



1 March 2017

Dear Shareholder

## **Metro Entitlement Offer – Notice to Eligible Shareholders**

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On 24 February 2017, Metro Mining Limited (**Metro**) announced a \$52.4 equity raising through a placement to institutional investors to raise approximately \$15.9 million (**Institutional Placement**) and a one for two non-renounceable entitlement offer of fully paid ordinary shares in Metro (**New Shares**) to raise approximately \$36.5 (**Entitlement Offer**).

The proceeds of the Institutional Placement and Entitlement Offer (collectively, the **Equity Raising**), together with a 12 month \$40 million loan facility that Metro has established, will be used to repay the outstanding balances of the bridging loan facilities with cornerstone investors Greenstone and the Baffle Box Mining Trust and otherwise to progress the Bauxite Hills Mine toward mine development.

The Entitlement Offer is fully underwritten by Argonaut Capital Limited (**Underwriter**).

### **Summary of key terms of the Entitlement Offer**

Under the Entitlement Offer, Eligible Shareholders (defined below) will be invited to subscribe for one New Shares for every two existing Metro ordinary shares held at 7.00pm (Sydney time) on 3 March 2017 (**Record Date**) at an offer price of \$0.125 per New Share (**Entitlement**).

The Entitlement Offer is being made at the same offer price and offer ratio as the Institutional Placement.

### **Eligibility of shareholders to participate in the Entitlement Offer**

You are being sent this letter because Metro believes you are an Eligible Shareholder. An Eligible Shareholder means a holder of Metro shares at 7.00pm (Sydney time) on the Record Date who:

- has a registered address in Australia or New Zealand or is an institutional or professional investor in China, Hong Kong, Cyprus, Kenya or the United Kingdom who Metro has determined is eligible to participate;
- is not in the United States and is not a nominee, custodian or other person acting for the account or benefit of a person in the United States; and
- is eligible under all applicable securities laws to receive an offer under the Entitlement Offer without any requirement for a prospectus to be lodged or registered.

The Entitlement Offer is being made by Metro without a disclosure document or product disclosure statement under section 708AA *Corporations Act 2001* (Cth) (as notionally modified by ASIC Corporations (Non-Traditional Rights Issues) Instrument 2016/84). Shareholder approval is not required for Metro to make the offer under the Entitlement Offer.

If you are not an Eligible Shareholder you cannot participate in the Entitlement Offer. Metro will notify those shareholders who are not Eligible Shareholders.

## Further details about the Entitlement Offer

Eligible Shareholders who take up their full Entitlement, may subscribe for additional New Shares from a pool of those not taken up by Eligible Shareholders as at the closing date of the Entitlement Offer (**Top Up Facility**). There is no guarantee that applicants under the Top Up Facility will receive the number of New Shares applied for under the Top Up Facility, or any.

The Entitlement Offer is non-renounceable. Accordingly, Entitlements do not trade on the ASX, nor can they be transferred or otherwise disposed of.

Fractional Entitlements will be rounded up to the nearest whole number of New Shares and holdings on different registers or sub-registers will not be aggregated to calculate Entitlements.

## Information Booklet

Please find enclosed an information booklet and personalised Entitlement and acceptance form which contain important information about the Entitlement Offer and sets out the number of New Shares you are entitled to purchase under the Entitlement Offer. A copy of the information booklet is also available on the ASX website at [www.asx.com.au](http://www.asx.com.au) and Metro's website at [www.metromining.com.au](http://www.metromining.com.au).

## Key dates

Metro expects the Entitlement Offer to be conducted according to the following timetable.

Activity	Indicative date
Announcement of Equity Raising	24 February 2017
Announcement of Institutional Placement outcome	28 February 2017
Shares commence trading on an ex-entitlement basis	2 March 2017
Record date 7.00pm (Sydney time)	3 March 2017
Settlement of the Institutional Placement	6 March 2017
Allotment and trading of Shares issued under the Institutional Placement	7 March 2017
Information booklet and personalised entitlement and acceptance form dispatched	8 March 2017
Entitlement Offer opens	8 March 2017
Entitlement Offer closes at 5.00pm (Sydney time)	17 March 2017
New Shares commence trading on a deferred settlement basis	20 March 2017

Activity	Indicative date
Settlement of Entitlement Offer	23 March 2017
Allotment of New Shares under the Entitlement Offer	24 March 2017
Trading of New Shares under the Entitlement Offer	27 March 2017

This timetable is indicative only. The Directors may vary these dates, in consultation with the Underwriters, subject to the Listing Rules. An extension of the closing date will delay the anticipated date for issue of the New Shares.

The Directors also reserve the right not to proceed with the whole or part of the Entitlement Offer any time before the allotment and issue of the New Shares. In that event, the relevant application monies (without interest) will be returned in full to applicants.

### Further information

If you have any queries, please call Metro's offer information line on 1300 560 339 (within Australia) and +61 2 8011 0354 (outside Australia) on weekdays between 9.00am and 5.00pm (Sydney time). Alternatively, contact your stockbroker, solicitor, accountant or other professional adviser.

On behalf of the Directors, I thank you for your continued support of Metro.

Yours sincerely



### Scott Waddell

Company Secretary  
Metro Mining Limited

### Important information

This letter does not constitute an offer to sell, or the solicitation of an offer to buy, any securities in the United States. No action has been or will be taken to register, qualify or otherwise permit a public offering of the New Shares in any jurisdiction outside Australia or New Zealand. In particular, the New Shares have been, and will not be, registered under the United States Securities Act of 1933 (the 'US Securities Act') or the securities laws of any state or other jurisdiction of the United States. Accordingly, the Entitlements in the Entitlement Offer may only be taken up by, and the New Shares in the Entitlement Offer may only be offered or sold to, directly or indirectly, certain persons outside the United States in 'offshore transactions' (as defined in Rule 902(h) of Regulation S under the US Securities Act) in reliance on Regulation S under the US Securities Act.