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# Investor Presentation

July 2017

# Executive Summary

## **Metro is rapidly advancing its compelling Bauxite Hills Mine towards production in early 2018**

- 1 Bauxite fundamentals & strong price outlook given rising China seaborne demand**
- 2 Simple DSO project well located in Cape York with low operating and logistics costs**
- 3 Compelling economics confirmed by 2017 BFS**
- 4 Off-take Agreement (Xinfa) & non-binding Letter of Intent (Lubei) for ~60% of 4 years production**
- 5 Attractive debt Financing Secured**
- 6 All environmental approvals received.**
- 7 Early works now underway with first production scheduled for 2018**



# Corporate Snapshot

## Capital Structure

Share Price (03-July-17)	\$0.155
Shares on Issue	1,004.0m
<b>Market Cap</b>	<b>\$155.6m</b>
Options Unlisted	11.7m
Cash (18-April-17)	\$21.5m
Unsecured Debt (18-April-17)	\$15.0m
<b>Enterprise Value</b>	<b>\$149.1m</b>

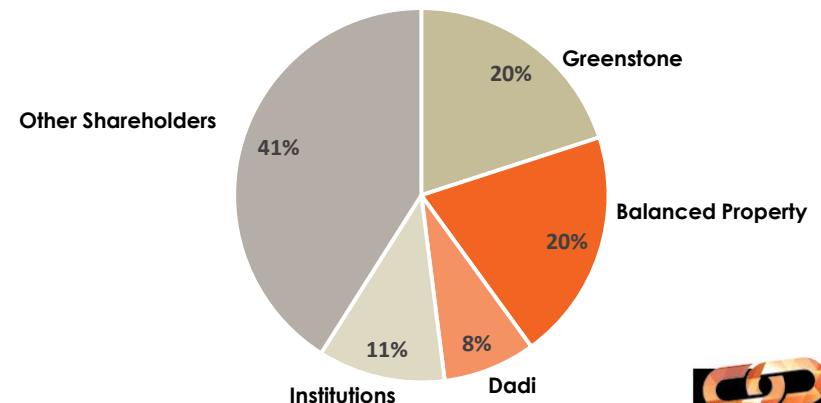
## Board of Directors

Chairman	Stephen Everett
Managing Director & CEO	Simon Finnis
Non-Executive Director	Philip Hennessy
Non-Executive Director	George Lloyd
Non-Executive Director	Lindsay Ward
Non-Executive Director	Mark Sawyer
Non-Executive Director	Dongping Wang
Non-Executive Director	Jijun Liu

## Share Price



## Share Register



# Key Achievements

- Metro has completed several key milestones over the past 12 months to be primed for near term production

1

## Acquired Gulf

- Doubled reserves
- Gained infrastructure



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## Developed Customer Base

- Binding Sales Agreement for 7Mt over 4 years & LOI for 2.5Mt over 3 years
- Positive response from customers across China and internationally



2

## Expanded BFS

- Incorporated Gulf assets
- Staged development
- Post tax NPV<sub>10</sub> of \$601m and IRR of 81%



5

## Debt Finance Secured

- Competitive and rigorous process
- Secured flexible, low cost debt facility of A\$40m



3

## Strengthened Balance Sheet & Share Register

- Raised \$52m of equity & repaid \$40m bridge loan
- Introduced several leading institutions to register



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## Received Environmental Approval

- All environmental approvals received
- Approval for up to 10Mtpa production



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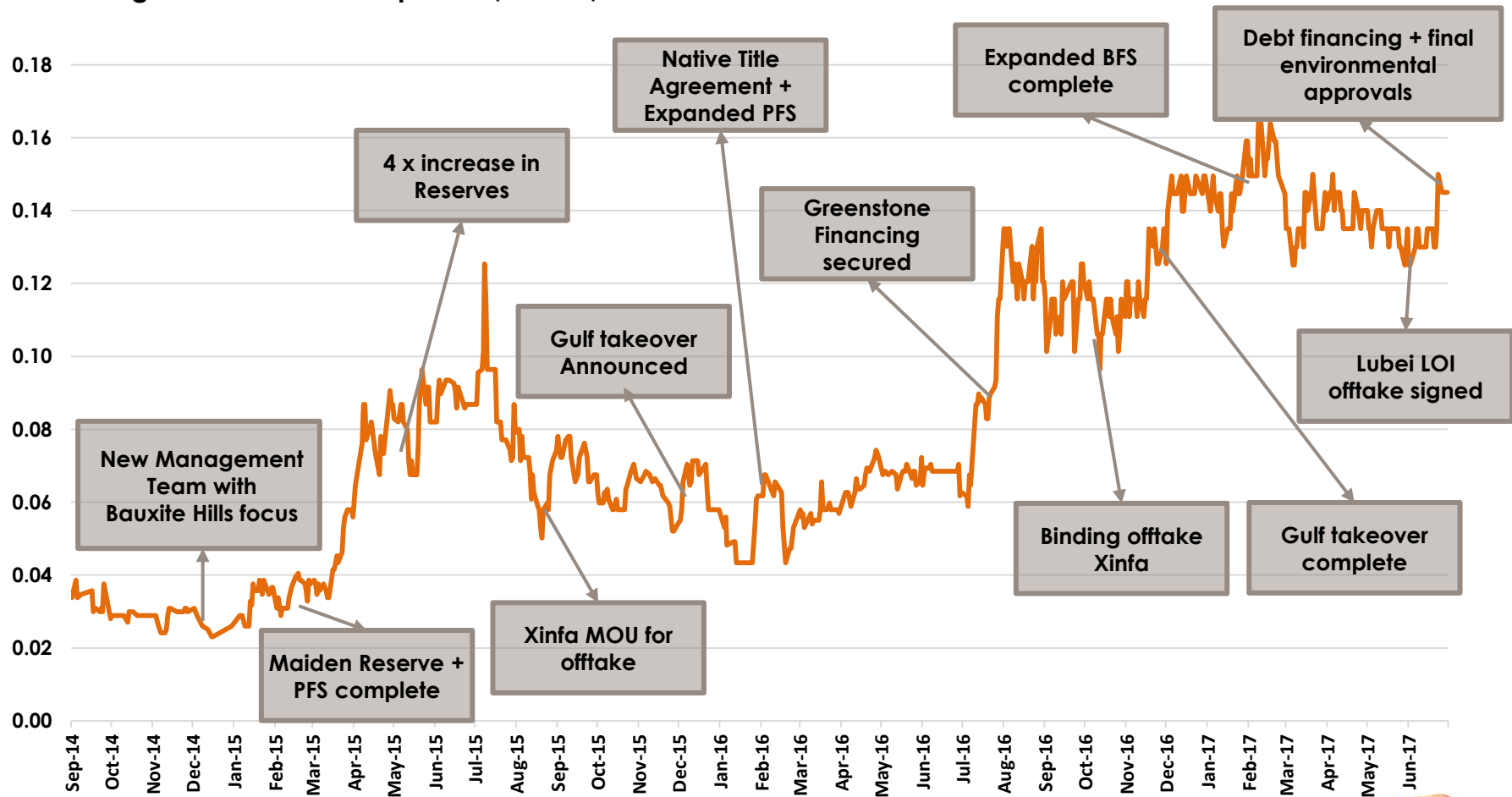
## Continued support from Business "Partners"

- Financing from Sprott, Greenstone & Balanced Prop
- Xinfu Offtake Agreement



# Key Achievements

- New Management Team and shift of focus to Bauxite Hills has delivered shareholder returns of 485% and overseen growth in Market Cap from \$9M to \$155.6M



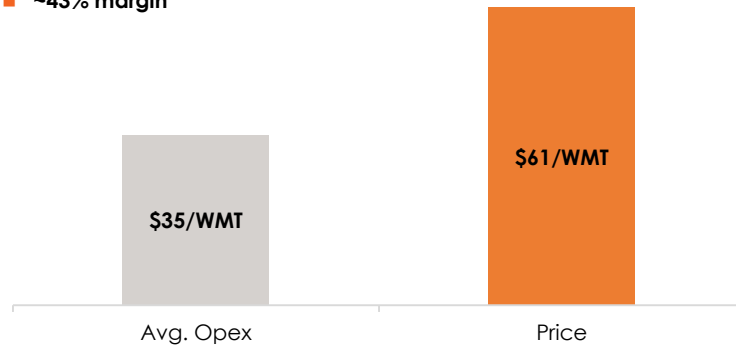
# Attractive Fundamentals

## ■ Attractive Project and Investment Fundamentals

### High Margin

Avg. LOM OPEX<sup>1</sup> vs. Avg. LOM Price Received (CIF)

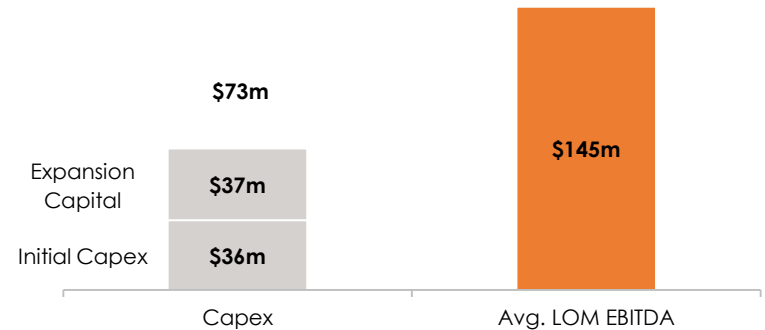
■ ~43% margin



### Low Capex

CAPEX vs. Avg. LOM EBITDA

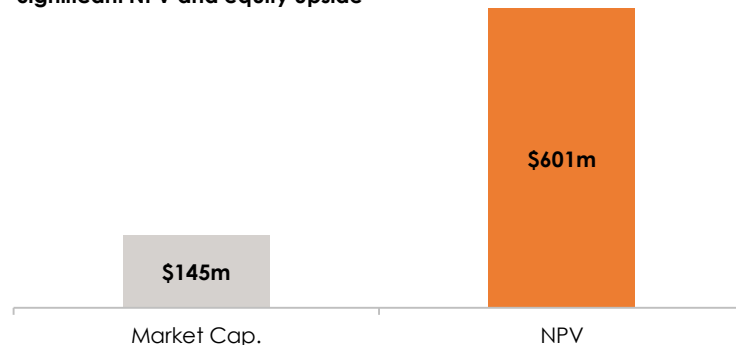
■ Payback within 1.7 years



### Significant Equity Upside

Market Capitalisation vs. NPV

■ Significant NPV and equity upside

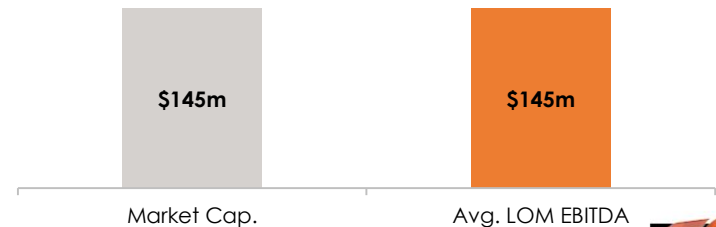


1. Includes royalties and ocean freight

### Considerable Cashflow

Market Capitalisation vs. Avg. LOM EBITDA

■ Current market capitalisation equals 1 year of average LOM EBITDA



# Proven Management Team

- Metro's Board & management have collectively been involved in the development and operation of over 30 mines globally
- Significant bauxite knowledge and expertise, focused on Cape York bauxite operations and product marketing into China
- Strategy is to develop and operate mines

## Simon Finnis | MD & CEO

- Joined Metro as CEO in early 2015
- Mining executive with +30 years experience
- Former CEO of Grande Côte Minerals Sands operations in Senegal and responsible for \$650m greenfield project development



## Operational

### Charles Easton | GM, Bauxite Hills Mine

- Geologist with +40 years experience
- Previous GM at Thiess
- 5 yr at Weipa managing mine planning & refinery performance



### Mike O'Brien | Project Director

- Mining engineer with +40 years experience
- +25 years Snr management experience with Anglo American and Shell



### Colleen Fish | Environmental Manager

- Environmental scientist with +25 years experience
- Former Environmental Manager for Peabody, QLD
- Joined Metro in 2012



## Commercial

### Scott Waddell | CFO & Company Secretary

- CPA with extensive experience in global bauxite & alumina
- Past senior roles with Anglo and Rio Tinto Alcan (RTA)
- Senior roles with Metro since 2010



### Duane Woodbury | Finance & Bus Dev

- Banking & finance with +20 years experience
- Senior roles with Macquarie & CFO of ASX listed Kingsgate
- Significant equity and debt capital raising experience



### Norman Ting | GM, Marketing

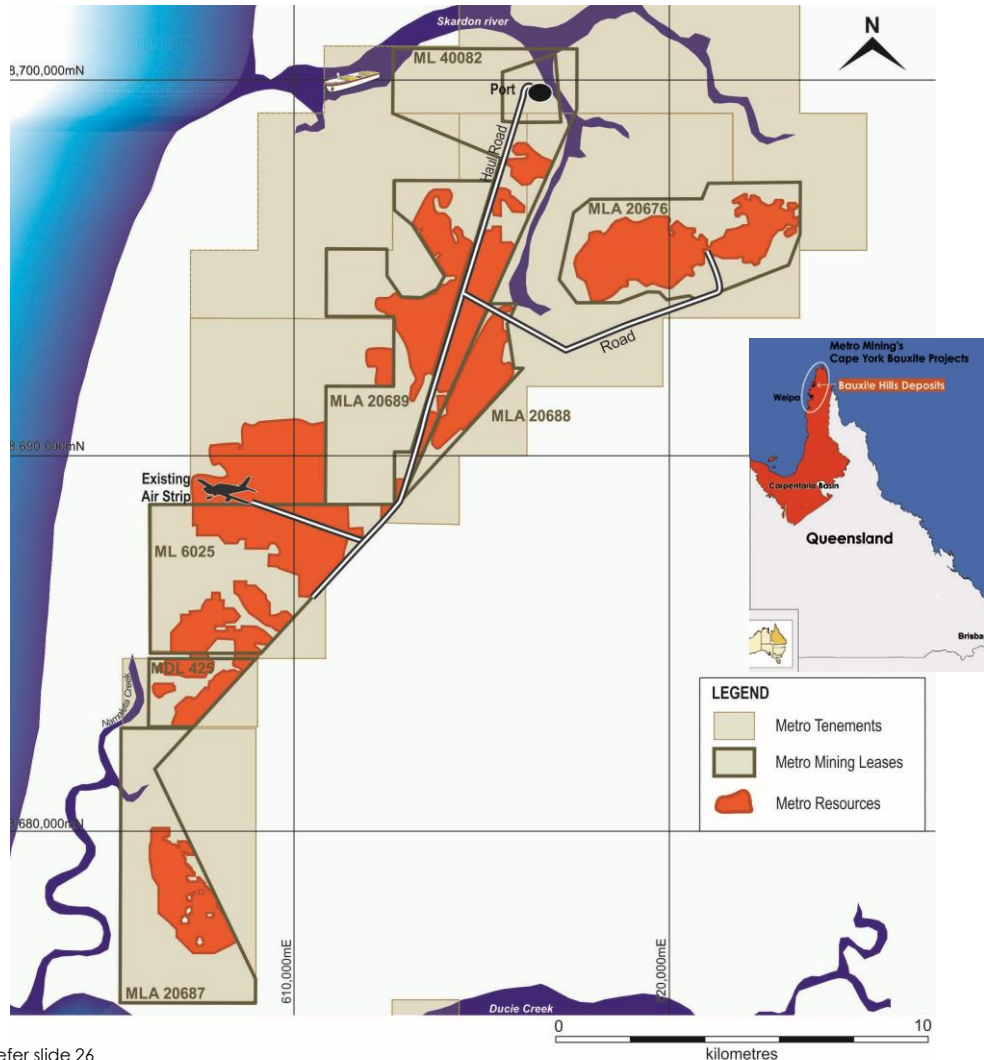
- +30 years bauxite industry & marketing experience
- Former Chairman Traxys China & Snr Exec of WOGEN UK, HK & China
- Former Marketing Manager for Comalco (RTA) Bauxite





# Bauxite Hills Mine Snapshot

## Location



## Key Statistics

Project Overview	<b>Ownership:</b>	Metro (100%)
	<b>Location:</b>	Cape York, Qld
	<b>Commodity</b>	Bauxite
	<b>Product Type</b>	DSO
	<b>Mine Type</b>	Surface mining
	<b>Contained mineral:</b>	<ul style="list-style-type: none"> <li>Reserves: 92.2Mt *</li> <li>Resources: 144.8Mt *</li> </ul>
Operational Overview	<b>Status</b>	BFS completed
	<b>Construction</b>	H2 2017
	<b>First Production</b>	April 2018
	<b>Start-up Production</b>	~2Mtpa**
	<b>Steady State Production</b>	~6Mtpa (year 4)**
	<b>Pre Production Capex</b>	~\$35.8m
	<b>Expansion Capex</b>	~\$36.7m
	<b>Costs (LOM Avg)</b>	<ul style="list-style-type: none"> <li>Onsite: \$16.4/t</li> <li>Incl Royalty: \$23.0/t</li> </ul>
	<b>Mine Life</b>	17 years
	<b>Operations</b>	Contract mining & transhipment
	<b>Workforce</b>	~185 personnel



\*Refer slide 26

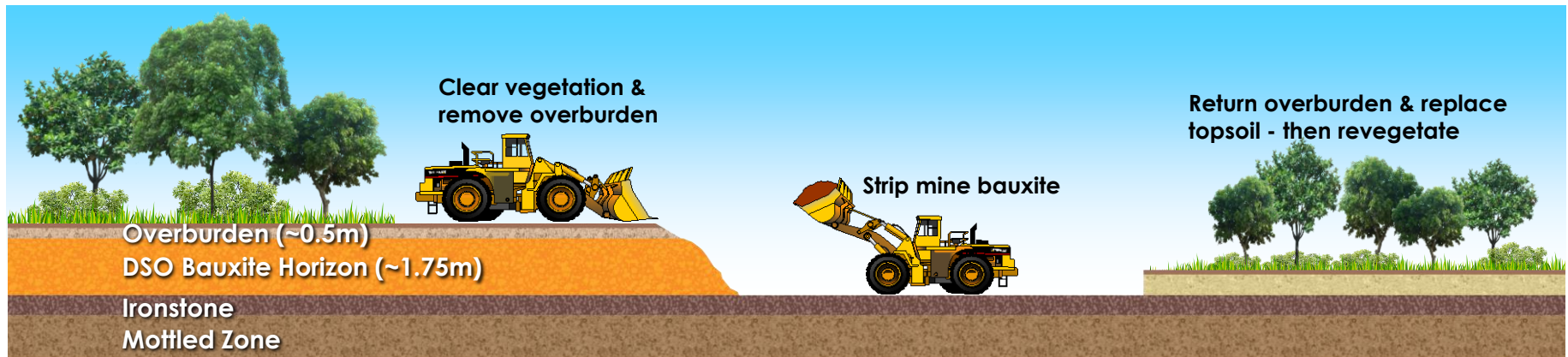
\*\*Metro confirms all material assumptions underpinning production target & corresponding financial information continue to apply & have not materially changed as per Listing Rule 5.19.2



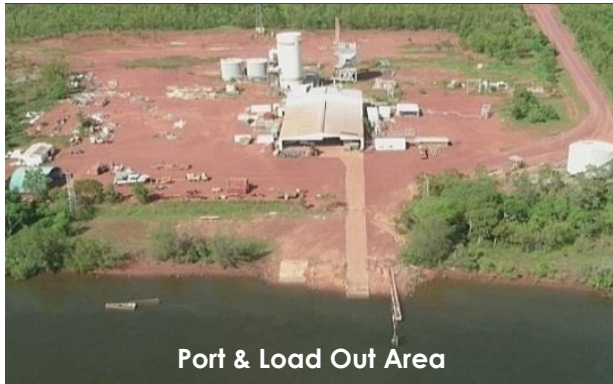
# Simple DSO Project

- Operational simplicity and specialist mining and transshipment contractors enables easy to manage operations
- Proven, well known operator TSA to be transshipment contractor and will supply all vessels
- Existing infrastructure provides numerous development advantages

## Mining

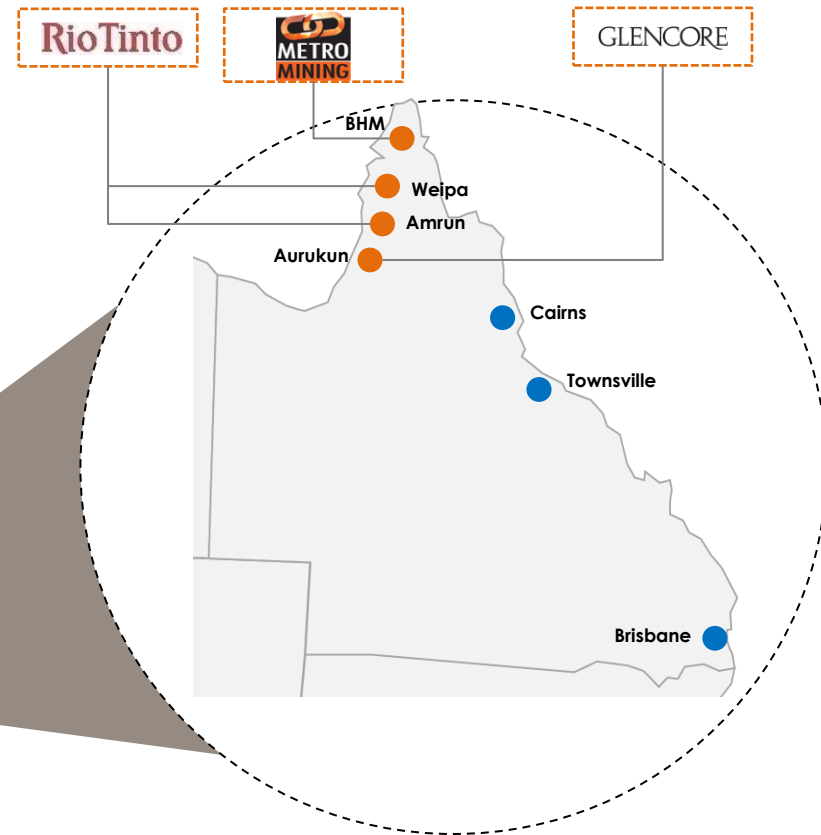


## Existing Infrastructure



# World Class Bauxite Jurisdiction

- Located in the world class Weipa bauxite region of western Cape York, Qld
- 90km north of Rio's Weipa mine and approx 130km from Rio's Amrun development
- Weipa bauxite brand well established and highly regarded in China



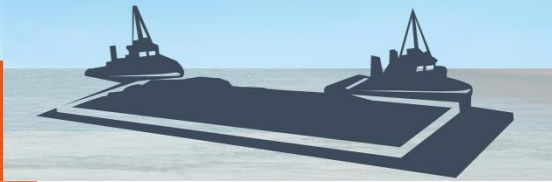
# Low Logistics Costs

- Metro's low cost logistics are a sustainable cost advantage to China relative to competing bauxite producers

Haul ore 5 – 22km to stockpile and barge loading



Tranship ore down Skardon River



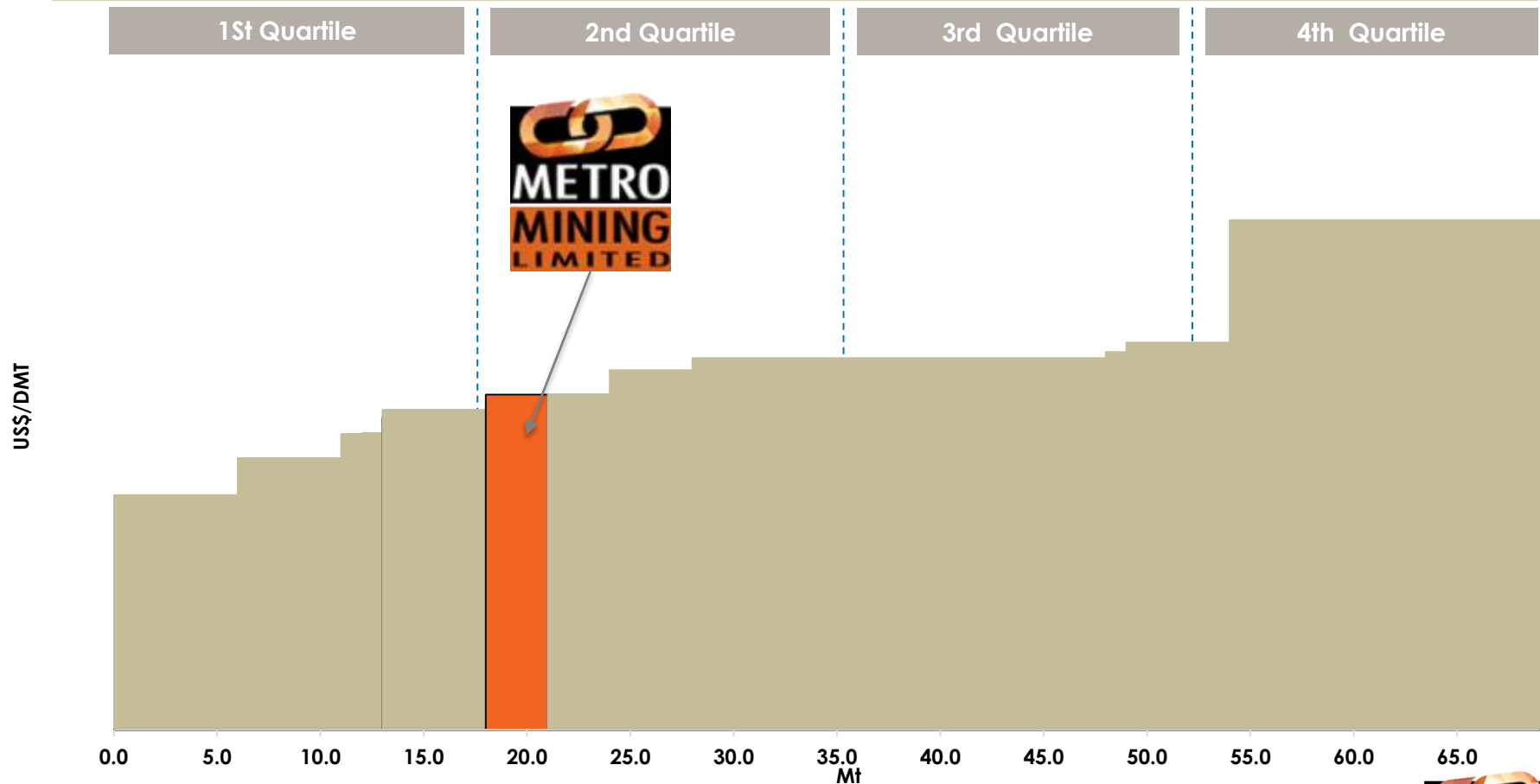
Load bauxite on bulk carrier for transport to China



# Strong Cost Curve Positioning

- 2<sup>nd</sup> quartile cost curve positioning provides attractive long term competitive advantage

China Seaborne Bauxite Supply Cost Curve 2019 – Value-in-use Adjusted US\$/Dmt (CFR)



Source: CM Group





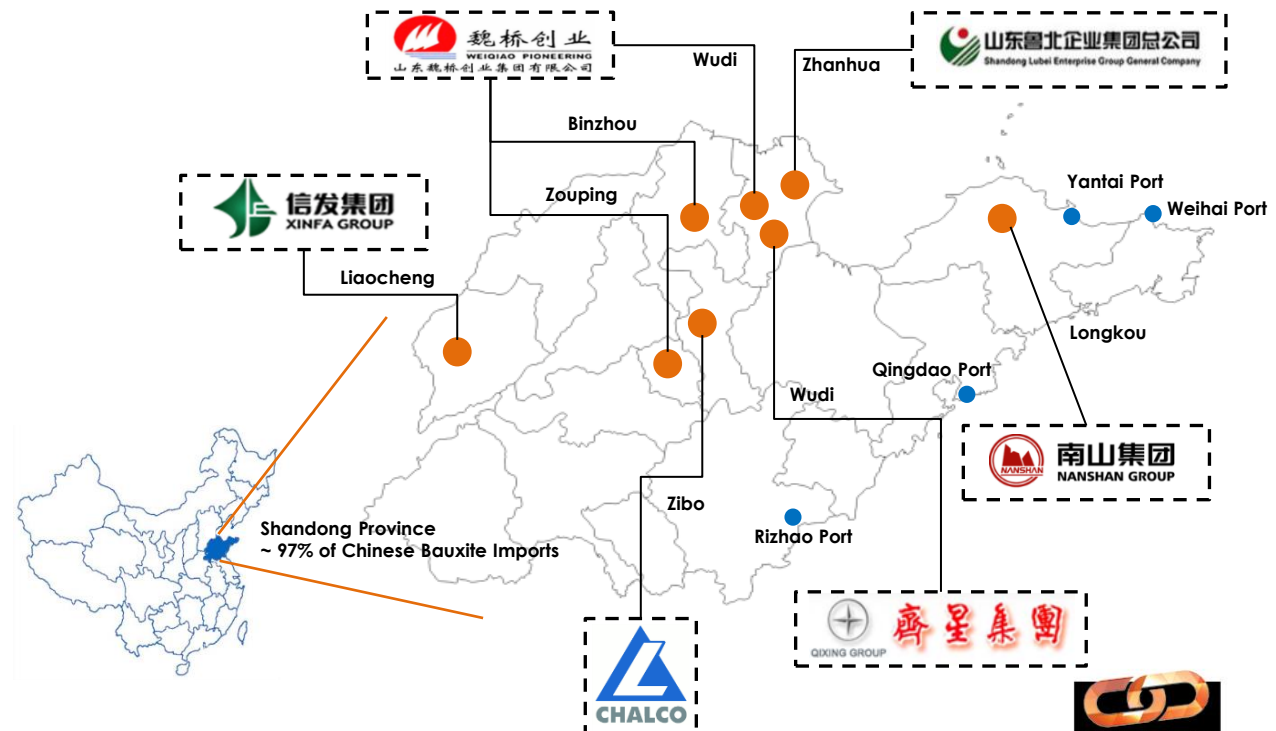
# Off-take Secured & Attractive\*

## Summary of Xinha Off-take

Term	4 years
Total Tonnage	7Mt
Tonnage	1Mt for year 1   2Mt for years 2 to 4
Pricing	CIF basis
Reference Price	Established alumina index
Payment Terms	Irrevocable Letter of Credit for each shipment
Product Spec	Defined parameters with bonus / penalty arrangements
'Take or Pay'	Yes
Shipping	Agreed annually in advance

- Binding off-take secured (Xinha), China's 2nd largest private bauxite importer. Agreement covers ~50% of first 4 years production with market linked pricing.
- Lubei LOI (non-binding) for 0.5-1.0mt pa for a minimum three years
- Further strong off-take interest from traders and end users, within and outside of China. Detailed discussions underway

## Overview of Key China End Users & Port Locations – Shandong Province



## Summary of Lubei LOI

Term	3 years
Tonnage	0.5 – 1.0 Mt pa for a minimum of 3 yrs
Extension	Mutual Agreement
Binding	Non-binding currently. Binding agreement being negotiated
Payment Structure	Market Linked pricing

\*Refer ASX Releases 13 Oct 2016 | 30 May 2017

# BFS Summary

## Bankable Feasibility Study Highlights\*

- Completed by MEC Mining in March 2017
- Contract mining and transshipment
- 5 month construction period
- 6Mtpa steady state (initial 2Mtpa)\*\*
- 8 months per year dry season operation (April to Nov)

## Key Results and Assumptions

Description	Result	Assumption	Result
NPV (10% DR, Real, after tax)	A\$601M	Annual Production rate (Steady State)	6.0Mt**
IRR	81%	LOM Production	92.2Mt
Payback Period of Initial Capital	1.7 years	Mine Life	17 years
LOM Revenue	A\$5.6B	Bauxite Price (CIF) Range`	US\$36.36-53.88/t
LOM EBITDA	A\$2.5B	Exchange Rate (AUD/USD)	0.75
LOM Average Annual EBITDA	A\$145M	Discount Rate	10%
LOM on-site Average OPEX	A\$16.42/t	Initial Capital Expenditure	A\$35.8M
LOM Average OPEX including Royalty	A\$23.00/t	LOM Average Operating Margin	A\$26.69/t

\*Refer ASX Announcement 15 March 2017 | \*\*Metro confirms all material assumptions underpinning production target & corresponding financial information continue to apply & have not materially changed as per Listing Rule 5.19.2

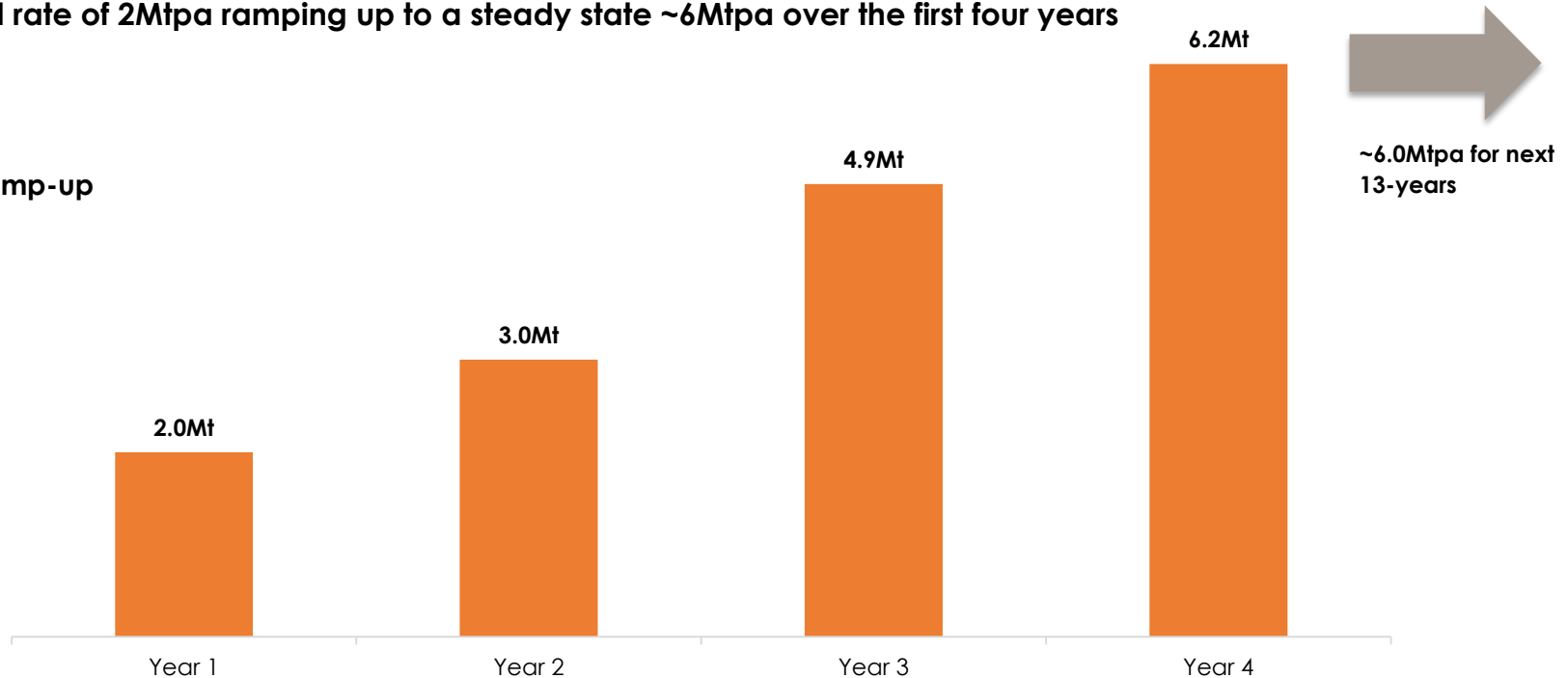






# Conservative Ramp-up

- With a 17-year initial mine life, production is expected to commence in April 2018 at an initial rate of 2Mtpa ramping up to a steady state ~6Mtpa over the first four years

Production Ramp-up



Indicative Sales Profile

	Year 1	Year 2	Year 3	Year 4
 信发集团 XINFA GROUP	1.1Mt	2.2Mt	2.2Mt	2.2Mt
 Shandong Lubel	0.5 - 1.0Mt	0.5 - 1.0Mt	0.5 - 1.0Mt	tbc
Spot / Other Contracts	0 - 0.5Mt	0 - 0.5Mt	2.0 - 2.5Mt	4.0Mt



# Recent Milestones Achieved

## Debt Financing\*

- A\$40M facilities provided by Sprott Resource Lending and Ingatatus AG (a related party of Balanced Property)
  - Highly Competitive Terms with attractive interest rate
  - Tenor of approximately 3 years
  - Limited cash reserve requirements
  - No principal repayment before Jan '19 and a A\$20M payment at maturity
- Financial close following completion of conditions precedent

## Environmental Approvals

- State & Federal Government approvals have now been received
- Allow production up to 10Mtpa
- Achieved within 2 years highlighting Metro's permitting expertise
- Strong support received from local stakeholders and all levels of Government
- Follow-on grant of Mining Leases expected in the short term



# Bauxite Hills Mine Update



## Bauxite Hills Village

- New camp under construction
- Installation planned for Nov 2017
- Existing camp used during construction

## Barge Load-Out Facility

- TSA appointed as marine infrastructure manager
- Fabrication of piles completed and due for August 2017 arrival
- Conveyor design being finalised with fabrication commencement in July 2017



## Civil Works

- SAB Mining awarded contract including haul roads
- Mobilisation in July 2017

## Mining Works


- SAB Mining selected as preferred contractor
- Hybrid owner mining/contracting model being assessed




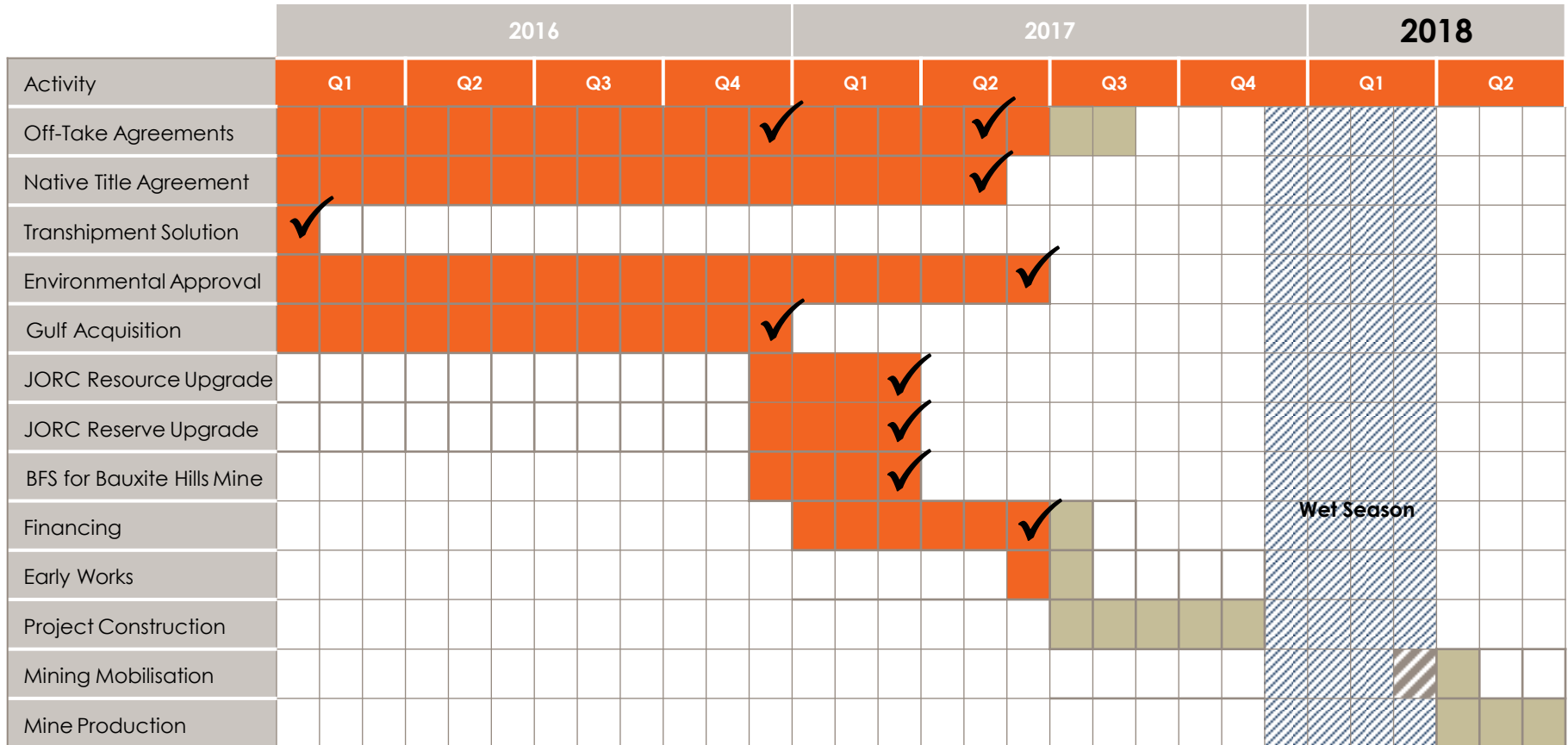
# Near Term Production Pathway

 Well Established Pathway

 No Red Flags

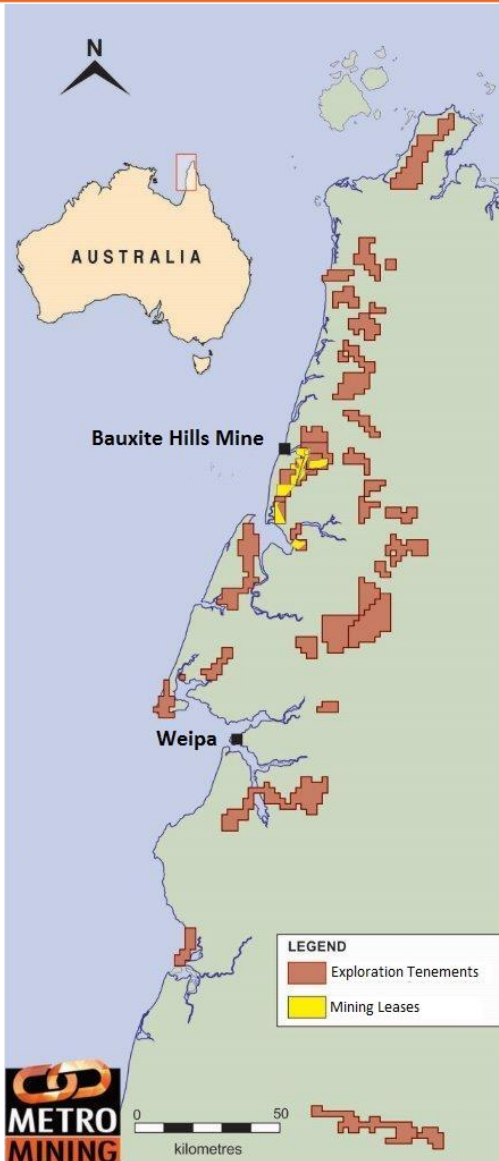
 Early works now underway

 Production On-Track for April 2018





# Regional Exploration



- Metro's exploration exposure covers >2,500km<sup>2</sup> of regional tenement holdings (including Bauxite Hills)
- All tenements are well located on the lateritic plateaus that host bauxite mineralisation
- Close proximity to the coast
- Potential to duplicate Bauxite Hills – organic growth
- Initial exploration work planned for 2H 2017
  - Reconnaissance sampling
  - Drilling of priority targets
- Identify other opportunities on Cape York and in other prospective locations.

# Summary

## **Metro is a standout investment opportunity**

- 1** Strong bauxite fundamentals driven by structural change in China
- 2** Metro has significant advantages and is backed by leading investors
- 3** Compelling BFS metrics provides significant share price upside
- 4** Debt Financing secured & early works now underway
- 5** Construction to commence in H2 2017 with production on track for April 2018
- 6** Regional tenements provide long term growth & enhances strategic appeal







# Background Slides

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# Board of Directors

**Stephen Everett**

**Chairman**

- Chemical engineer with 40+ years experience in the resources and construction industries both in Australia and overseas
- Formerly Chair of BeMaX Resources, Australian Solomons Gold, JMS Civil & Mining & IronRidge Resources

**Simon Finnis**

**Managing Director**

- Mining executive with +30 years experience
- Former CEO of Grande Côte Minerals Sands operations in Senegal and responsible for \$650m greenfield project development

**Philip Hennessy**

**Non-Executive Director**

- Over 30 years experience in accounting and corporate experience
- Chairman KPMG Queensland for 13 years prior to retiring in 2013

**George Lloyd**

**Non-Executive Director**

- Over 30 years resource industry experience including senior executive and board roles
- Previously Chairman of Cape Alumina for 5 years and currently Chairman of Ausenco

**Lindsay Ward**

**Non-Executive Director**

- Over 25 years experience with senior executive/board roles in mining, exploration, mineral processing, ports, rail, power generation, gas transmission, logistics
- Former MD of Dart Mining and previously Mine Manager of the Yallourn Energy open cut coal mine in Victoria

**Mark Sawyer**

**Non-Executive Director**

- Senior Partner at Greenstone Capital LLP and co-founder of Greenstone Resources LP private equity fund. Co-founded Greenstone in 2013 after a 19 year career in the mining sector
- Former roles include co-head of group business development at Xstrata plc and senior roles at Rio Tinto plc and Cutfield Freeman & Co Ltd

**Jijun Liu**

**Non-Executive Director**

- Engineer with over 30 years experience in energy and resources
- Managing Director of Xinfa which controls one of the largest alumina-aluminium enterprises in China

**Dongping Wang**

**Non-Executive Director**

- Over 30 years experience mining & prominent figure in the Chinese coal industry & recognised as coal processing expert
- Chairman of Dadi Engineering which is one of China's largest coal industry engineering groups



# Native Title & Land Access

## Positive & Supportive Relationships with Local Community

### Native Title & Land Access Agreement reached jointly with:

- ▶ Ankamuthi People, the traditional owners; and
- ▶ Old Mapoon Aboriginal Corporation (OMAC), the trustee owner of the land

### Key Features of the Agreement include:

- ▶ Cultural Heritage Management Plan
- ▶ Detailed rehabilitation plan with ongoing monitoring
- ▶ Substantial mining benefits based on percentage of FOB price received per tonne of bauxite
- ▶ Training, employment and business opportunities
  - Recruitment for Technical training roles and Community Liaison Officers underway
  - Business & contracting opportunities through construction and operations



# BFS Capital Cost Estimates\*

Capital Cost Item	Amount	Capital Cost Item	Amount
<b>Initial Capital</b>		<b>Expansion Capital (in years 2 and 3)</b>	
Site establishment and haul roads	A\$3.1M	Integrated Truck dump and screens and upgraded haul roads	A\$13.9M
Key infrastructure including BLF and camp	A\$25.8M	Transshipment upgrades	A\$19.5M
Other supporting infrastructure	A\$1.6M	Contingency @ 10%	A\$3.3M
Logistics and other owner's costs	A\$2.1M		
Contingency @ 10%	A\$3.2M		
<b>Development Capital Total</b>	<b>A\$35.8M</b>	<b>Expansion Capital Total</b>	<b>A\$36.7M</b>

\*Refer ASX Announcement 15 March 2017



# BFS Operating Cost Estimates\*

Operating Cost Item	BFS LOM Average
Mining, haulage and operation of BLF	A\$7.07/t
Transshipment activities	A\$6.71/t
Site and administrative costs	A\$2.65/t
<b>Total Operating Costs (ex-royalties and ocean freight)</b>	<b>A\$16.42/t</b>
Royalties	A\$6.57/t
Ocean Freight	A\$11.71/t
<b>Total Operating Costs</b>	<b>A\$34.70/t</b>

\*Refer ASX Announcement 15 March 2017



# Reserves & Resources\*

## Bauxite Hills – DSO Mineral Resource & Ore Reserve Estimates

Area	Category	DSO <sup>2</sup> Tonnes (Mt) <sup>1</sup>	DSO Bauxite Qualities (Dry Basis)	
			Total Al <sub>2</sub> O <sub>3</sub> (%)	Total SiO <sub>2</sub>
BH1 & BH6	Measured Resource	54.7	50.0	11.9
BH1, BH2 & BH6	Indicated Resource	66.4	49.2	14.5
BH1 & BH6	Inferred Resource	23.7	47.4	16.0
<b>TOTAL RESOURCE</b>		<b>144.8</b>	<b>49.2</b>	<b>13.9</b>
BH1 & BH6	Proved Reserve <sup>3</sup> (ROM @ 10% Moisture)	48.3	49.8	12.0
BH1 & BH6	Probable Reserve <sup>4</sup> (ROM @ 10% Moisture)	43.9	49.0	14.6
<b>TOTAL MARKETABLE ORE RESERVES</b>		<b>92.2</b>	<b>49.4</b>	<b>13.2</b>

1. For BH1 and BH6 the tonnages are calculated using the following default bulk densities determined from a program of sonic drilling; 1.6g/cm<sup>3</sup> for BH1, 1.92g/cm<sup>3</sup> for BH2 and 2g/cm<sup>3</sup> for BH6. Actual values are used where measurements have been taken
2. DSO or "Direct Shipping Ore" is defined as bauxite that can be exported directly with minimal processing and beneficiation
3. Proved Reserve – the proved reserves is included in the BH1 & BH6 Measured resources
4. Probable Reserve – the probable reserve is included in the BH1 & BH6 Indicated resources

\*Refer ASX Announcement 15 March 2017 "Bauxite Hills Ore Reserve 92.2Mt"



# Disclaimer



## **FORWARD LOOKING STATEMENT**

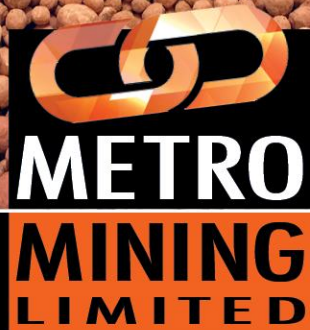
Statements and material contained in this ASX Announcement, particularly those regarding possible or assumed future performance, production levels or rates, commodity prices, resources or potential growth of Metro Mining Limited, industry growth or other trend projections are, or may be, forward looking statements. Such statements relate to future events and expectations and, as such, involve known and unknown risks and uncertainties. Graphs used in this ASX Announcement (including data used in the graphs) are sourced from third parties and Metro Mining has not independently verified the information. Metro Mining is at an early development stage and while it does not currently have an operating bauxite mine it is taking early and preliminary steps (such as but not limited to Prefeasibility studies etc.) that are intended to ultimately result in the building and construction of an operating mine at its project areas. Although reasonable care has been taken to ensure that the facts stated in this ASX Announcement are accurate and or that the opinions expressed are fair and reasonable, no reliance can be placed for any purpose whatsoever on the information contained in this document or on its completeness. Actual results and developments may differ materially from those expressed or implied by these forward looking statements depending on a variety of factors. Nothing in this ASX Announcement should be construed as either an offer to sell or a solicitation of an offer to buy or sell shares in any jurisdiction.

## **COMPETENT PERSON'S STATEMENT**

The information in this report that relates to Exploration Results is based on information compiled by Neil McLean who is a consultant to Metro Mining and a Fellow of the Australian Institute of Mining and Metallurgy (F.AusIMM). Mr McLean has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaken 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 McLean consents to the inclusion in the report of the matters based on information in the form and context in which it appears.

The information in this report to which this statement is attached that relates to the "Metro Mining – Bauxite Hills" Reserves is based on information compiled by MEC Mining and reviewed by Edward Bolton, a Competent Person who is a Member of the Australasian Institute of Mining and Metallurgy. Edward Bolton is a full-time employee of MEC Mining Pty Ltd. Edward Bolton has sufficient experience that is relevant to the style of mineralization, type of deposit under consideration and to the activity being undertaken 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'. Edward Bolton consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

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