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UPDATE ON REQUEST TO CALL SHAREHOLDERS MEETING OF METALS X LIMITED

We refer to our announcement dated 5 September 2019 relating to the request by APAC Resources Strategic Holdings Limited, a wholly owned subsidiary of APAC Resources Limited (“**APAC Resources**”), to appoint Mr. Brett Smith as a director of MLX and to remove Mr. Peter Newton, Chairman of MLX, and Mr. Milan Jerkovic, Non-Executive Director of MLX, from their position as directors of MLX. After APAC Resources Strategic Holdings Limited’s request, Mr. Jerkovic resigned as a director of MLX and it was announced that Mr. Newton intended to step down from the MLX board at the next annual general meeting of MLX.

On 23 September 2019, MLX announced a Notice of Annual General Meeting which will be held on 24 October 2019 (“**AGM**”). In the Notice of the AGM, MLX reiterated that Mr. Newton will resign at the AGM. The resolution for the appointment of Mr. Smith as a director of MLX will be put to shareholders at the AGM as set out in Resolution 6 of the Notice of Meeting. However, it is disappointing that whilst MLX in its Notice of the AGM recognises that additional specific skills are needed, the current MLX board declined to support the appointment of Mr. Smith.

The MLX share price has deteriorated significantly since it acquired Aditya Birla Minerals Limited in 2016 which operates the Nifty Copper Mine (“**Nifty**”). APAC Resources is very concerned at the share price decrease and Nifty performance and believes that a change to the current MLX board is required urgently to stop the drastic decline in MLX shareholder value.

APAC Resources Strategic Holdings Limited seeks the appointment of Mr. Brett Smith as a director of MLX, who we believe will provide a new perspective on the Nifty operations and has a track record of successfully turning around mining companies such as Dragon Mining Limited and Prodigy Gold NL.

Mr. Smith has over 30 years' experience in the minerals processing sector including managing international engineering companies, major projects and mining/exploration companies and APAC Resources is confident that Mr. Smith's skill set is a strong fit for a board that needs to conduct an objective review of Nifty and that Mr. Smith will work collaboratively with the other directors of MLX to enhance shareholder value.

New eyes are required to assess whether MLX's current targets for Nifty are realistic and whether MLX shareholders should continue to fund the operation. All options should be considered including whether the mine should be put on care and maintenance. Mr. Smith can objectively contribute to MLX without the history of the Nifty acquisition and Nifty's poor performance over the past three years.

APAC Resources, through its wholly owned subsidiaries, is a substantial shareholder of MLX. As at 27 September 2019, APAC Resources held 12.84% of the shares in MLX and it is appropriate for APAC Resources to nominate a Non-Executive Director to the MLX board. In this context, we note that another substantial MLX shareholder, Jinchuan Group Limited, which as at 27 September 2019 held 5.16% of the MLX shares, has a representative on the MLX board (Mr. Yimin Zhang).

APAC Resources is not seeking control of the board, and, subject to Mr. Smith being added as a director, will support the appointment of one additional independent director as soon as suitable candidates can be identified. At this stage, and subject to an independent review, APAC Resources is not proposing changes to management but believes that a thorough and independent review of Nifty is urgently required to assess future direction.

APAC Resources encourages all MLX shareholders to vote 'FOR' Resolution 6 at the AGM (Appointment of Mr. Brett Smith as Director) and is in the process of sending further information to the MLX shareholders supporting Resolution 6.

A letter which is being sent by APAC Resources to MLX shareholders is set out as below:

LETTER TO FELLOW METALS X SHAREHOLDERS

As at 16 September 2019, APAC Resources Strategic Holdings Ltd (**APAC**), through its nominee Sun Hung Kai Investment Services Limited, held 10.5% of the shares in MLX. APAC has been a shareholder of MLX since 2007 and participated in the recent equity raising on 19 September 2019 to maintain its percentage shareholding.

1. APAC'S REQUEST FOR MLX TO HOLD GENERAL MEETING TO CHANGE MLX BOARD

On 30 August 2019 and 2 September 2019, APAC gave notices to MLX requesting the directors of MLX to call a general meeting of MLX to remove Mr Peter Newton, Chairman of MLX, and Mr Milan Jerkovic, Non-Executive Director of MLX, from their position as directors of MLX and to appoint Mr Brett Smith as a director of MLX (**Notices**).

We called for the resignation of Mr Peter Newton and Mr Milan Jerkovich, as we believe the MLX board failed to provide oversight and has not been providing appropriate policy for the operations and development of Nifty.

As you are aware, the MLX share price has deteriorated significantly since it acquired Aditya Birla Minerals Limited (**ABY**) in 2016 which operates the Nifty Copper Mine (**Nifty**). APAC is very concerned at the share price decrease and Nifty performance. APAC believes that MLX would benefit from a fresh independent review of the Nifty business case.

In APAC's view a change to the current board is required urgently to stop the drastic decline in shareholder value.

Following receipt of the Notices, but prior to notifying MLX shareholders about APAC's Notices, MLX announced on 2 September 2019 that Mr Jerkovic had resigned as a director with immediate effect and that Mr Newton intends to step down from the MLX board at the next AGM.

On 23 September 2019, MLX announced a Notice of Annual General Meeting which will be held on 24 October 2019 which satisfies APAC's request for a general meeting to be called. In the notice, MLX reiterated that Mr Newton will resign at the AGM, but has not recommended the appointment of Mr Smith.

APAC encourages all MLX shareholders to vote 'FOR' Resolution 6 at the AGM (Appointment of Mr Brett Smith as Director). Further information supporting Resolution 6 (including Mr Smith's curriculum vitae) can be found on APAC's website at www.apacresources.com/en_US/MLX.html

2. WHY APAC BELIEVES THAT THE CURRENT BOARD IS UNABLE TO TURN AROUND THE NIFTY UNDERPERFORMANCE AND PRESERVE SHAREHOLDER VALUE/NEW LEADERSHIP REQUIRED FOR BENEFIT OF ALL SHAREHOLDERS

The continued underperformance of the Nifty mine, ongoing debt and equity raisings and the inability to meet Nifty's announced production targets all indicate that, in APAC's view, the current board lacks the required skills for project risk evaluation, operational review, project management, nor does it have a breadth of mining expertise to collectively solve the problems at Nifty.

The Nifty Reset Plan was published on 1 May 2019 and, only a few months later, MLX has already downgraded guidance with the Corporate Presentation published on 13 September 2019. MLX has downgraded its guidance, and now forecasts copper production for FY2019/20 to be 18% lower than its guidance in May, which continues the consistent lack of delivery since the acquisition of Nifty.

APAC believes that the board does not have the necessary skills set to assess and correct the ongoing problems at Nifty. In its notice of meeting for the AGM (**Notice of Meeting**), the MLX board has acknowledged that additional specific skills are needed.

APAC seeks the appointment of Mr Brett Smith as a Director of MLX, who we believe will bring the required expertise and skills to the MLX board to assess the Nifty business case and develop the appropriate strategy. Mr Smith will provide a new perspective on the Nifty operations and has a track record of successfully turning around mining companies such as Dragon Mining Ltd and Prodigy Gold NL.

APAC is not seeking control of the board, and, subject to Mr Smith being added as a director, will support the appointment of one additional independent director as soon as suitable candidates can be identified.

At this stage, and subject to an independent review, APAC is not proposing changes to management but believes that a thorough and independent review of Nifty is urgently required to assess future direction.

New eyes are required to assess whether MLX's current targets for Nifty are realistic and whether MLX shareholders should continue to fund the operation. All options should be considered including whether the mine should be put on care and maintenance.

3. WHY APAC IS CONFIDENT THAT MR BRETT SMITH IS CAPABLE OF CONTRIBUTING TO THE TURN AROUND OF THE NIFTY MINE

APAC is disappointed that in its Notice of Meeting MLX recognises that “additional skills are needed” but has declined to recommend APAC’s proposed director, Mr Brett Smith.

MLX incorrectly claims that Mr Smith is being put forward “principally in the interests” of APAC. On the contrary, Mr Smith can objectively contribute to MLX without the history of the Nifty acquisition and Nifty’s poor performance over the past three years.

APAC is a major shareholder of MLX and it is appropriate for APAC to nominate a Non-Executive Director to the MLX board. In this context, we note that MLX’s other major shareholder, Jinchuan Group Ltd, which as at 23 August 2019 held 6.39% of the MLX shares, has a representative on the MLX board (Mr Yimin Zhang).

Mr Smith has over 30 years’ experience in the minerals processing sector including managing international engineering companies, major projects and mining/exploration companies.

Mr Smith has previously held senior management positions at multinational engineering and construction companies including Ausenco, Balderstone Hornibrook, GEA. This has included delivering major resource projects in Africa, South America, South East Asia, Australian and Europe. This has given him significant project and risk management experience together with due diligence of mineral processing and mining operations. Other roles have involved major organisational change involving several hundred people, and company restructuring including shutdowns.

Mr Smith has served on the board of a number of public and private resource companies, including as Executive Director and Deputy Chairman of APAC Resources Limited, Executive Director of Dragon Mining and as a Non-Executive Director of Prodigy Gold NL and Tanami Gold NL.

As the Executive Director and Deputy Chairman of APAC Resources Limited, Mr Smith’s principle role has been the due diligence of mining and mineral processing operations and the restructuring of poor performing companies.

As the Executive Director of Dragon Mining Ltd, Mr Smith has returned the business to profitability from a A\$23m loss through a restructure of management, acquisitions and the opening of two new mines.

At Prodigy Gold, Mr Smith is Non-Executive Director, where he contributed to its turnaround as a successful gold explorer through restructuring the board and employing new Management.

APAC is confident that Mr Smith's skill set is a strong fit for a board that needs to conduct an objective review of Nifty and that Mr Smith will work collaboratively with the other directors of MLX to enhance shareholder value.

Mr Smith holds an MBA from Henley Management College in the UK, an Honours degree in Chemical Engineering from Melbourne University and a Masters in Research Methodology from Macquarie University.

His key skills include:

- Commercial and technical management
- Financial and technical analysis
- Organisational restructuring and turnaround
- Project management
- Safety improvements

4. WE NEED TO STOP THE DESTRUCTION OF SHAREHOLDER VALUE

Whilst owning Nifty, the MLX market cap has declined from a peak of A\$740m to A\$96m as at 2 September 2019 despite the A\$50m placement in July 2018. Effective on 23 September 2019, MLX ceased to be included in the S&P/ASX 300 Index. On the 29th September 2019 the company launched an additional A\$33m equity raising after securing a A\$35m debt facility.

The MLX share price is down 76% from 29 November 2016, which is the day after Westgold Resources Limited (**WGX**) was spun out and the best like-to-like comparison, to 27 August 2019.

MLX's share price performance is particularly poor when compared to other base metal producers listed on the ASX, including OZ Minerals (+10%), Sandfire Resources (-7%), Finders Resources (+36%) and Avanco Resources (+129%) over the same period.

This share price underperformance comes despite stronger commodity prices. Comparing average prices against the spot price on 29 August 2019 on the Nifty effective date of 1 August 2016, copper prices have averaged 28% higher (A\$8,214/t vs A\$6,437/t) and tin prices have averaged 14% higher (A\$26,865/t vs A\$23,622/t).

Share Price Performance of MLX Against Other ASX Base Metal Producers



5. \$143M SPENT TO HALVE PRODUCTION AT NIFTY IN THREE YEARS

MLX have owned Nifty for three years, which in APAC's view is more than enough time to turn around operations. Over this time, Nifty production has gone backwards at an alarming rate, falling 59% from 7,571t in June quarter 2016 (ABY's last full period of ownership) to 3,072t in June quarter 2019. Cash operating costs have increased 31% from A\$2.96/lb to A\$3.88/lb, despite a significantly lower Australian Dollar. MLX have provided little evidence of a turnaround at Nifty.

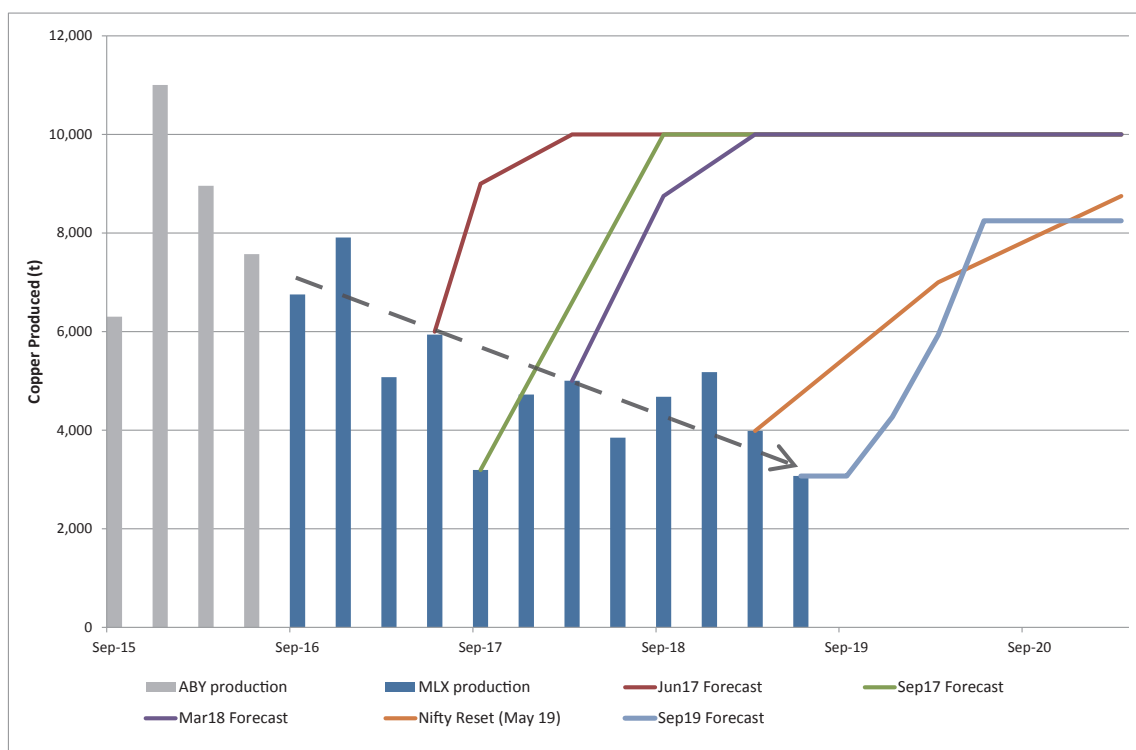
Nifty has consistently underperformed targets set by management and the board, with target copper production rates progressively pushed back. MLX has never come close to meeting their Nifty targets:

| Announced | Prod Target (tpa Cu) | Target Date | Actual Prod (tpa Cu) | Actual Period | Miss (%) |
|-----------|----------------------|-------------|----------------------|---------------|----------|
| Jun-17 | 36,000 | 2H 2017 | 18,904 | DecQ 2017 | -47% |
| Nov-17 | 40,000 | JunQ 2018 | 15,400 | JunQ 2018 | -62% |
| Jul-18 | 40,000 | End 2018 | 20,708 | DecQ 2018 | -48% |

The target of 40,000tpa copper production was originally guided for end 2017, then mid-2018, then end 2018 and more recently downgraded to 35,000tpa by MarchQ21.

In May 2019, MLX announced a Nifty Reset Plan with a detailed Nifty outlook. Disappointingly, less than five months later, MLX has once again downgraded its Nifty outlook. In a presentation on 13 September 2019, MLX revised its Nifty outlook downward, reducing FY20 production guidance by a significant 18%, followed by 2% downgraded in both FY21 and FY22.

Nifty Production Since 3Q15 Compared with MLX Targets



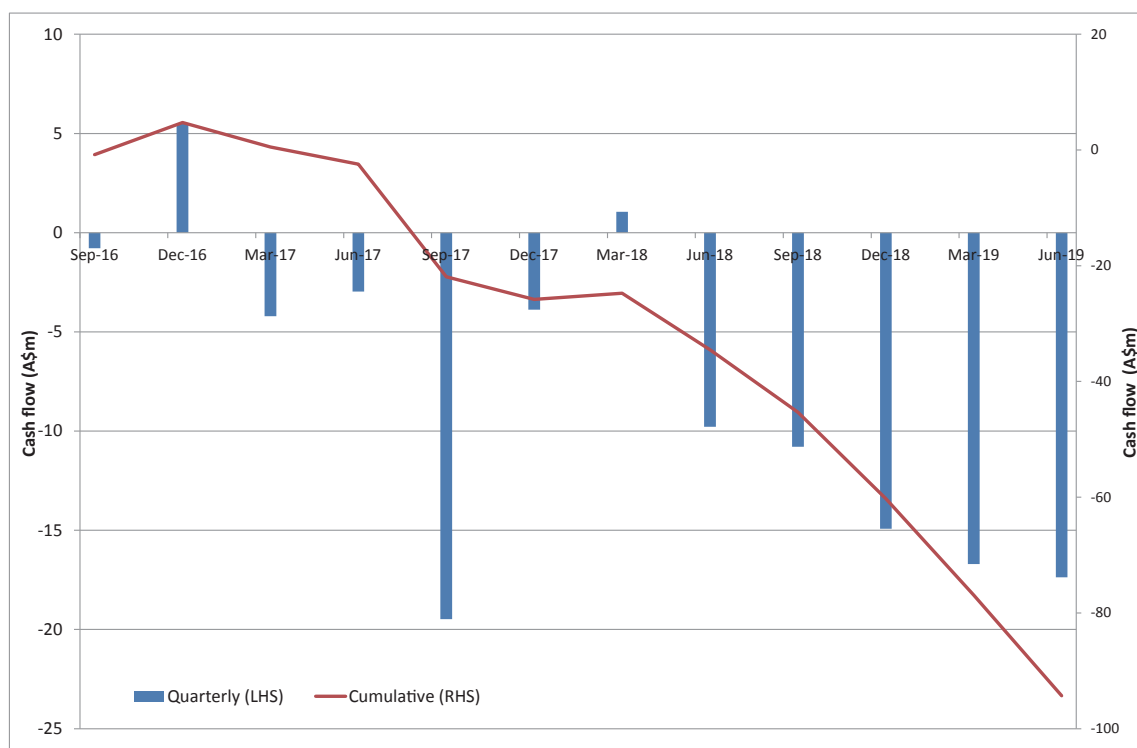
(Forecasts in the graph above are based on targets contained in MLX announcements and presentations and assumes a smooth ramp up of production in the periods between the announced targets, or flat annual production where it is provided.

The effective date of MLX's acquisition of Aditya Birla (ABY) was 1st August 2016. As a result MLX only reported production for the months of August and September 2016, and data in the graph above assumes the same run rate in July 2016.)

Since acquiring Nifty, MLX has reported total mine cash outflows of A\$94m. This is on top of the net acquisition price of A\$49m paid by MLX for ABY, leading to a total cost of A\$143m on Nifty to date. (Acquisition price based on MLX share price at 4 August 2016 and last reported ABY cash balance of A\$92m at 30 June 2016).

It is extremely concerning that Nifty cashflows continue to deteriorate, progressively increasing from a A\$10m outflow in June quarter 2018 to A\$17m in June quarter 2019 and averaging A\$14m outflow per quarter over the past five quarters.

Nifty Mine Cashflows Since Nifty Acquisition



After the MLX and Westgold Resources (WGX) demerger, MLX reported cash, working capital and investments of A\$127m as at December 2016. This has fallen to A\$58m at June 2019 despite Renison mine cashflow and the A\$50m equity raising.

MLX recently announced that it has entered into a new A\$35m secured term loan facility. The funds from the new facility will be used principally for funding development expenditures relating to the Nifty operations. MLX then launched an equity raise for A\$33m in mid-September 2019, which suggests that the A\$58m cash and working capital at end June plus the A\$35m debt facility was not enough to cover expected further cash outflow.

6. VOTE FOR RESOLUTION 6

APAC encourages all MLX shareholders to vote “FOR” Resolution 6 (Appointment of Mr Brett Smith as a Director) at the AGM on 24 October 2019. If you should not be able to attend the AGM in person, we encourage you to submit your Proxy Form and to direct your proxy to vote “FOR” Resolution 6 by marking that box. DO NOT GIVE AN UNDIRECTED PROXY.

By Order of the Board
APAC Resources Limited
Andrew Ferguson
Executive Director

Hong Kong, 2 October 2019

As at the date of this announcement, the directors of the APAC Resources are:

Executive Directors

Mr. Brett Robert Smith (*Deputy Chairman*) and Mr. Andrew Ferguson (*Chief Executive Officer*)

Non-Executive Directors

Mr. Arthur George Dew (*Chairman*) (*Mr. Wong Tai Chun, Mark as his alternate*), Mr. Lee Seng Hui and Mr. So Kwok Hoo

Independent Non-Executive Directors

Dr. Wong Wing Kuen, Albert, Mr. Chang Chu Fai, Johnson Francis, Mr. Robert Moyse Willcocks and Mr. Wang Hongqian

* *For identification purpose only*