fair value of equity investments and derivatives are based on quoted market prices.

4. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

(g) Fair values (continued)

3. The unlisted investment relates to 1,500,000 unlisted options in Brainchip Holdings Limited. The fair value is determined using a Black & Scholes model, which takes account of factors including the option exercise price, the volatility of the underlying share price, the risk free rate, the market price of the underlying share at grant date and the expected life of the option. Below are the inputs used to value the unlisted options:

Details	2019	2018
Expected Volatility (%)	93%	73%
Risk-free interest rate (%)	1.04%	1.99%
Expected life of options (yrs)	0.92	1.92
Options exercise price ($)	$0.23	$0.23
Share price at grant date ($)	$0.072	$0.130

4. The forward commodity options related to puts and calls granted over 1,500 tonnes of copper per month maturing in July 2018. The puts had a strike price as low as $7,600 per tonne of LME copper and the calls had a strike price as high as $8,255 per tonne of LME copper. The fair value is based on the applicable LME forward prices as at the reporting date.

Transfer between categories

There were no transfers between Level 1 and Level 2, and no transfers into and out of Level 3 fair value measurement.

(h) Changes in liabilities arising from financing activities

	1 July 2018	Cash flows	New leases	Other	30 June 2019
Current obligations under finance leases	4,848,201	(5,351,548)	503,347	5,043,404	5,043,404
Non-current obligations under finance leases	5,522,351	-	3,831,388	(5,043,404)	4,310,335
Total liabilities from financing activities	**10,370,552**	**(5,351,548)**	**4,334,735**	**-**	**9,353,739**

	1 July 2017	Cash flows	New leases	Other	30 June 2018
Current obligations under finance leases	3,187,557	(3,831,333)	643,776	4,848,201	4,848,201
Non-current obligations under finance leases	5,308,678	-	5,061,874	(4,848,201)	5,522,351
Total liabilities from financing activities	**8,496,235**	**(3,831,333)**	**5,705,650**	**-**	**10,370,552**

The ‘Other’ column includes the effect of reclassification of non-current portion of interest-bearing loans and borrowings, including obligations under finance leases and hire purchase contracts to current due to the passage of time. The Consolidated Entity classifies interest paid as cash flows from operating activities.

5. REVENUE

	2019	2018
Tin concentrate sales	85,276,228	81,929,241
Copper concentrate sales	119,445,784	127,972,186
Total revenue from contracts with customers	**204,722,012**	**209,901,427**

(a) Revenue for shipping services is not material and has been included in copper concentrate sales.

(b) The Consolidated Entity has applied AASB 15 using the modified retrospective method with the date of initial application being 1 July 2018 (see note 2(y)). Accordingly, the comparative information has not restated for the impact of adopting AASB 15.

(c) Copper and tin concentrate sales are provisionally priced at the time revenue is recognised. The price feature is considered to be an embedded derivative. On the application of AASB 15 in 2019, movements in the fair value of the provisionally priced trade receivables is recognised as other expenses/(income) in the profit and loss. For 2018 the movement in the fair value of the embedded derivative for copper sales due to price changes is an increase of $5,241,050 which was included in revenue from copper concentrate sales.

6. OTHER INCOME

	2019	2018
Interest received	807,144	680,102
Net loss/(gain) on sale of assets	(15,539)	634,659
Other income	128,340	502,434
Total other income	**919,945**	**1,817,195**

7. EXPENSES

(a) **Cost of sales**

	2019	2018
Salaries, wages expense and other employee benefits	45,558,779	40,357,418
Superannuation expense	4,328,084	3,833,955
Other production costs	137,995,732	130,431,917
Write down in value of inventories to estimated net realisable value	7,734,113	6,791,083
Royalty expense	7,637,659	10,695,347
Depreciation and amortisation expense		
Depreciation of non-current assets		
Property, plant and equipment	9,680,844	9,115,574
Buildings	649,640	624,394
Amortisation of non-current assets		
Mine, properties and development costs	24,561,906	15,683,358
Total cost of sales	**238,146,757**	**217,533,046**

(b) **Administration expenses**

	2019	2018
Employee benefits expense		
Salaries and wages expense	3,276,406	1,566,453
Directors' fees and other benefits	350,000	350,000
Superannuation expense	378,623	172,182
Other employee benefits	60,835	29,033
	4,065,864	2,117,668
Other administration expenses		
Consulting expenses	1,402,132	537,880
Travel and accommodation expenses	178,113	242,906
Operating lease costs	95,297	202,709
Stamp duty compliance (refund)/costs	(114,371)	24,481
Administration costs	912,123	1,129,538
	2,473,294	2,137,514

7. EXPENSES (continued)

	2019	2018
Depreciation expense		
Depreciation of non-current assets		
Property plant and equipment	193,193	223,656
Total Administration expenses	**6,732,351**	**4,478,838**

(c) Fair value change in derivative financial instruments

	2019	2018
Foreign exchange gain/(loss)	908,134	1,004,356
Commodity (loss)/gain	3,479,104	(11,368,491)
Total fair value change in derivative financial instruments	**4,387,238**	**(10,364,135)**

(d) Finance costs

	2019	2018
Interest	(629,466)	(621,763)
Unwinding of rehabilitation provision discount	(842,820)	(847,588)
Total finance costs	**(1,472,286)**	**(1,469,351)**

(e) Fair value change in financial instruments

	2019	2018
Fair value change in derivative financial instruments (refer to note 16)	(38,100)	(47,300)
Fair value change in financial assets through profit and loss (refer to note 17)	(4,384,134)	-
Total fair value change in financial assets	**(4,422,234)**	**(47,300)**

8. INCOME TAX

(a) Major components of income tax expense:

	2019	2018
Income Statement		
Current income tax expense		
Current income tax benefit	(20,290,442)	(8,562,928)
Adjustments in respect of current income tax of previous years	(8,274,898)	8,839,298
Deferred income tax		
Relating to origination and reversal of temporary differences in current year	(15,241,875)	961,163
Derecognition of carry forward losses and other temporary differences	42,245,986	46,880
Adjustments in respect of current income tax of previous years	1,561,229	(1,284,413)
Income tax reported in the income statement	-	-

(b) Amounts charged or credited directly to equity

	2019	2018
Deferred income tax related to items charged or credited directly to equity		
Unrealised gain on available-for-sale investments	-	-
Income tax reported in equity	-	-

(c) A reconciliation of income tax benefit and the product of accounting loss before income tax multiplied by the Consolidated Entity's applicable income tax rate is as follows:

	2019	2018
Total accounting loss before income tax	**(116,968,634)**	**(26,297,186)**
At statutory income tax rate of 30% (2018: 30%)	(35,090,590)	(7,889,156)
Non-deductible items		
Share-based payments	208,179	605,787
Sundry items	6,980	5,690
Deductible items	(656,886)	(324,086)
Adjustments in respect of current income tax of previous years	(6,713,669)	7,554,885
Deferred tax asset not recognised	42,245,986	46,880
Income tax expense/(benefit) reported in income the statement of comprehensive income	-	-

8. INCOME TAX (continued)

(d) Deferred income tax at 30 June relates to the following:

	Statement of financial position		Statement of comprehensive income	
	2019	**2018**	**2019**	**2018**
Deferred tax liabilities				
Exploration	(2,883,735)	(3,190,023)	(306,288)	1,989,231
Deferred mining	(9,307,431)	(20,081,130)	(10,773,699)	(1,690,045)
Mine site establishment and refurbishment	(3,334,220)	(3,867,289)	(533,069)	2,566,762
Consumables	(9,120,092)	(8,834,912)	285,180	(141,514)
Prepayments	(1,488)	-	1,488	-
Diesel rebate	(54,928)	(40,290)	14,638	(59,985)
Gross deferred tax liabilities	**(24,701,894)**	**(36,013,644)**		
Deferred tax assets				
Property, plant and equipment	15,857,757	16,262,078	404,321	(2,375,913)
Non-current financial assets	1,346,623	1,563,687	217,064	(524,511)
Derivative held for trading	25,620	14,190	(11,430)	(14,190)
Derivative Financial Instruments	-	323,475	323,475	(323,475)
Inventories	5,514,268	2,810,014	(2,704,254)	385,711
Legal costs	17,060	18,012	952	113,748
Accrued expenses	46,500	52,251	5,751	12,279
Provision for employee entitlements	2,741,307	2,561,594	(179,713)	(46,015)
Provision for fringe benefits tax	(930)	(31,621)	(30,691)	(18,442)
Provision for rehabilitation	12,285,464	11,891,093	(394,371)	(196,891)
(Unrecognised timing differences)/Recognised tax losses	(13,131,775)	548,871		
Gross deferred tax assets	**24,701,894**	**36,013,644**		
Net deferred tax liabilities	**-**	**-**		
Deferred tax income/(expense)			**(13,680,646)**	**(323,250)**

8. INCOME TAX (continued)

(e) Tax Consolidation and the tax sharing arrangement

The Company and its 100% owned subsidiaries are a tax consolidated group with effect from 1 July 2004. Metals X Limited is the head entity of the tax consolidated group. Members of the group have entered into a tax sharing agreement that provides for the allocation of income tax liabilities between the entities should the head entity default on its tax payments obligations. No amounts have been recognised in the financial statements in respect of this agreement on the basis that the possibility of default is remote.

(f) Tax effect accounting by members of the tax consolidated group

Deferred taxes are allocated to members of the tax consolidated group in accordance with a group allocation approach which is consistent with the principles of AASB 112 'Income Taxes'. Members of the tax consolidated group have entered into a tax funding agreement. The tax funding agreement provides for the allocation of current taxes to members of the tax consolidated group.

The allocation of taxes under the tax funding agreement is recognised as an increase/decrease in the controlled entities intercompany accounts with the tax consolidated group head company, Metals X Limited. The nature of the tax funding agreement is such that no tax consolidation contributions by or distributions to equity participants are required.

(g) Unrecognised losses

At 30 June 2019, there are unrecognised losses of $229,302,104 (2018: $200,187,893) for the Consolidated Entity, of which $156,354,189 (2018: $156,479,138) is subject to a restricted rate of utilisation.

9. EARNINGS PER SHARE

The following reflects the data used in the basic and diluted earnings per share computations.

	2019	2018
(a) Earnings used in calculating earnings per share		
For basic earnings per share:		
Loss attributable to continuing operations	(116,968,634)	(26,297,186)
Loss attributable to ordinary equity holders of the parent	**(116,968,634)**	**(26,297,186)**
Basic loss per share (cents)	*(17.17)*	*(4.30)*
For diluted earnings per share:		
Loss attributable to continuing operations	(116,968,634)	(26,297,186)
Loss attributable to ordinary equity holders of the parent	**(116,968,634)**	**(26,297,186)**
Fully diluted loss per share (cents)	*(17.17)*	*(4.30)*
(b) Weighted average number of shares		
Weighted average number of ordinary shares for basic earnings per share	681,262,826	611,157,234
Effect of Dilution:		
Share Options	-	-
Weighted average number of ordinary shares adjusted for the effect of dilution	**681,262,826**	**611,157,234**

Basic EPS is calculated by dividing the profit for the year attributable to ordinary equity holders of the parent by the weighted average number of ordinary shares outstanding during the year. Diluted EPS is calculated by dividing the profit attributable to ordinary equity holders of the parent (after adjusting for interest on the convertible preference shares) by the weighted average number of ordinary shares outstanding during the year plus the weighted average number of ordinary shares that would be issued on conversion of all the dilutive potential ordinary shares into ordinary shares.

The Company had 29,173,202 (2018: 13,350,000) share options on issue that are excluded from the calculation of diluted earnings per share for the current financial period because they are considered non-dilutive or contingently issuable.

There have been no transactions involving ordinary shares or potential ordinary shares since that would significantly change the number of ordinary shares or potential ordinary shares outstanding between the reporting date and before the completion of these financial statements.

10. DIVIDENDS PAID AND PROPOSED

	2019	2018
Dividends declared and paid during the financial year		
Nil dividends were declared for 2019 (2018: nil)	-	-
Total dividends	**-**	**-**
Dividends proposed but not recognised as a liability		
Final dividend for 2019: nil (2018: nil)	-	-
The amount of franking credits available for the subsequent financial year are:		
Franking account balance as at the end of the financial year at 30% (2018: 30%)	1,842	1,842
The amount of franking credits available for future reporting years	**1,842**	**1,842**

The Company operates a dividend reinvestment plan which allows eligible shareholders to elect to invest dividends in ordinary shares. All holders of Metals X ordinary shares with addresses in Australia or New Zealand are eligible to participate in the plan. The allocation price for shares is based on the average of the daily volume weighted average price of Metals X ordinary shares sold on the Australian Securities Exchange less a discount, calculated with reference to a period of not less than five consecutive trading days as determined by the directors.

An issue of shares under the dividend reinvestment plan results in an increase in issued capital unless the Company elects to purchase the required number of shares on-market.

11. CASH AND CASH EQUIVALENTS

Cash at bank and in hand - denominated in AUD	728,687	21,227,486
Cash at bank and in hand - denominated in USD	10,461,351	9,992,359
Short-term deposits	174,361	15,000
Total	**11,364,399**	**31,234,845**

Cash at bank earns interest at floating rates based on daily bank deposit rates. Short-term deposits are made for varying periods of between one day and three months, depending on the immediate cash requirements of the Consolidated Entity, and earn interest at the respective short-term deposit rates. Refer to note 4(b) for more details on the Consolidated Entity's credit risk management practices. As all deposits are on demand or have maturity dates of less than twelve months, the Group has assessed the credit risk on these financial assets using life time expected credit losses. In this regard, the Group has concluded that the probability of default is insignificant.

For the purposes of the statement of cash flows, cash and cash equivalents comprise the following at 30 June:		
Cash at bank and in hand	11,190,038	31,219,845
Short-term deposits	174,361	15,000
	11,364,399	**31,234,845**

CASH FLOW RECONCILIATION

Reconciliation of net profit after income tax to net cash flows from operating activities		
Loss after income tax	**(116,968,634)**	**(26,297,186)**
Amortisation and depreciation	35,085,583	25,646,982
Fair value change in derivative financial instruments	38,100	47,300
Impairment loss on available-for-sale financial assets	-	1,748,370
Fair value change in financial assets through profit and loss	4,384,134	-
Impairment loss on assets	64,199,644	239,761
Share based payments	693,929	2,019,289
Unwinding of rehabilitation provision discount	842,820	847,588
Exploration and evaluation expenditure written off	6,569,771	115,718
Loss/(gain) on derivatives instruments	-	1,078,251
Loss/(gain) on disposal of property, plant and equipment	15,539	(634,659)
	(5,139,114)	**4,811,414**
Changes in assets and liabilities		
Increase in inventories	131,968	(11,639,588)
Decrease/(increase) in trade and other receivables and prepayments	(3,902,854)	31,199,922
Increase/(decrease) in trade and other creditors	(6,949,821)	2,709,850
Increase in provisions	698,421	214,232
Net cash flows from operating activities	**(15,161,400)**	**27,295,830**

12. TRADE AND OTHER RECEIVABLES (current)

	2019	2018
Trade receivables at fair value (a)	8,211,481	2,048,186
Trade receivables at amortised cost (b)	-	4,528,645
Other debtors and cash call advances at amortised cost (c)	8,333,527	7,099,345
Allowance for expected credit loss (d)	-	-
	16,545,008	**13,676,176**

(a) As at 30 June 2019 tin concentrate sales of 215 tonnes (2018: 196) remained open to price adjustments.

Total copper concentrate sales for the period was 15,776 tonnes (2018: 15,738), out of which 3,721 tonnes (2018: 3,990) of copper, provisionally sold at the reporting date, has been revalued at a weighted average price of US$5,868 (2018: US$6,645). The fair value loss on provisionally priced trade receivables of $4,760,857 for the period ended 30 June 2019 has been included as an expense in the statement of comprehensive income.

Trade receivables (subject to provisional pricing) are non-interest bearing, but are exposed to future commodity price movements over the QP and, hence, fail the SPPI test and are measured at fair value up until the date of settlement. These trade receivables are initially measured at the amount which the Consolidated Entity expects to be entitled, being the estimate of the price expected to be received at the end of the QP. For copper concentrate 90% of the provisional invoice (based on the provisional price) is received in cash within three weeks of the shipment date. The period between provisional invoicing and the end of the QP can be up to three months for copper concentrate. For tin concentrate 85% - 90% of the provisional invoice (based on the provisional price) is received in cash within four weeks of the shipment date. The QP for tin concentrate is not expected to result in a material adjustment due to the short period between the point of control of the concentrate passes to the customer and the end of the QP. Refer to note 4(b) for details of fair value disclosures.

(b) Trade receivables (not subject to provisional pricing) are non-interest bearing and are generally on 30 - 90 day terms.

(c) These primarily relate to cash calls advanced to the Bluestone Mines Tasmania Joint Venture Pty Ltd.

(d) Credit quality of a customer is assessed based on individual credit limits. Outstanding customer receivables are regularly monitored. At 30 June 2019, there are no receivables past due.

13. INVENTORIES (current)

	2019	2018
Ore stocks at net realisable value	4,518,323	2,425,768
Tin in circuit at cost	66,689	62,642
Tin concentrate at cost	7,285,770	19,146,839
Copper concentrate at net realisable value	21,968,583	13,559,867
Stores and spares at cost	30,400,305	29,449,708
Provision for obsolete stores and spares	(9,093,494)	(9,366,712)
Impairment of stores and spares	(9,287,398)	-
Total inventories at lower of cost and net realisable value	**45,858,778**	**55,278,112**

During the year there were write-downs of $17,021,511 (2018: $6,791,083) for the Consolidated Entity. $7,734,113 (2018: $6,791,083) relates to the write down of stockpiles to its net realisable value and stores and spares obsolescence provision which are included in cost of sales, refer to note 7(a). The remaining amount of $9,287,398 (2018: nil) relates to an allocated impairment loss resulting from the assessment of the Nifty Copper Operations CGU. Refer to note 39 for impairment disclosure details.

14. PREPAYMENTS (current)

	2019	2018
Prepayments	**2,455,368**	**1,421,373**

15. OTHER FINANCIAL ASSETS (non-current)

	2019	2018
Cash on deposit - performance bond facility	10,771,569	10,311,569
Total other financial assets	**10,771,569**	**10,311,569**

The cash on deposit is interest bearing and is used as security for government performance bonds. The fair value approximates cost (refer to note 4(b)).

16. DERIVATIVE FINANCIAL INSTRUMENTS (non-current)

	2019	2018
Derivatives held for trading	**44,850**	**82,950**

The Consolidated Entity holds 1,500,000 unlisted options in Brainchip Holdings Limited (Brainchip). The options were acquired for nil cost as part of a capital raising. The fair value $7,350 (2018: $45,450) of the options at 30 June 2019 have been valued using a Black & Scholes model, which takes account of factors including the option exercise price, the volatility of the underlying share price, the risk free rate, the market price of the underlying share at grant date and the expected life of the option (refer to note 4(g)). At the end of the period the market value of the investment was lower than the cost, the Company recognised a fair value movement of $38,100 (2018: $53,550).

The Consolidated Entity holds 1,250,000 listed options in Nelson Resources Limited (Nelson). The options were acquired for nil cost as part of a capital raising. The fair value $37,500 (2018: 37,500) of the options at 30 June 2019 are based on quoted market prices. At the end of the period the market value of the investment was equal to the carrying value.

17. FINANCIAL ASSETS (non-current)

	2019 Financial assets at fair value through profit and loss	2018 Available-for-sale financial assets
Shares - Australian listed	**243,586**	**9,170,714**

Listed shares
The fair value of listed equity investments has been determined directly by reference to published price quotations in an active market.

(a) The Company has a 9.21% (2018: 11.26%) interest in Nelson, which is involved in the exploration of base metals in Australia. Nelson is listed on the ASX. During the period, the Company sold a portion of its investment in Nelson. At the end of the period the fair value of the Company's investment was $243,586 (2018: $718,534) which is based on Nelson's quoted share price. During the period, the Company recognised a fair value movement of $382,210 (2018: Nil).

(b) During the period the Company sold its interest in Brainchip (2018: 6.45%), an ASX listed company. At the end of the previous period the fair value of the Company's investment was $8,248,179 which was based on Brainchip's quoted share price. During the period, the Company recognised a fair value movement of $3,890,635 (2018: $2,031,194).

(c) During the period the Company sold its interest in Auris Minerals Limited (Auris) (2018: 0.74%), an ASX listed company. At the end of the previous period the fair value of the Company's investment was $204,000 which was based on Auris quoted share price. During the period, the Company recognised a fair value movement of $111,283 (2018: $33,000).

18. PROPERTY, PLANT & EQUIPMENT (non-current)

	2019	2018
Plant and equipment		
At cost	86,263,260	66,499,298
Accumulated depreciation	(43,136,426)	(33,792,571)
Impairment	(5,450,004)	-
Net carrying amount	37,676,830	32,706,727
Land and buildings		
At cost	9,703,426	7,952,369
Accumulated depreciation	(3,782,360)	(3,132,720)
Impairment	(392,430)	-
Net carrying amount	5,528,636	4,819,649
Capital work in progress at cost		
At cost	3,260,226	11,059,353
Impairment	-	-
Net carrying amount	3,260,226	11,059,353
Total property, plant and equipment	**46,465,692**	**48,585,729**
Movement in property, plant and equipment		
Plant and equipment		
At 1 July net of accumulated depreciation	32,706,727	31,235,048
Transfer from capital in progress	20,325,109	10,840,874
Disposals	(30,965)	(29,962)
Impairment (refer to note 39)	(5,450,004)	-
Depreciation charge for the year	(9,874,037)	(9,339,233)
At 30 June net of accumulated depreciation	**37,676,830**	**32,706,727**
Land and buildings		
At 1 July net of accumulated depreciation	4,819,649	4,944,663
Transfer from capital in progress	1,751,057	499,379
Disposals	-	-
Impairment (refer to note 39)	(392,430)	-
Depreciation charge for the year	(649,640)	(624,393)
At 30 June net of accumulated depreciation	**5,528,636**	**4,819,649**
Capital work in progress		
At 1 July	11,059,353	4,287,271
Additions	15,180,457	26,716,929
Transfer to mine properties & development	(903,418)	(8,604,595)
Transfer to plant and equipment	(20,325,109)	(10,840,874)
Transfer to land and buildings	(1,751,057)	(499,378)
At 30 June	**3,260,226**	**11,059,353**

The carrying value of plant and equipment held under finance leases and hire purchase contracts at 30 June 2019 is $10,714,343 (2018: $9,801,093). Value of plant and equipment leased under finance leases and acquired through hire purchase contracts is $4,337,734 (2018: $5,705,651).

Leased assets and assets under hire purchase contracts are pledged as security for the related finance lease and hire purchase lease liabilities (refer to notes 25 and 26).

In 2019, a recoverable amounts assessment of the Nifty Copper Operations property, plant and equipment was conducted which resulted in an impairment loss of $5,842,434 (refer to note 39).

19. MINE PROPERTY AND DEVELOPMENT (non-current)

	2019	2018
Development areas at cost		
At cost	72,599,409	72,505,411
Impairment	(72,490,411)	(72,490,411)
Net carrying amount	108,998	15,000
Mine site establishment		
At cost	41,460,789	39,812,550
Accumulated amortisation	(30,351,669)	(26,820,392)
Net carrying amount	11,109,120	12,992,158
Mine capital development		
At cost	188,482,954	154,333,943
Accumulated amortisation	(108,084,128)	(87,053,498)
Impairment	(49,069,811)	-
Net carrying amount	31,329,015	67,280,445
Total mine properties and development	**42,547,133**	**80,287,603**
Movement in mine properties and development		
Development areas at cost		
At 1 July	15,000	15,000
Additions	93,998	239,761
Impairment (refer to note 39)	-	(239,761)
Transfer to mine site establishment	-	-
At 30 June	**108,998**	**15,000**
Mine site establishment		
At 1 July net of accumulated amortisation	12,992,158	4,437,469
Additions	664,111	458,871
Impairment (refer to note 39)	-	-
Transfer from capital work in progress (refer to note 18)	903,418	8,604,595
Transfer from development areas	-	-
(Decrease)/increase in rehabilitation provision	80,710	1,106,400
Amortisation charge for the year	(3,531,277)	(1,615,177)
At 30 June net of accumulated amortisation	**11,109,120**	**12,992,158**
Mine capital development		
At 1 July net of accumulated amortisation	67,280,445	72,917,741
Additions	33,757,972	9,728,568
Impairment (refer to note 39)	(49,069,811)	-
Transfer from capital work in progress (refer to note 18)	-	-
Adjustment to rehabilitation liability (refer to note 24)	391,039	(1,297,683)
Amortisation charge for the year	(21,030,630)	(14,068,181)
At 30 June net of accumulated amortisation	**31,329,015**	**67,280,445**

In the previous period there was an update to the Mineral Resource and Ore Reserve estimates of the Nifty copper operations. This resulted in an increase in Ore Reserves to 237,500 tonnes of contained copper and an extension of the mine life to seven years. This resulted in a decrease in amortisation expense by $2,008,659.

In 2019, a recoverable amounts assessment of the Nifty Copper Operations mine, properties and development was conducted which resulted in an impairment loss of $49,069,811 (refer to note 39).

20. EXPLORATION EXPENDITURE (non-current)

	2019	2018
Exploration and evaluation costs carried forward in respect of mining areas of interest		
Pre-production areas		
At Cost	10,178,774	11,242,392
Accumulated impairment	-	-
Net carrying amount	**10,178,774**	**11,242,392**
Movement in deferred exploration and evaluation expenditure		
At 1 July net of accumulated impairment	11,242,392	4,892,164
Additions	5,506,154	6,465,945
Adjustment to rehabilitation liability (refer to note 24)	-	-
Expenditure written off	(6,569,772)	(115,717)
At 30 June net of accumulated impairment	**10,178,774**	**11,242,392**

The ultimate recoupment of costs carried forward for exploration and evaluation phases is dependent on the successful development and commercial exploitation or sale of the respective mining areas. Amortisation of the costs carried forward for the development phase is not recognised pending the commencement of production.

During the year a review was undertaken for each area of interest to determine the appropriateness of continuing to carry forward costs in relation to that area of interest. In assessing the carrying value of all of the Consolidated Entity's projects certain expenditure on exploration and evaluation of mineral resources has not led to the discovery of commercially viable quantities of mineral resources. As a result exploration and evaluation expenditure of $6,569,771 (2018: $115,717) was written off to the profit and loss. In the current period the amount relates to mainly tenements in the copper division which were written down to nil as the expenditure did not result in the discovery of commercially viable quantities of mineral resources and as a result there is no future benefits expected.

21. TRADE AND OTHER PAYABLES (current)

	2019	2018
Trade creditors (a)	13,462,805	16,391,970
Sundry creditors and accruals (b)	11,979,019	15,294,822
	25,441,824	**31,686,792**

(a) Trade creditors are non-interest bearing and generally on 30 day terms.

(b) Sundry creditors and accruals are non-interest bearing and generally on 30 day terms.

Due to the short term nature of these payables, their carrying value approximates their fair value.

22. DERIVATIVE FINANCIAL INSTRUMENTS (current)

	2019	2018
Forward commodity options	-	1,078,251
	-	**1,078,251**

The forward commodity options relate to a put and call granted over 1,500 tonnes of copper due for settlement in July 2018. The put has a strike price of $7,800 per tonne and the call has a strike price as of $8,255 per tonne of LME copper. The fair value is based on the applicable LME prices.

23. PROVISIONS (current)

	2019	2018
Provision for annual leave	6,154,800	4,640,632
Provision for sick leave	36,794	76,853
Provision for long service leave	1,626,107	2,035,169
Provision for fringe benefits tax payable	-	-
	7,817,701	**6,752,654**

(a) The nature of the provisions are described in note 2(l) and 2(aa).

24. PROVISIONS (non-current)

	2019	2018
Provision for long service leave (a)	1,317,066	1,316,057
Provision for rehabilitation (b)	40,951,547	39,636,978
	42,268,613	**40,953,035**

(a) Provision for long service leave

The nature of the provisions are described in note 2(l) and 2(aa).

(b) Provision for rehabilitation

Environmental obligations associated with the retirement or disposal of mining properties and/or of exploration activities are recognised when the disturbance occurs and are based on the extent of the damage incurred. The provision is measured as the present value of the future expenditure. The rehabilitation liability is remeasured at each reporting period in line with the change in the time value of money (recognised as an interest expense in the statement of comprehensive income and an increase in the provision), and additional disturbances/change in the rehabilitation cost are recognised as additions/changes to the corresponding asset and rehabilitation liability.

(c) Current and non-current movements in provisions

	2019	2018
At 1 July	**39,636,978**	**38,980,674**
Arising during the year	471,749	(191,284)
Rehabilitation expenditure	-	-
Unwind of discount	842,820	847,588
At 30 June	**40,951,547**	**39,636,978**

25. INTEREST BEARING LOANS AND BORROWINGS (current)

Lease liability	**5,043,404**	**4,848,201**

Represents current portion of finance leases which have repayment terms of 36 months.

26. INTEREST BEARING LOANS AND BORROWINGS (non-current)

Lease liability	**4,310,335**	**5,522,351**

Represents non-current portion of finance leases which have repayment terms of 36 months from inception.

The carrying amount of the Consolidated Entity's non-current loans and borrowings approximate their fair value. The weighted average interest rate is 5.12% (2018: 4.45%) per annum.

Financing facilities available

At reporting date, the following financing facilities were available:

Total facilities		
- finance lease facility	9,353,739	10,370,552
	9,353,739	**10,370,552**
Facilities used at reporting date		
- finance lease facility	**9,353,739**	**10,370,552**

Borrowing Base Facility

The Consolidated Entity has a borrowing base facility of US$20,000,000 with Citibank N.A., which is secured by copper concentrate inventories and copper trade receivables when drawn down. The facility was undrawn at the balance date.

Assets pledged as security:

The carrying amounts of assets pledged as security for current and non-current interest bearing liabilities are:

Non-current		
Finance lease		
Plant and equipment	10,714,343	9,801,093
Total non-current assets pledged as security	**10,714,343**	**9,801,093**

Plant and equipment assets are pledged against lease liabilities for the term of the lease period.

27. ISSUED CAPITAL

(a) Ordinary Shares	2019	2018
Issued and fully paid	**302,004,550**	**254,586,744**

	Number	$
(b) Movements in ordinary shares on issue		
At 1 July 2017	**609,340,903**	**252,511,413**
Issue share capital	700,000	532,000
Issue share capital under dividend reinvestment plan	2,096,529	1,557,192
Share issue costs	-	(13,861)
At 30 June 2018	**612,137,432**	**254,586,744**
Issue share capital	76,923,076	50,000,000
Share issue costs	-	(2,582,194)
At 30 June 2019	**689,060,508**	**302,004,550**

Dividend Reinvestment Plan

The Company operates a dividend reinvestment plan (DRP) which allows eligible shareholders to elect to invest dividends in ordinary shares.

2018

The Company paid an unfranked dividend of 1.00 cent per share with a record date of 7 September 2017 and paid on 19 September 2017. The Company offered a DRP at a 5% discount to the 5 day VWAP. Under the offer 2,096,529 shares were issued at $0.7428 per share on 19 September 2017.

2019

There were no shares issued under the DRP in the 2019 financial year.

(c) Terms and conditions of contributed equity

Holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at shareholder meetings. In the event of winding up the Company the holders are entitled to participate in the proceeds from the sale of all surplus assets in proportion to the number of and amounts paid up on shares held.

Effective 1 July 1998, the Corporations legislation in place abolished the concepts of authorised capital and par share values. Accordingly, the Parent does not have authorised capital nor par value in respect of its issued shares.

(d) Escrow restrictions

There are no current escrow restrictions on the issued capital of the Company.

(e) Options on issue

Unissued ordinary shares of the company under option at the date of this report are as follows:

Type	Expiry Date	Exercise Price	Number of options
Unlisted*	20 January 2020	$0.76	4,150,000
Unlisted*	30 November 2020	$1.32	5,650,000
Unlisted*	22 January 2022	$0.54	1,000,000
Unlisted*	22 January 2023	$0.56	1,000,000
Unlisted*	22 January 2024	$0.58	1,000,000
Unlisted*	30 June 2022	$0.00	1,185,094
Unlisted*	30 June 2023	$0.00	1,185,094
Unlisted*	30 June 2024	$0.00	14,003,014
Total			**29,173,202**

* These options were issued pursuant to the Metals X Limited Employee Option Scheme and can only be exercised pursuant to the scheme rules.
Share options carry no right to dividends and no voting rights.

28. ACCUMULATED LOSSES

	2019	2018
At 1 July	(115,249,072)	(82,858,477)
New accounting standards adjustment to opening balances (note 2(e))	3,762,167	-
Restated at 1 July	**(111,486,905)**	**(82,858,477)**
Net loss in current period attributable to members of the parent entity	(116,968,634)	(26,297,186)
Dividends paid	-	(6,093,409)
At 30 June	**(228,455,539)**	**(115,249,072)**

29. RESERVES

	Share based payments reserve $	Fair value reserve $	Total $
At 30 June 2017	**25,331,051**	**3,762,167**	**29,093,218**
Share based payments	2,019,289	-	2,019,289
Fair value change in available-for-sale financial assets	-	-	-
At 30 June 2018	**27,350,340**	**3,762,167**	**31,112,507**
New accounting standards adjustment to opening balances (note 2(e))	-	(3,762,167)	**(3,762,167)**
Restated at 1 July 2018	**27,350,340**	**-**	**27,350,340**
Share based payments	693,929	-	693,929
At 30 June 2019	**28,044,269**	**-**	**28,044,269**

Nature and purpose of reserves

Fair value reserve

This reserve records the movements in the fair value of available-for-sale investments.

Share based payments reserve

This reserve is used to recognise the fair value of rights and options issued to employees in relation to equity-settled share based payments.

30. SHARE-BASED PAYMENTS

(a) Recognised share-based payment expense

The expense recognised for services received during the year is shown in the table below:

	2019	2018
Expense arising from equity-settled share-based payments	**693,929**	**2,019,289**

The share-based payment plan is described below. There have been no cancellations or modifications to the plan during 2019 and 2018.

(b) Long Term Incentive Plan

Under the Long Term Incentive Plan (LTIP), grants are made to senior executives and other staff members who have made an impact on the Consolidated Entity's performance. LTIP grants for FY2018 and FY2019 were delivered in the form of share options, which vest over a period of one year with no other performance conditions.

Following a remuneration review during the period, the long term incentive policy was amended to focus the efforts of executives on long term value creation to further align management's interests with those of the shareholders. Accordingly from FY2019 onwards LTIP grants were issued in the form of performance options, which will vest over a period of two to three years subject to meeting performance measures, with no opportunity to retest.

(i) Share Options

Share options are issued for nil consideration. The exercise price of the share options is equal to 125% - 135% of the weighted average closing sale price of the Company's fully paid ordinary shares on ASX over the 5 trading days immediately preceding the day on which the options are awarded. Any options that are not exercised by the third anniversary of their grant date will lapse. Upon exercise, the options will be settled in ordinary fully paid shares of the Company. These options will vest when the senior executive or other staff member continues to be employed by the Consolidated Entity on the first anniversary of the grant date or as determined by the Board of Directors.

30. SHARE-BASED PAYMENTS (continued)

Summary of share options granted under the Long Term Incentive Plan

The following table illustrates the number and weighted average exercise price (WAEP) of, and movements in, share options issued under the LTIP.

	2019 Number	2019 WAEP	2018 Number	2018 WAEP
Outstanding at the beginning of the year	13,350,000	1.07	7,250,000	0.76
Granted during the year	3,000,000	0.56	8,100,000	1.32
Exercised during the year	-	-	(700,000)	0.76
Lapsed/cancelled during the year	(3,550,000)	1.04	(1,300,000)	1.06
Outstanding at the year end	**12,800,000**	**0.96**	**13,350,000**	**1.07**
Exercisable at the year end	**9,800,000**	**1.08**	**5,950,000**	**0.76**

The outstanding balance as at 30 June 2019 is represented by the following table:

Grant Date	Vesting date	Expiry date	Exercise Price	Options granted	Options lapsed / cancelled	Options exercised	Number of options at end of period	
							On issue	Vested
24 Nov16	20 Jan 18	20 Jan 20	$0.76	2,000,000	-	-	2,000,000	2,000,000
20 Jan 17	20 Jan 18	20 Jan 20	$0.76	5,250,000	(2,400,000)	(700,000)	2,150,000	2,150,000
22 Nov 17	30 Nov 18	30 Nov 20	$1.32	3,200,000	-	-	3,200,000	3,200,000
23 Nov 17	30 Nov 18	30 Nov 20	$1.32	4,900,000	(2,450,000)	-	2,450,000	2,450,000
25 Jan 19	22 Jan 20	22 Jan 22	$0.54	1,000,000	-	-	1,000,000	-
25 Jan 19	22 Jan 21	22 Jan 23	$0.56	1,000,000	-	-	1,000,000	-
25 Jan 19	22 Jan 22	22 Jan 24	$0.58	1,000,000	-	-	1,000,000	-
Total				**18,350,000**	**(4,850,000)**	**(700,000)**	**12,800,000**	**9,800,000**

Weighted average remaining contractual life of share options

The weighted average remaining contractual life for the share options outstanding as at 30 June 2019 is 1.53 (2018: 2.04).

Range of exercise price of share options

The range of exercise prices for options outstanding at the end of the year $0.54 - $1.32 (2018: $0.76 - $1.32).

Weighted average fair value of share options

The weighted average fair value of options granted during the year was $0.14 (2018: $0.22).

Share option valuation

The fair value of the equity-settled share options granted under the LTIP is estimated at the date of grant using a Black & Scholes model, which takes into account factors including the options exercise price, the volatility of the underlying share price, the risk-free interest rate, the market price of the underlying share at grant date, historical and expected dividends and the expected life of the option.

The following table gives the assumptions made in determining the fair value of the options granted:

	2019		
Grant date	25 January 2019	25 January 2019	25 January 2019
Expected volatility (%)	52%	52%	52%
Risk-free interest rate (%)	1.81%	1.86%	1.96%
Expected life of options (yrs)	3.0	4.0	5.0
Options exercise price ($)	$0.54	$0.56	$0.58
Share price at grant date ($)	$0.43	$0.43	$0.43
Fair value at grant date ($)	$0.124	$0.145	$0.163

30. SHARE-BASED PAYMENTS (continued)

	2018	
Grant date	22 November 2017	23 November 2017
Expected volatility (%)	50%	50%
Risk-free interest rate (%)	1.90%	1.90%
Expected life of options (yrs)	2.5	2.5
Options exercise price ($)	$1.32	$1.32
Share price at grant date ($)	$1.05	$1.03
Fair value at grant date ($)	$0.25	$0.24

The effects of early exercise have been incorporated into the calculations by using an expected life for the option that is shorter than the contractual life based on historical exercise behaviour, which is not necessarily indicative of exercise patterns that may occur in the future. The expected volatility was determined using a historical sample of the Company's share price over a 12 month period. The resulting expected volatility therefore reflects the assumptions that the historical volatility is indicative of future trends, which may also not necessarily be the actual outcome.

(ii) Performance Options

Performance options are issued for nil consideration. The performance options vest over a measurement period of two to three years subject to meeting performance measures. The Company uses relative shareholder return and return on capital employed as the performance measures for the performance options. Any performance options that do not vest on the second or third anniversary of their grant date will lapse. Upon vesting these performance options will convert into an option to acquire ordinary fully paid shares of the Company for nil consideration. Any performance options that are not exercised by the second anniversary of their vesting date will lapse.

Summary of performance options granted under the Long Term Incentive Plan

The following table illustrates the number and movements in, performance share options issued under the LTIP.

	2019 Number	2019 WAEP	2018 Number	2018 WAEP
Outstanding at the beginning of the year	-	-	-	-
Granted during the year	2,682,990	-	-	-
Exercised during the year	-	-	-	-
Lapsed/cancelled during the year	(166,828)	-	-	-
Outstanding at the year end	**2,516,162**	**-**	**-**	**-**
Exercisable at the year end	**-**	**-**	**-**	**-**

The outstanding balance as at 30 June 2019 is represented by the following table:

Grant Date	Vesting date	Expiry date	Exercise Price	Options granted	Options lapsed / cancelled	Options exercised	Number of options at end of period	
							On issue	Vested
7 Dec 18	1 Jul 20	30 Jun 22	$0.00	1,341,495	(83,414)	-	1,258,081	-
7 Dec 18	1 Jul 21	30 Jun 23	$0.00	1,341,495	(83,414)	-	1,258,081	-
Total				**2,682,990**	**(166,828)**	**-**	**2,516,162**	**-**

Exercise price of performance options

Performance options on issue as part of LTIP have a nil exercise price.

Performance conditions

The performance options have the following performance hurdles, which will be measured over the measurement period from grant date:

- The Relative Total Shareholder Return ("TSR") performance options (50% of total performance options) are measured against the S&P/ASX Metals and Mining Index, which the Board considers compete with the Company for the same investment capital, both in Australia and overseas, and which by the nature of their business are influenced by commodity prices and other external factors similar to those that impact on the TSR performance of the Company.

30. SHARE-BASED PAYMENTS (continued)

The vesting schedule for the Relative TSR measure is as follows:

Relative TSR Performance	% Contribution to the Number of Employee Options to Vest
Below Index	0%
Equal to the Index	50%
Above Index and below 15% above the Index	Pro-rata from 50% to 100%
15% above the Index	100%

- Return on Capital Employed ("ROCE") performance options (50% of total performance share options) measures the efficiency with which management uses capital in seeking to increase shareholder value.

  The vesting schedule for the ROCE measure is as follows:

ROCE Performance	% Contribution to the Number of Employee Options to Vest
Less than or equal to the average annual weighted average cost of capital (**WAC**	0%
WACC (calculated as above) + 3%	50%
WACC (calculated as above) + between 3% and 6%	Pro-rata from 50% to 100%
WACC (calculated as above) + 6%	100%

Measurement period

The performance options are subject to two performance periods:

- 50% of the Relative TSR and ROCE performance options will be measured against the performance measures for a two year period from 1 July 2018 to 30 June 2020.
- 50% of the Relative TSR and ROCE performance options will be measured against the performance measures for a three year period from 1 July 2018 to 30 June 2021.

Weighted average fair value of performance rights

The weighted average fair value of performance options granted during the year was nil (2018: nil).

Performance share options valuation

The fair value of the performance share options granted are estimated using a Monte Carlo Simulation option pricing model, taking into account the terms and conditions upon which the performance share options were granted.

2019		
	Tranche 1	
Details	**Relative Total Shareholder Return**	**Return on Capital Employed**
Grant date	23 November 2017	22 November 2017
Valuation date	1 July 2018	1 July 2018
Measurement date	30 June 2020	30 June 2020
Expected volatility (%)	50%	50%
Risk-free interest rate (%)	2.00%	2.00%
Expected life of options (yrs)	2.0	2.0
Options exercise price ($)	$0.00	$0.00
Share price at grant date ($)	$0.80	$0.80
Fair value at grant date ($)	$0.26	$0.80

	Tranche 2	
Details	**Relative Total Shareholder Return**	**Return on Capital Employed**
Grant date	23 November 2017	22 November 2017
Valuation date	1 July 2018	1 July 2018
Measurement date	30 June 2021	30 June 2021
Expected volatility (%)	50%	50%
Risk-free interest rate (%)	2.07%	2.07%
Expected life of options (yrs)	3.0	3.0
Options exercise price ($)	$0.00	$0.00
Share price at grant date ($)	$0.80	$0.80
Fair value at grant date ($)	$0.27	$0.80

31. CONTINGENT ASSETS AND LIABILITIES

Bank guarantees

The Consolidated Entity has a number of bank guarantees in favour of various government authorities and service providers. The bank guarantees primarily relate to environmental and rehabilitation bonds at the various projects. The total amount of these guarantees at the reporting date is $10,771,569 (2018: $10,311,569). These bank guarantees are fully secured by performance bonds (refer to note 15).

32. AUDITOR'S REMUNERATION

	2019	2018
Amounts received or due and receivable by Ernst & Young (Australia) for:		
An audit or review of financial reports of the entity and any other entity within the Consolidated Entity	335,692	225,730
Other services in relation to the entity and any other entity in the Consolidated Entity:		
- tax compliance	54,500	187,483
- stamp duty compliance	-	24,481
An audit or review of financial reports of the entity and any other entity within the Consolidated Entity	-	-
Total auditor remuneration	**390,192**	**437,694**

33. COMMITMENTS

(a) Capital commitments

Commitments relating to joint arrangements

At 30 June 2018 the Consolidated Entity has capital commitments that relate principally to the purchase and maintenance of plant and equipment for its mining operations.

Capital expenditure commitments

Estimated capital expenditure contracted for at reporting date, but not recognised as liabilities for the Consolidated Entity:

- Within one year	**1,399,708**	**5,145,233**

(b) Operating lease commitments - Consolidated Entity as lessee

The Company has entered into commercial property leases on office rental and remote area residential accommodation. The Company has entered into commercial leases on office equipment. These operating leases have an average life of between one month and three years with renewal options included in the contracts. The Company also has commercial leases over the tenements in which the mining operations are located. These tenement leases have a life of up to twenty one years. In order to maintain current rights to explore and mine the tenements the Consolidated Entity is required to perform minimum exploration work to meet the expenditure requirements specified by the relevant state governing body. There are no restrictions placed on the lessee by entering into these contracts. The operating lease commitments include Joint Operation commitments as disclosed in note 34.

Future minimum rentals payable under non-cancellable operating leases as at 30 June are as follows:

(i) Property leases as lessee:		
- Within one year	197,587	109,360
- After one year but not more than five years	246,520	453,767
	444,107	**563,127**
(ii) Equipment leases:		
- Within one year	285,531	3,499,269
- After one year but not more than five years	102,553	2,210,241
- After more than five years	-	155,279
	388,084	**5,864,789**

33. COMMITMENTS (continued)

(iii) Mineral tenement leases:	2019	2018
- Within one year	1,153,952	782,819
- After one year but not more than five years	3,543,534	2,876,954
- After more than five years	6,947,291	7,020,966
	11,644,777	**10,680,739**

(c) Operating lease commitments - Consolidated Entity as lessor

The Company has entered into property leases on remote area residential accommodation that it sub-leases to employees. These property leases have an average life of between one month and one year with renewal options included in the contracts. The property lease commitments include Joint Operation commitments as disclosed in note 34.

Future minimum rentals receivable under non-cancellable operating leases as at 30 June are as follows:

(i) Property leases as lessor:		
- Within one year	11,309	22,126
- After one year but not more than five years	-	4,843
	11,309	**26,969**

(d) Finance lease and hire purchase commitments

The Company has finance leases and hire purchase contracts for various items of plant and machinery. The leases do have terms of renewal but no escalation clauses. Renewals are at the option of the specific entity that holds the lease. The finance and hire purchase 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.

Future minimum lease payments under finance leases and hire purchase contracts together with the present value of the minimum lease payments are as follows:

	2019	
	Minimum lease payments	Present value of lease payments
Within one year	5,394,957	5,043,404
After one year but not more than five years	4,430,023	4,310,335
Total minimum lease payments	9,824,980	9,353,739
Less amounts representing finance charges	(471,241)	-
Present value of minimum lease payments	9,353,739	9,353,739

	2018	
	Minimum lease payments	Present value of lease payments
Within one year	5,205,554	4,848,201
After one year but not more than five years	5,721,986	5,522,351
Total minimum lease payments	10,927,540	10,370,552
Less amounts representing finance charges	(556,988)	-
Present value of minimum lease payments	10,370,552	10,370,552

	2019	2018
Included in the financial statements as:		
Current interest-bearing loans and borrowings (note 25)	5,043,404	4,848,201
Non-current interest-bearing loans and borrowings (note 26)	4,310,335	5,522,351
Total included in interest-bearing loans and borrowings	**9,353,739**	**10,370,552**

The weighted average interest rate of leases for the Company is 5.12% (2018: 4.45%).

(e) Other commitments

The Consolidated Entity has obligations for various expenditures such as state government royalties, production based payments and exploration expenditure. Such expenditures are predominantly related to the earning of revenue in the ordinary course of business.

34. INTERESTS IN JOINT OPERATIONS

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

RENISON TIN OPERATIONS

Subsidiary Bluestone Mines Tasmania Pty Ltd has a 50% interest and participating share in the Renison Tin Operations which is operated and managed by Bluestone Mines Tasmania Joint Venture Pty Ltd. The Consolidated Entity is entitled to 50% of the production. The Renison Tin Operations is located in Tasmania.

		2019	2018
	Commitments relating to the joint operation:		
	Share of capital commitments (refer to note 33(a))	**515,192**	**1,477,690**
	Share of operating lease commitments (refer to note 33(b))		
	Future minimum rentals payable under non-cancellable operating leases as at 30 June are as follows:		
	Operating lease commitments - joint operation as lessee		
(i)	Property leases as lessee:		
	- Within one year	9,947	2,979
		9,947	**2,979**
(ii)	Equipment leases:		
	- Within one year	4,902	4,938
	- After one year but not more than five years	3,640	3,654
		8,542	**8,592**
(iii)	Mineral tenement leases:		
	- Within one year	60,013	53,738
	- After one year but not more than five years	220,345	214,951
	- After more than five years	385,604	429,902
		665,962	**698,591**
	Operating lease commitments - joint operation as lessor		
(i)	Property leases as lessor:		
	- Within one year	11,309	22,126
	- After one year but not more than five years	-	4,843
		11,309	**26,969**

Impairment
During the year reversal of write-downs of inventory of $256 (2018: $4,358) were recognised in the joint operation.

35. SEGMENTS

For management purposes, the Consolidated entity is organised into operating segments determined by the similarity of the mineral being mined or explored, as these are the sources of the Consolidated Entity's major risks and have the most effect on rates of return

The Consolidated Entity comprises the following reportable segments:

- Renison Tin Operations: Mining, treatment and marketing of tin concentrate.
- Wingellina Nickel Project: Exploration and development of nickel assets.
- Nifty Copper Operations: Mining, treatment and marketing of copper concentrate.
- Maroochydore Copper Project: Exploration and development of copper assets.

Executive management monitors the operating results of its operating segments separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on operating profit or loss and is measured consistently with operating profit or loss in the consolidated financial statements. Inter-segment revenues are eliminated upon consolidation. All other adjustments and eliminations are part of the detailed reconciliations presented further below.

35. SEGMENTS (continued)

The following table presents revenue and profit information for reportable segments for the years ended 30 June 2019 and 30 June 2018.

Year ended 30 June 2019	Renison Tin Operations	Nifty Copper Operations	Maroochydore Copper Project	Wingellina Nickel Project	Adjustments and eliminations	Total
Revenue						
External customers	85,276,228	119,445,784	-	-	-	204,722,012
Total revenue	**85,276,228**	**119,445,784**	**-**	**-**	**-**	**204,722,012**
Results						
Depreciation and amortisation	(14,757,984)	(20,134,407)	-	(56,851)	-	(34,949,242)
Exploration and evaluation expenditure written off	(256)	(6,558,463)	(11,053)	-	-	(6,569,772)
Impairment of assets	-	(64,199,644)		-	-	(64,199,644)
Segment profit	**6,695,897**	**(115,639,861)**	**(11,053)**	**-**	**-**	**(108,955,017)**
Total assets	**84,749,512**	**67,326,294**	**5,929,277**	**2,357,095**	**-**	**160,362,178**
Total liabilities	**(14,118,071)**	**(68,682,599)**	**-**	**(69,240)**	**-**	**(82,869,910)**
Other disclosures						
Capital expenditure	(9,034,209)	(39,598,992)	(899,853)	(1,187,766)	-	(50,720,820)

Year ended 30 June 2018	Renison Tin Operations	Nifty Copper Operations	Maroochydore Copper Project	Wingellina Nickel Project	Adjustments and eliminations	Total
Revenue						
External customers	81,929,241	127,972,186	-	-	-	209,901,427
Total revenue	**81,929,241**	**127,972,186**	**-**	**-**	**-**	**209,901,427**
Results						
Depreciation and amortisation	(12,535,023)	(12,888,303)	-	(81,439)	-	(25,504,765)
Exploration and evaluation expenditure written off	(4,538)	-	(7,996)	(103,184)	-	(115,718)
Impairment of assets	-			(239,761)	-	(239,761)
Segment profit	**23,930,358**	**(31,566,515)**	**(7,996)**	**(342,945)**	**-**	**(7,987,098)**
Total assets	**102,494,118**	**101,021,499**	**5,042,672**	**1,162,345**	**-**	**209,720,634**
Total liabilities	**(19,113,945)**	**(67,293,691)**	**-**	**(56,883)**	**-**	**(86,464,519)**
Other disclosures						
Capital expenditure	(21,361,744)	(12,290,970)	(2,628,769)	(1,308,239)	-	(37,589,722)

Reconciliation of segment results to consolidated results

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

Current taxes, deferred taxes, cash and certain financial assets and liabilities are not allocated to those segments as they are also managed on a Consolidated Entity basis.

Capital expenditure consists of additions of property, plant and equipment, mine properties and development and exploration and evaluation expenditure including assets from the acquisition of subsidiaries.

Corporate charges comprise non-segmental expenses such as head office expenses and interest. Corporate charges are not allocated to operating segments.

35. SEGMENTS (continued)

(a) Reconciliation of profit/(loss)

	2019	2018
Segment profit	**(108,955,017)**	**(7,987,098)**
Corporate administration expenses	(6,732,351)	(4,478,838)
Corporate interest income	807,144	680,102
Corporate other income	128,340	502,434
Finance costs	(1,472,286)	(1,469,351)
Fair value change in financial assets	(4,422,234)	(47,300)
Impairment loss on available-for-sale financial assets	-	(1,748,370)
Share-based payments	(693,929)	(2,019,289)
Loss on derivative instruments	4,387,238	(10,364,135)
Net loss on disposal of assets	(15,539)	634,659
Total consolidated profit before income tax from continuing operations	**(116,968,634)**	**(26,297,186)**

(b) Reconciliation of assets

	2019	2018
Segment operating assets	**160,362,178**	**209,720,634**
Unallocated corporate assets		
Cash and cash equivalents	11,183,420	30,971,488
Trade and other receivables	3,011,559	167,408
Prepayments	141,224	158,770
Other financial assets	10,771,569	10,311,569
Derivative financial instruments	44,850	82,950
Financial assets (non-current)	243,585	9,170,713
Property, plant and equipment	716,826	707,931
Total consolidated assets	**186,475,211**	**261,291,463**

(c) Reconciliation of liabilities

	2019	2018
Segment operating liabilities	**82,869,910**	**86,464,519**
Unallocated corporate liabilities		
Trade and other payables	1,277,901	2,238,622
Derivative financial instruments	-	1,078,251
Provision for employee benefits	650,168	1,036,936
Interest bearing loans and borrowings	83,898	22,956
Total consolidated liabilities	**84,881,877**	**90,841,284**

(d) Segment revenue from external customers

	2019	2018
Segment revenue	204,722,012	209,901,427
Total revenue	**204,722,012**	**209,901,427**

Revenue from external customers by geographical locations is detailed below. Revenue is attributable to geographical location based on the location of the customers. The Company does not have external revenues from external customers that are attributable to any foreign country other than as shown.

	2019	2018
South East Asia	204,722,012	209,901,427
Total revenue	**204,722,012**	**209,901,427**

In the current period the Consolidated Entity had three customers to which it provides tin and copper. The Consolidated Entity sends its tin and copper concentrates to three South East Asian customers that accounts for 100% of total external revenue (2018: 100%). The Renison Tin Operations, Customer 1 and Customer 2 provided 12% and 29% respectively of total external revenue (2018: 8% and 33%). The Nifty Copper Operations, Customer 1 provided 59% of total external revenue (2018: 59%).

(e) Segment non-current assets, excluding financial assets, are all located in Australia.

36. KEY MANAGEMENT PERSONNEL

(a) Details of Key Management Personnel

		Appointed	Resigned
(i) Non-Executive Directors (NEDs)			
PJ Newton	Non-Executive Chairman	14 December 2012	-
SD Heggen	Non-Executive Director	25 October 2012	-
M Jerkovic	Non-Executive Director	1 May 2017	-
DM Marantelli	Managing Director	3 September 2018	12 November 2018
Y Zhang	Non-Executive Director	9 January 2017	-
(ii) Executive Directors			
WS Hallam	Managing Director	1 March 2005	12 November 2018
DM Marantelli	Managing Director	12 November 2018	-
(iii) Other Executives (KMPs)			
CC Baird	EGM - Mining & Technical	3 September 2018	-
RL Cole	General Manager - Nifty	23 August 2018	-
JR Croall	General Manager - Nifty	2 November 2017	6 July 2018
AH King	Chief Operating Officer	24 February 2014	12 November 2018
M Recklies	General Manager - Renison	24 March 2017	-
SB Rigby	EGM - Geology & Business Development	5 June 2018	-
SD Robinson	EGM - Projects & Planning	25 November 2016	-
FJ Van Maanen	CFO & Company Secretary	1 July 2005	-

There are no other changes of the key management personnel after the reporting date and before the date the financial report was authorised for issue.

(b) Compensation of Key Management Personnel

	2019	2018
Short-term employee benefits	3,154,998	2,923,441
Post employment benefits	300,190	194,754
Other long-term benefits	218,248	8,610
Share-based payment	535,127	1,320,478
Termination payments	553,594	-
	4,762,157	**4,447,283**

The amounts disclosed in the table are the amounts recognised as an expense during the period related to key management personnel.

(c) Loans to Key Management Personnel

There were no loans to key management personnel during the current or previous financial year.

(d) Interest held by Key Management Personnel under the Long Term Incentive Plan

Share options* and performance options** held by key management personnel under the long term incentive plan to purchase ordinary shares:

Grant date	Expiry date	Exercise price $	2019	2018
24 November 2016 *	20 January 2020	0.76	2,000,000	2,000,000
20 January 2017 *	20 January 2020	0.76	1,200,000	3,000,000
22 November 2017 *	30 November 2020	1.32	3,200,000	3,200,000
23 November 2017 *	30 November 2020	1.32	1,200,000	2,700,000
7 December 2018 **	30 June 2022	-	732,078	-
7 December 2018 **	30 June 2023	-	732,078	-
25 January 2019 *	22 January 2022	0.54	1,000,000	-
25 January 2019 *	22 January 2023	0.56	1,000,000	-
25 January 2019 *	22 January 2024	0.58	1,000,000	-
Total			**12,064,156**	**10,900,000**

37. RELATED PARTY DISCLOSURES

(a) Subsidiaries

The consolidated financial statements of the Consolidated Entity include Metals X Limited and the subsidiaries listed in the following table:

Name	Country of incorporation	Ownership interest 2019	Ownership interest 2018
Bluestone Australia Pty Ltd	Australia	100%	100%
Metals Exploration Pty Ltd	Australia	100%	100%
Cupric Pty Ltd	Australia	100%	100%
Subsidiary companies of Bluestone Australia Pty Ltd			
Bluestone Mines Tasmania Pty Ltd	Australia	100%	100%
Subsidiary companies of Metals Exploration Pty Ltd			
Austral Nickel Pty Ltd	Australia	100%	100%
Hinckley Range Pty Ltd	Australia	100%	100%
Metex Nickel Pty Ltd	Australia	100%	100%
Subsidiary companies of Cupric Pty Ltd			
Nifty Copper Pty Ltd	Australia	100%	100%
Maroochydore Copper Pty Ltd	Australia	100%	100%

(b) Ultimate parent

Metals X Limited is the ultimate parent entity.

(c) Key management personnel

Details relating to key management personnel, including remuneration paid, are included in note 36.

(d) Transactions with related parties	2019	2018
(i) Jointly controlled operations		
Amounts charged by Bluestone Australia Pty Ltd and Metals X Limited to Bluestone Mines Tasmania Joint Venture Pty Ltd for services provided *	488,186	276,741
(ii) Related parties		
Amounts charged by Xavier Group Pty Ltd to Metals X Limited for corporate advisory services provided.**	205,000	-

* Subsidiary Bluestone Mines Tasmania Pty Ltd has a 50% interest in the Renison Tin Operations accounted for as a joint operation.

** M Jerkovic is a director of Xavier Group Pty Ltd.

38. INFORMATION RELATING TO METALS X LIMITED ("THE PARENT ENTITY")

	2019	2018
Current assets	24,780,214	41,361,344
Total assets	82,123,588	147,111,691
Current Liabilities	785,949	3,308,420
Total Liabilities	785,949	3,308,420
Issued capital	311,284,548	263,866,743
Accumulated losses	(257,991,179)	(151,175,979)
Option premium reserve	28,044,270	27,350,340
Other reserves	-	3,762,167
Total Equity	**81,337,639**	**143,803,271**
Loss of the parent entity	(96,830,093)	(11,885,961)
Total comprehensive loss of the parent entity	(96,830,093)	(11,885,961)

Guarantees entered into by the parent entity in relation to the debts of its subsidiaries.

Pursuant to ASIC Instrument 2016/785, Metals X and its wholly owned subsidiaries (refer to note 37(a) entered into a deed of cross guarantee on 11 November 2013. The effect of the deed is that Metals X has guaranteed to pay any deficiency in the event of winding up of any controlled entity or if they do not meet their obligations under the terms of any debt subject to the guarantee. The controlled entities have given a similar guarantee in the event that Metals X is wound up or if it does not meet its obligations under the terms of any debt subject to the guarantee.

The statement of financial position and statement of comprehensive income for the closed group is not different to the Consolidated Entity's statement of financial position and statement of comprehensive income.

Contingent liabilities of the parent entity.	Nil
Contractual commitments by the parent entity for the acquisition of property, plant or equipment.	Nil

39. IMPAIRMENT OF ASSETS

The Consolidated Entity assessed each asset or cash generating unit ("CGU") for the year ended 30 June 2019 to determine whether any indication of impairment existed. Where an indicator of impairment existed, a formal estimate of the recoverable amount was made. In assessing whether an impairment is required for the carrying value of an asset, its carrying value is compared to its recoverable amount. The recoverable amount is the higher of the asset's fair value less costs of disposal ("FVLCD") and value in use ("VIU").

30 June 2019 Assessment

As a result of the Consolidated Entity's impairment review it was determined that continued cash outflows and underperformance against budget represented indicators of potential impairment of the Nifty CGU. The Consolidated Entity used FVLCD to determine the recoverable amount for the Nifty CGU based on the following methodology and assumptions:

Methodology

For the year ended 30 June 2019 the Consolidated Entity has impaired the assets of the Nifty CGU based on fair values determined by independent experts using comparable transactions less expected costs of disposal. This method has been adopted as it results in a higher recoverable amount than a VIU assessment.

The recoverable amount of the Nifty CGU was previously measured using VIU based on discounted cash flows. The change in valuation method is due to the fact that the mining strategy at Nifty has been refocused to expanding laterally underground into new mining areas in the east and west and to move away from the historical Central Zone mining area. In May 2019 the Company announced the Nifty Reset Plan which focusses on the development of new mining areas and underground infrastructure. Due to the depletion and shift away from continuing to mine the historical Central Zone the carrying value associated with the Central Zone mine, properties and development has been impaired to nil. Key objectives of the Reset Plan is to take advantage of the substantial resource base, exploration upside and the existing processing plant, mobile fleet and other surface infrastructure all of which continue to have significant value to the Consolidated Entity. Therefore, the Consolidated Entity considers the FVLCD to be the most appropriate valuation method for financial statement reporting purposes.

Impairment Losses

Impairment losses have been allocated to assets of the Nifty CGU as follows:

Details	Carrying Value $	Impairment loss $	Recoverable amount $
Inventory of stores and spares	18,287,398	9,287,398	9,000,000
Property, plant and equipment	32,025,834	5,842,434	26,183,400
Exploration expenditure	2,080,449	-	2,080,449
Mine, properties and development	49,069,811	49,069,811	-
Total	**101,463,492**	**64,199,643**	**37,263,849**

In allocating the impairment, individual assets have not been impaired below their individual recoverable values. To determine their individual recoverable values, inventory of stores and spares and property, plant and equipment have been valued using the market comparison and replacement cost approach adjusted for present condition and location. Mine, properties and development and the exploration expenditure has been valued using a market approach known as the exploration valuation method, which is based on comparable transactions and past expenditure on exploration. The fair value methodologies adopted are categorised as Level 3 in the fair value hierarchy. The Consolidated Entity has valued the Nifty tenements using ranges of value per unit area (km^2) derived from comparable transactions. The range of the implied value of comparable transactions is between $60/$km^2$ and $9,596/$km^2$, with a mean of $2,612/$km^2$. The Consolidated Entity has applied an economic obsolescence deduction where relevant of an average of 70% to the inventory of stores and spares and property, plant and equipment.

39. IMPAIRMENT OF ASSETS (continued)

30 June 2018 Assessment

As a result of the Consolidated Entity's 30 June 2018 impairment indicator review, an assessment of the recoverable amount for all of its cash generating units ("CGUs") with impairment indicators was performed. Underperformance against budget at the Nifty Copper Project ("Nifty") CGU represented an indicator of potential impairment. The Consolidated Entity utilised a discounted cash flow ("DCF") model to determine the recoverable amount of Nifty based upon the Nifty life of mine plan. The assessment of the recoverable amount of Nifty determined that no impairment was required as at 30 June 2018. There were no indicators of impairment of other Metals X assets or CGUs as at 30 June 2018.

Assumptions

The table below summarises the key assumptions used in the carrying value assessment:

Details	30 June 2018
Copper price (US$ per tonne)	$6,775
Exchange rate (AUD/USD)	$0.77
Discount rate % (post tax)	8.0%

Sensitivity Analysis

It was estimated that changes in key assumptions, in isolation, would have had the following approximate impact (increase or decrease) on the recoverable amount of the Nifty CGU as at 30 June 2018:

Details	Increase in key assumption	Decrease in key assumption
5% change in copper price (US$ per tonne)	43,768,881	(47,695,547)
5% change in exchange rate (AUD/USD)	(39,437,271)	43,390,620
5% change in cost of production	(26,493,359)	26,396,468
1% change in recovery factor	8,732,434	(8,740,498)
1% change in discount rate	(4,466,134)	4,684,839

40. EVENTS AFTER THE BALANCE SHEET DATE

On 29 August 2019 the Company entered into a facility agreement with Citibank N.A. for a A$35,000,000 secured term loan facility ("Facility") through the Company's 100%-owned subsidiary Bluestone Mines Tasmania Pty Ltd. The key terms of the facility agreement are:

Loan term:	4 years;
Repayments:	Quarterly in arrears commencing 31 December 2019 with accelerated prepayment from cash sweep commencing 30 June 2020. Early repayment allowed, without penalty, at any time;
Security:	All material assets of the Company and certain subsidiaries excluding the Renison Tin Operations joint venture participating interest and tenements;
Key terms:	Mandatory tin hedging, minimum liquidity and standard debt service ratios; and
Conditions Precedent:	Drawdown conditional upon completion of tin hedge arrangements and other conditions customary for a facility of this nature.

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 Company and of the Consolidated Entity are in accordance with the Corporations Act 2001, including:

  (i) giving a true and fair view of the Company's and the Consolidated Entity's financial position as at 30 June 2019 and of their performance for the year ended on that date; and

  (ii) complying with the Australian Accounting Standards (including the Australian Accounting Interpretations) and Corporations Regulations 2001; and

(b) the financial statements and notes also comply with International Financial Reporting Standards as disclosed in note 2(b) and;

(c) subject to matters stated in note 2(c) of the financial report, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable; and

(d) this declaration has been made after receiving the declarations required to be made to the Directors in accordance with section 295A of the Corporations Act 2001 for the financial year ended 30 June 2019.

As at the date of this declaration, there are reasonable grounds to believe that the members of the Closed Group identified in note 37 will be able to meet any obligations or liabilities to which they are or may become subject, by virtue of the Deed of Cross Guarantee.

On behalf of the Board.

DM Marantelli
Managing Director
Perth, 29 August 2019

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Independent auditor's report to the members of Metals X Limited

Report on the audit of the financial report

Opinion

We have audited the financial report of Metals X Limited (the Company) and its subsidiaries (collectively the Group), which comprises the consolidated statement of financial position as at 30 June 2019, the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, notes to the financial statements, including a summary of significant accounting policies, and the Directors' declaration.

In our opinion, the accompanying financial report of the Group is in accordance with the *Corporations Act 2001*, including:

a. Giving a true and fair view of the consolidated financial position of the Group as at 30 June 2019 and of its consolidated financial performance for the year ended on that date; and

b. Complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Report section of our report. We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material uncertainty related to going concern

We draw attention to Note 2(c) in the financial report. The conditions as set forth in Note 2(c) indicate the existence of a material uncertainty that may cast significant doubt about the Group's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial report of the current year. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, but we do not provide a separate opinion on these matters. In addition to the matter described in the *Material Uncertainty Related to Going Concern* section, we have determined the matters described below to be the key audit matters to be communicated in our report. For each matter below, our description of how our audit addressed the matter is provided in that context.

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We have fulfilled the responsibilities described in the Auditor's Responsibilities for the Audit of the Financial Report section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial report. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying financial report.

1. Recoverability of non-current assets

Why significant	How our audit addressed the key audit matter
The Group's non-current assets comprising property, plant and equipment, exploration expenditure and mine properties and development are required to be assessed for indicators of impairment in accordance with Australian Accounting Standards at each reporting date. Where impairment indicators are identified, the applicable assets are required to be tested for impairment. As at 30 June 2019, the Group identified impairment indicators for the Nifty cash generating unit ("CGU"). The Group engaged external valuations specialists to perform an assessment of the recoverable amount of the property, plant and equipment (including stores and spares), exploration and evaluation expenditure and mine properties and development associated within the CGU using a fair value less costs of disposal ("FVLCD") basis (refer to Note 39 of the financial report). It was determined that the recoverable amount of the Nifty CGU, based on the FVLCD model, assessed by the external independent experts was lower than the carrying amount resulting in an impairment loss of $64.20 million being recorded as at 30 June 2019. The Group's assessment of the recoverable amount of non-current assets required estimation and judgment regarding forward looking assumptions used, identifying comparable market transactions and considering economic obsolescence. Accordingly, this was considered to be a key audit matter.	Our audit procedures included the following: ► Assessed the appropriateness of the Group's identification of indicators of impairment for its CGUs. ► For recoverable amounts determined by the external independent experts engaged by the Group, we involved our valuation specialists to assess the valuation reports provided by the experts including assessing the: ► qualifications, competence and objectivity of the expert engaged by the Group ► valuation methodology adopted ► assumptions applied by the valuation expert. ► Recalculated the impairment charge for the Nifty CGU after assessing the carrying amount assigned to the Nifty CGU by the Group and the calculated recoverable amount. ► Assessed the adequacy of the associated financial report disclosures.

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2. Rehabilitation Provision

Why significant	How our audit addressed the key audit matter
As a consequence of its operations, the Group incurs obligations to restore and rehabilitate the environment. Rehabilitation activities are governed by a combination of legislative requirements and Group policies. As at 30 June 2019, the Group's statement of financial position includes provisions of $40.95 million in respect of such obligations. Estimating the costs associated with these future activities requires considerable judgment for factors such as timing of the rehabilitation, the costs associated with the rehabilitation activities and economic assumptions such as discount rates and inflation rates. Given the judgment involved in measuring the provision, this was considered to be a key audit matter.	We evaluated the assumptions and methodologies used by the Group in determining their rehabilitation obligations. Our audit procedures include the following: ► Considered the rehabilitation plans, to assess whether the cost estimates were reasonable and complied with Group policies and relevant legislative requirements. This included assessing costs against external data such as an independent expert's report obtained by the Group to assist its estimation of future rehabilitation costs. ► Assessed the qualifications, competence and objectivity of the Group's internal and external experts that formed the basis of the cost estimates. ► Evaluated the Group's treatment of changes in the rehabilitation provision from the prior year. ► Assessed the adequacy of the Group's disclosures relating to rehabilitation obligations.

Information other than the financial report and auditor's report thereon

The directors are responsible for the other information. The other information comprises the information included in the Company's 2019 Annual Report, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon, with the exception of the Remuneration Report and our related assurance opinion.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the directors for the financial report

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

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In preparing the financial report, the Directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.

- Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with the Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated to the Directors, we determine those matters that were of most significance in the audit of the financial report of the current year and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on the audit of the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included in the Directors' report for the year ended 30 June 2019.

In our opinion, the Remuneration Report of Metals X Limited for the year ended 30 June 2019, complies with section 300A of the *Corporations Act 2001*.

Responsibilities

The Directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

Ernst & Young

Ernst & Young

Philip Teale
Partner
Perth
29 August 2019

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TABLES OF MINERAL RESOURCES AND ORE RESERVES AS AT 30 JUNE 2019

TIN DIVISION

Mineral Resource Estimates – Consolidated Summary & Annual Comparison

Project	TIN			COPPER		
	Tonnes Kt	Grade % Sn	Metal Kt Sn	Tonnes kt	Grade % Cu	Metal Kt Cu
30 June 2018						
Renison Bell	16,437	1.31	216	16,236	0.21	34
Mt Bischoff	1,667	0.54	9	-	-	-
Rentails	23,886	0.44	104	23,886	0.22	53
	41,990	**0.78**	**329**	**40,121**	**0.22**	**87**
Mining Depletion						
Renison Bell	(808)	1.17	(9.5)	(808)	0.32	(2.6)
Mt Bischoff	-	-	-	-	-	-
Rentails	-	-	-	-	-	-
	(808)	**1.17**	**(9.5)**	**(808)**	**0.32**	**(2.6)**
Resource Adjustments						
Renison Bell	1,918	2.95	56.5	2,119	0.17	3.6
Mt Bischoff	-	-	-	-	-	-
Rentails	-	-	-	-	-	-
	1,918	**2.95**	**56.5**	**2,119**	**0.17**	**3.6**
30 June 2019						
Renison Bell	17,547	1.50	263	17,547	0.20	35
Mt Bischoff	1,667	0.54	9	-	-	-
Rentails	23,886	0.44	104	23,886	0.22	53
	43,100	**0.87**	**376**	**41,447**	**0.21**	**87**

Ore Reserve Estimates – Consolidated Summary & Annual Comparison

The Ore Reserve estimates are a subset of the Mineral Resource estimates

Project	TIN			COPPER		
	Ore Kt	Grade % Sn	Metal Kt Sn	Ore Kt	Grade % Cu	Metal Kt Cu
30 June 2018						
Renison Bell	6,822	1.01	69	6,822	0.22	15
Rentails	22,313	0.44	99	22,313	0.23	51
	29,135	**0.58**	**168**	**29,135**	**0.23**	**66**
Mining Depletion						
Renison Bell	(808)	1.17	(9)	(808)	0.32	(2)
Rentails	-	-	-	-	-	-
	(808)	**1.17**	**(9)**	**(808)**	**0.32**	**(2)**
Reserve Adjustments						
Renison Bell	2,085	1.11	23	2,085	0.23	5
Rentails	-	-	-	-	-	-
	2,085	**1.11**	**23**	**2,085**	**0.23**	**5**
30 June 2019						
Renison Bell	8,098	1.02	82	8,099	0.21	17
Rentails	22,313	0.44	99	22,313	0.23	51
	30,411	**0.60**	**181**	**30,411**	**0.22**	**68**

Notes: *Renison Bell, Mount Bischoff and Rentails Resources and Reserves are 50% owned by Metals X.*
The geographic region for Tin Mineral Resources and Ore Reserves is Australia.

TABLES OF MINERAL RESOURCES AND ORE RESERVES AS AT 30 JUNE 2019 (continued)

COPPER DIVISION

Mineral Resource Estimates – Consolidated Summary & Annual Comparison

Project	COPPER		
	Kt	Grade %	Metal Kt
30 June 2018			
Nifty Sulphide	40,390	1.49	602
Nifty Oxide	4,330	0.86	37
Nifty Heap Leach	3,310	0.74	23
	48,030	**1.38**	**662**
Mining Depletion			
Nifty Sulphide	(1,396)	1.36	(19)
Nifty Oxide	-	-	-
Nifty Heap Leach	-	-	-
	(1,396)	**1.36**	**(19)**
Resource Adjustments			
Nifty Sulphide	(2,709)	1.36	(37)
Nifty Oxide	-	-	-
Nifty Heap Leach	-	-	-
	(2,709)	**1.36**	**(37)**
30 June 2019			
Nifty Sulphide	36,280	1.50	546
Nifty Oxide	4,330	0.86	37
Nifty Heap Leach	3,310	0.74	23
	48,014	**1.39**	**666**

Maroochydore Project	COPPER			COBALT		
	Kt	Grade % Cu	Metal Kt Cu	Kt	Grade ppm Co	Metal kt Co
30 June 2018						
Maroochydore Oxide	43,200	0.91	394	43,200	391	16.9
Maroochydore Sulphide	5,430	1.66	90	5,430	292	1.6
	48,630	**1.00**	**486**	**48,630**	**380**	**18.5**
Mining Depletion						
Maroochydore Oxide	-	-	-	-	-	-
Maroochydore Sulphide	-	-	-	-	-	-
	-	**-**	**-**	**-**	**-**	**-**
Resource Adjustments						
Maroochydore Oxide	-	-	-	-	-	-
Maroochydore Sulphide	-	-	-	-	-	-
	-	**-**	**-**	**-**	**-**	**-**
30 June 2019						
Maroochydore Oxide	43,200	0.91	394	43,200	391	16.9
Maroochydore Sulphide	5,430	1.66	90	5,430	292	1.6
	48,630	**1.00**	**486**	**48,630**	**380**	**18.5**

COPPER DIVISION (continued)

Ore Reserve Estimates – Consolidated Summary & Annual Comparison

The Ore Reserve estimates are a subset of the Mineral Resource estimates

Project	COPPER		
	Ore Kt	Grade % Cu	Metal Kt Cu
30 June 2018			
Nifty Sulphide	**12,692**	**1.75**	**222**
Mining Depletion			
Nifty Sulphide	(1,396)	1.36	(19)
Resource Adjustments			
Nifty Sulphide[1]	(196)	21.43	(42)
30 June 2019			
Nifty Sulphide	**11,100**	**1.45**	**161**

[1] *Refer to ASX announcement dated 28 August 2019 for details.*

Notes: The geographic region for Copper Mineral Resources and Ore Reserves is Australia.

TABLES OF MINERAL RESOURCES AND ORE RESERVES AS AT 30 JUNE 2019 (continued)

NICKEL DIVISION

Mineral Resource Estimates – Consolidated Summary & Annual Comparison

Project	NICKEL			COBALT			Fe_2O_3		
	Kt	Grade % Ni	Metal Kt Ni	Kt	Grade % Co	Metal Kt Co	Kt	Grade % Fe_2O_3	Metal Kt
30 June 2018									
Wingellina	182,560	0.92	1,684	182,560	0.07	132	182,560	45.30	82,701
Claude Hills	33,277	0.81	269	33,277	0.07	22	33,277	38.73	12,889
	215,837	**0.91**	**1,953**	**215,837**	**0.07**	**154**	**215,837**	**44.29**	**95,590**
Mining Depletion									
Wingellina	-	-	-	-	-	-	-	-	-
Claude Hills	-	-	-	-	-	-	-	-	-
	-	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Resource Adjustments									
Wingellina	-	-	-	-	-	-	-	-	-
Claude Hills	-	-	-	-	-	-	-	-	-
	(637)	**17.9**	**(114)**	**(637)**	**1.06**	**(7)**	**(637)**	**519.23**	**(3,306)**
30 June 2019									
Wingellina	182,560	0.92	1,684	182,560	0.07	132	182,560	45.30	82,701
Claude Hills	33,277	0.81	269	33,277	0.07	22	33,277	38.73	12,889
	215,837	**0.91**	**1,953**	**215,837**	**0.07**	**154**	**215,837**	**44.29**	**95,590**

Ore Reserve Estimates – Consolidated Summary & Annual Comparison

The Ore Reserve estimates are a subset of the Mineral Resource estimates

Project	NICKEL			COBALT			Fe_2O_3		
	Ore Kt	Grade % Ni	Metal Kt Ni	Ore Kt	Grade % Co	Metal Kt Co	Ore Kt	Grade % Fe_2O_3	Metal Kt
30 June 2018									
Wingellina	168,422	0.93	1,561	168,422	0.07	123	168,422	45.64	76,870
Claude Hills	-	-	-	-	-	-	-	-	-
	168,422	**0.93**	**1,561**	**168,422**	**0.07**	**123**	**168,422**	**45.64**	**76,870**
Mining Depletion									
Wingellina	-	-	-	-	-	-	-	-	-
Claude Hills	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-
Resource Adjustments									
Wingellina	-	-	-	-	-	-	-	-	-
Claude Hills	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-
30 June 2019									
Wingellina	168,422	0.93	1,561	168,422	0.07	123	168,422	45.64	76,870
Claude Hills	-	-	-	-	-	-	-	-	-
	168,422	**0.93**	**1,561**	**168,422**	**0.07**	**123**	**168,422**	**45.64**	**76,870**

Notes: The geographic region for Nickel Mineral Resources and Ore Reserves is Australia.

COMPETENT PERSONS STATEMENT

The information in this report that relates to nickel Mineral Resources was compiled by Metals X technical employees and contractors under the supervision of Mr. Jake Russell B.Sc. (Hons), who is a member of the Australian Institute of Geoscientists. Mr Russell, is a contractor to the Company, and has sufficient experience which is relevant to the styles of mineralisation and types of deposit under consideration and to the activities which he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Mr Russell consents to the inclusion in this report of the matters based on his information in the form and context in which it appears.

The information in this report that relates to tin Mineral Resources was compiled by Metals X technical employees and contractors under the supervision of Mr. Colin Carter B.Sc., who is a member of the Australian Institute of Geoscientists. Mr. Carter is a full-time employee of the Company, and has sufficient experience which is relevant to the styles of mineralisation and types of deposit under consideration and to the activities which he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Mr. Carter consents to the inclusion in this report of the matters based on his information in the form and context in which it appears. Mr. Carter is eligible to participate in short and long term incentive plans.

The information in this report that relates to copper Mineral Resources compiled by Metals X technical employees and contractors under the supervision of Mr. Kim Kremer B.Sc., who is a member of the Australian Institute of Geoscientists. Mr Kremer is a full-time employee of the Company, and has sufficient experience which is relevant to the styles of mineralisation and types of deposit under consideration and to the activities which he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Mr Kremer consents to the inclusion in this report of the matters based on his information in the form and context in which it appears. Mr Kremer is eligible to participate in short and long term incentive plans.

The information in this report that relates to Ore Reserves has been compiled by Metals X Limited technical employees under the supervision of Mr Campbell Baird BEng (Mining), Master of International Finance & Member AusIMM. Mr Baird is a full time employee of the Company. Mr Baird has sufficient experience which is relevant to the style of mineralisation and types of deposit under consideration and to the activities which he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Mr Baird consents to the inclusion in this report of the matters based on his information in the form and context in which it appears. Mr Baird is eligible to participate in the Company's short and long term incentive plan and holds performance rights in the Company.

The information in this report that relate to tin Ore Reserves has been compiled by Metals X technical employees under the supervision of Mr Mark Recklies, B Engineering (Mining Engineering), AusIMM. Mr Recklies is a full time employee of the Metals X. Mr Recklies has sufficient experience which is relevant to the style of mineralisation and types of deposit under consideration and to the activities which he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Mr Recklies consents to the inclusion in this report of the matters based on his information in the form and context in which it appears. Mr Recklies is eligible to participate in the Metals X short and long term incentive plans.

STATEMENT OF GOVERNANCE ARRANGEMENTS AND INTERNAL CONTROLS

Governance of Metals X's Mineral Resources and Ore Reserves development and management activities is a key responsibility of the Executive Management of the Company.

Senior geological and mining engineering staff of the Company oversee reviews and technical evaluations of the estimates and evaluate these with reference to actual physical and cost and performance measures. The evaluation process also draws upon internal skill sets in operational and project management, ore processing and commercial/financial areas of the business.

The Chief Operating Officer (in consultation with senior staff) is responsible for monitoring the planning, prioritization and progress of exploratory and resource definition drilling programs across the Company and the estimation and reporting of resources and reserves. These definition activities are conducted within a framework of quality assurance and quality control protocols covering aspects including drill hole siting, sample collection, sample preparation and analysis as well as sample and data security.

A four-level compliance process guides the control and assurance activities:

1. Provision of internal policies, standards, procedures and guidelines;
2. Mineral Resources and Ore Reserves reporting based on well-founded assumptions and compliance with external standards such as the Australasian Joint Ore Reserves Committee (JORC) Codes;
3. Internal review of process conformance and compliance; and
4. Internal assessment of compliance and data veracity.

The objectives of the estimation process are to promote the maximum conversion of identified mineralisation into JORC 2012 compliant Mineral Resources and Ore Reserves.

Metals X reports its Mineral Resources and Ore Reserves on an annual basis, in accordance with ASX Listing Rule 5.21 and clause 14 of Appendix 5A (the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (the JORC code) 2012 Edition). The has been no material changes to the Mineral Resources and Ore Reserves estimates since the last annual reporting date.

Mineral Resources are quoted inclusive of Ore Reserves. Competent Persons named by Metals X are members of the Australasian Institute of Mining and Metallurgy and/or the Australian Institute of Geoscientists, and qualify as Competent Persons as defined in the JORC Code.

SECURITY HOLDER INFORMATION AS AT 23 AUGUST 2019

(a) Top 20 quoted Shareholders

Shareholder	%	Number of Shares
J P MORGAN NOMINEES AUSTRALIA PTY LIMITED	14.64	100,866,905
HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	10.09	69,537,702
SUN HUNG KAI INVESTMENT SERVICES LIMITED <CLIENT A/C>	8.77	60,407,571
JINCHUAN GROUP LTD	6.39	44,000,000
CS THIRD NOMINEES PTY LIMITED <HSBC CUST NOM AU LTD 13 A/C>	4.97	34,257,086
CITICORP NOMINEES PTY LIMITED	3.96	27,283,039
FARJOY PTY LTD	3.51	24,198,140
ALL-STATES FINANCE PTY LIMITED	2.33	16,070,217
BNP PARIBAS NOMS PTY LTD <DRP>	2.06	14,205,526
NATIONAL NOMINEES LIMITED	1.89	13,041,121
JETOSEA PTY LTD	1.33	9,186,719
NERO RESOURCE FUND PTY LTD <NERO RESOURCE FUND A/C>	1.16	7,984,079
MININGNUT PTY LTD <CLOUD THIRTY SF A/C>	0.97	6,650,000
BELL POTTER NOMINEES LTD <BB NOMINEES A/C>	0.95	6,540,083
BNP PARIBAS NOMINEES PTY LTD <AGENCY LENDING DRP A/C>	0.81	5,557,343
MERRILL LYNCH (AUSTRALIA) NOMINEES PTY LIMITED	0.53	3,632,802
NATIONAL NOMINEES LIMITED <DB A/C>	0.44	3,010,403
JETOSEA PTY LIMITED	0.39	2,700,000
DEBORTOLI WINES PTY LIMITED	0.34	2,317,262
AJAVA HOLDINGS PTY LTD	0.33	2,300,000
TOTAL	**65.85%**	**453,745,998**

(b) Distribution of quoted ordinary shares

Size of Parcel	Number of Shareholders	Number of Shares
1 - 1,000	987	470,084
1,001 - 5,000	2,531	6,842,454
5,001 - 10,000	1,241	9,491,005
10,001 - 100,000	2,387	81,248,102
Over 100,000	462	591,008,864
TOTAL	**7,608**	**689,060,509**

(c) Number of holders with less than a marketable parcel of ordinary shares

	Number of Shareholders	Number of Shares
1 – 1,000	**3,031**	**3,773,202**

(d) Substantial Shareholders

Shareholder	%	Number of shares
Apac Resources Limited	9.18	55,907,571
Mitsubishi UFJ Financial Group, Inc.	8.93	61,508,894
IOOF Holdings Limited	7.65	52,686,625
Jinchuan Group Limited	7.22	44,000,000

(e) Voting Rights

The voting rights for each class of security on issue are:

Ordinary fully paid shares
Each ordinary shareholder is entitled to one vote for each share held.

Options
The holders of options have no rights to vote at a general meeting of the company.

(f) Unquoted Equity Securities

Number of Options	Exercise Price	Expiry Date	Number holders
4,150,000	$0.76	20/01/2020	5
5,650,000	$1.32	30/11/2020	10
1,000,000	$0.54	22/01/2022	1
1,000,000	$0.56	22/01/2023	1
1,000,000	$0.58	22/01/2024	1
1,185,094	$0.00	30/06/2022	13
1,185,094	$0.00	30/06/2023	13
14,003,014	$0.00	30/06/2024	30