



Metals Finance Limited

SPECIALISTS IN METAL RECOVERY

ASX RELEASE

Friday 28th June 2013

ASX CODE

MFC

CAPITAL STRUCTURE

| | |
|-----------------------|------------|
| Shares on Issue | 73,109,576 |
| 52 Week High | \$ 0.05 |
| 52 Week Low | \$ 0.01 |
| Share Price (27/6/13) | \$ 0.01 |

ABOUT

Metals Finance develops mineral assets in partnership with exploration and mining companies, rather than purchasing them. MFC applies the extensive experience of its executives, board and consultants on geologically defined resources to establish appropriate treatment processes, to undertake detailed feasibility studies and to promote the development of projects. It is currently working with three ASX-listed partners at Lucky Break in Queensland and Barnes Hill in Tasmania and Homeville in New South Wales.

Board

Chairman – Geoff Hill
Non-Executive Director – Simon Bird
Non-Executive Director – Rick Anthon

Company Secretary

Ian Morgan

Management

Chief Executive Officer – Mark Sykes
Chief Financial Officer – Arno De Vos

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QUARTERLY REPORT FOR THE PERIOD TO 28 JUNE 2013

Metals Finance Limited (ASX: MFC) is pleased to provide its Quarterly Activities Report for the three month period ending 28 June 2013.

SUMMARY

The activities of the past quarter have focused on two main areas being the further development of NDL's nickel assets and advancing corporate initiatives to provide both short and long term value to shareholders. The activities are:

NICKEL PROJECTS

- **Lucky Break alternative processing location**
- **Barnes Hill permitting progresses**
- **Homeville program of works continues**
- **Discussions progressing for funding of nickel projects**

CORPORATE

- **Cost control measures in place**
- **Advancement in new project identification**

NICKEL PROJECTS

Metals Finance has three nickel projects under detailed investigation and development, with Joint Venture Agreements on the following projects being held through the Company's wholly owned subsidiary, Nickel Developments Limited (NDL):

1. Lucky Break, North Queensland, JV with Metallica Minerals Limited (ASX:MLM)
2. Barnes Hill, Tasmania, JV with Proto Resources and Developments Limited (ASX:PRW)
3. Homeville, New South Wales, JV with Augur Resources Limited (ASX:AUK)

Lucky Break

NDL has commenced activity to investigate the option of relocating the Lucky Break processing facility to a nearby regional centre.

A high level cost / benefit analysis indicates that the capital requirements to construct Lucky Break can be reduced along with savings to operational costs. As an example, capital savings occur by eliminating the need for on-site camp accommodation, escalated construction costs associated with the current location of the project and utility infrastructure costs.

Operational savings are expected to outweigh the cost of hauling ROM material from site to a nearby regional centre. Savings include a reduction in the unit cost for power generation, eliminating the on-site camp operational costs and investigating rail vs road haulage for inbound processing consumables and outbound product transportation.

NDL is currently preparing a detailed cost / benefit analysis to determine the quantum of this initiative.

Barnes Hill

Upon the completion of the Optimised Feasibility Study for Barnes Hill, NDL commenced talks with the Tasmanian Environmental Protection Authority and the West Tamar Council. These talks are to ensure the regional stakeholders are kept informed of the projects progress and to establish a transparent path to achieve permitting.

NDL is encouraged by the collaborative approach taken by regional stakeholders in mapping out the tasks and activities that need to be completed for the project to proceed. NDL and the Barnes Hill Joint Venture Partner, Proto Resources and Investments Limited are committed to ensuring the project adheres to the requirements of regional stakeholders as the project progresses towards permitting.

Homeville

NDL continues to advance work on the Homeville Project. In addition to the program of works detailed in the last Quarterly Announcement, NDL has planned to explore for polymetallic minerals in EL6336 which holds the Homeville deposit.

Further exploration work will focus on the north-eastern region of tenement EL6336 that displays magnetic anomalies. These anomalies are of interest to both NDL and its Joint Venture partner Augur Resources Limited as they contain copper, gold, platinum and scandium elements.



Nickel Funding

While commodities markets over the past quarter have been declining, NDL continues to be in discussions with several parties regarding funding options for our nickel projects.

Third parties recognise the advantage of utilising a low capital and low operating cost process to extract and recover nickel from nickel laterite deposits.

NDL would encourage other potential producers of nickel laterites to investigate the processing alternative by engaging with NDL.

CORPORATE

Cost Control

MFC has maintained a strong cost control policy over the past quarter with the view of conserving cash outflow and seeking opportunities that can generate additional cash inflow.

MFC seeks only to spend on activities that provide value uplift for shareholders. Such activities include the program of works at the Homeville tenement and activities that advance Barnes Hill permitting.

Investment Opportunities

As part of the MFC's strategy to diversify the Company's commodity portfolio and seek opportunities that provide short term cash flow, several options are currently being explored.

MFC is currently looking at opportunities both domestically and offshore. Each opportunity is reviewed according to the objectives set out in this strategy.

FOR FURTHER INFORMATION CONTACT:

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More details are available on company website www.metalsfinance.com

Information within this announcement which pertains to mineralisation or resources is based on information compiled by Mr Tony Treasure who is a consultant to Metals Finance Limited and is a Member of the Australasian Institute of Mining and Metallurgy. Mr Treasure has sufficient experience in the fields under consideration to qualify as a Competent Person as defined in the 2004 edition of the Australasian Code for Reporting of Exploration results, Mineral Resources and Ore reserves and consents to the inclusion of this information in the form and context of which it appears in this report

