

Explore | Define | Mine

**Bauxite!**  
**“Good as Gold”**



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**COMPETENT PERSON STATEMENT:** The information in this presentation that relates to Metro 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 JORC Code. Edward Bolton consents to the inclusion in this presentation of the matters based on his information in the form and context in which it appears.

**COMPETENT PERSON STATEMENT:** The information in this presentation that relates to Metro is based on information compiled by Neil McLean who is a consultant of Metro Mining Limited. Mr McLean is a Fellow of the Australasian Institute of Mining and Metallurgy (FAusIMM) and 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 JORC Code. Mr McLean consents to the inclusion in this presentation of the matters based on information in the form and context in which it appears.

**COMPETENT PERSON STATEMENT:** The information in this presentation that relates to Gulf Alumina Limited's (Gulf) Mineral Resources is based on information compiled by Jeff Randall of Geos Mining, a consultancy group contracted by Metro Mining Limited. Mr Randell is a Member of the Australian Institute of Geoscientists (MAIG), a Registered Professional Geoscientist (Rage) and 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' (JORC Code). Mr Randell consents to the inclusion in this presentation of the matters based on information in the form and context in which it appears.

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# Investment Highlights

- 1 Proven Board & management team focused on shareholder value
- 2 Fully financed to first production following completion of \$38M equity raising
- 3 Simple DSO project well located in Cape York with significant competitive advantage
- 4 Compelling economics, high margin, long life & average annual Life of Mine EBITDA of ~\$145m
- 5 Transformational growth in China's seaborne bauxite demand driven by fundamentals
- 6 ~60% of production for first 4 years subject to firm Offtake Agreement or Letter of Intent (LOI)
- 7 Set to be a leading independent Cape York bauxite producer with significant upside

# Corporate Snapshot

## Capital Structure (Post-Equity Raising)

Share Price (24-July-17)	\$0.17
Shares on Issue	1,285.5M
<b>Market Cap</b>	<b>\$218.5M</b>
Options Unlisted	11.7M
Cash (30-June-2017 Post Equity)	\$51.4M
Debt Facility (drawn & undrawn)	\$40.0M
<b>Enterprise Value</b>	<b>\$207.1M</b>

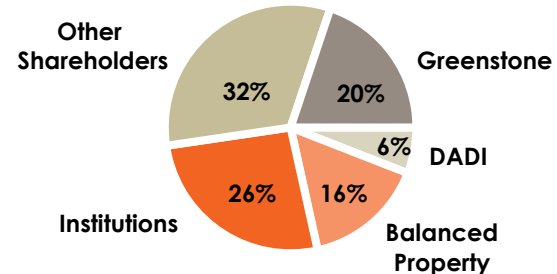
## Board of Directors

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 (Post-Equity Raising)



# Recent Achievements & Value Platform

- Metro has completed several value adding milestones in 2017 to be primed for near term production

1

Acquired Gulf

- Doubled reserves
- Gained infrastructure



2

Expanded Project Scale

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



3

Strengthened Balance Sheet & Share Register

- Raised \$52m of equity & repaid \$40m bridge loan
- Completing a \$38m share placement



4

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



5

Secured Debt Finance

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



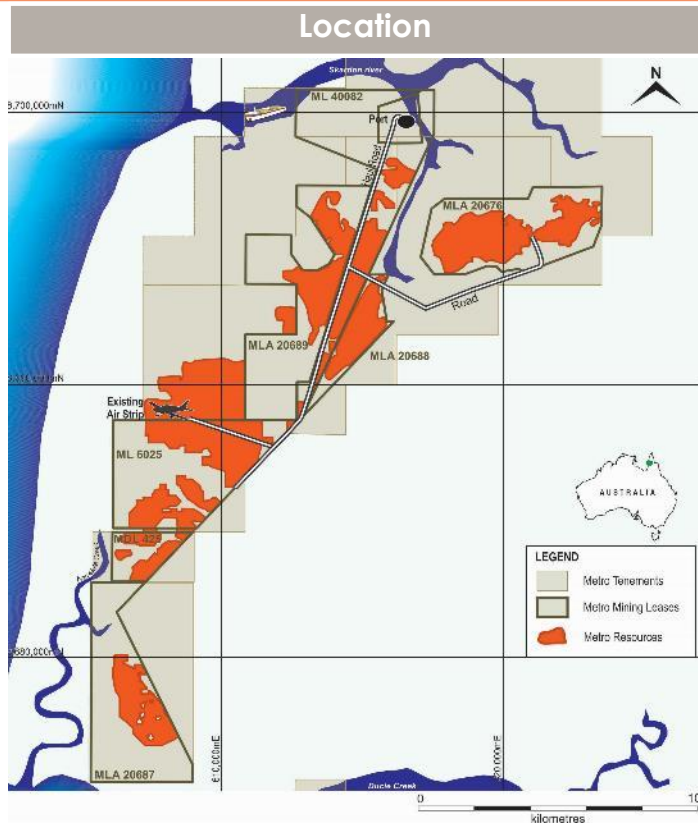
6

Received Environmental Approval

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



# Bauxite Hills Mine Snapshot



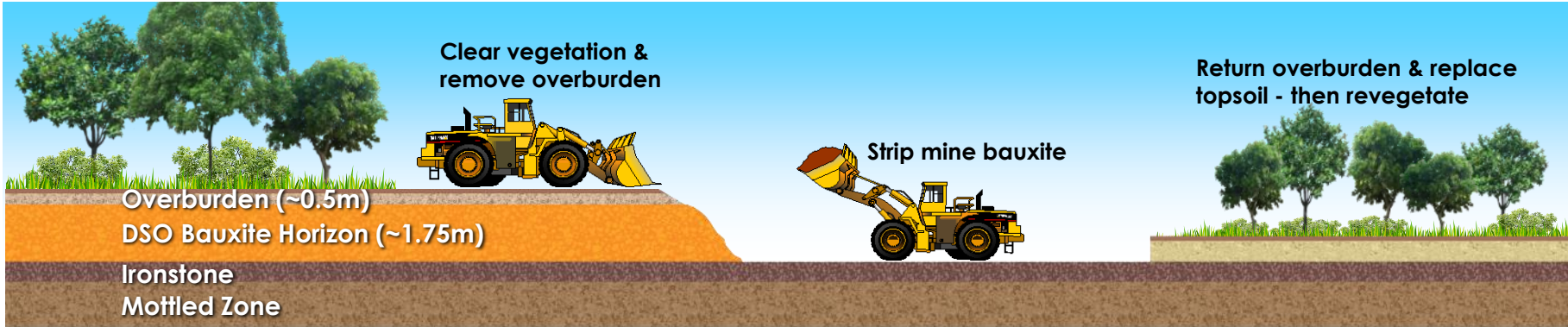
		Key Statistics <sup>1</sup>			
Project Overview	Ownership:	Metro (100%)			
	Location:	Cape York, Qld			
	Commodity	Bauxite			
	Product Type	Direct Shipping Ore			
	Mine Type	Surface mining			
	Contained mineral:	<b>Reserves</b>	92.2Mt <sup>1</sup>	<b>Resources</b>	144.8Mt <sup>1</sup>
Status		EA Granted, ML Pending			
Operational Overview	Construction	H2 2017			
	First Production	April 2018			
	Start-up Production	~2Mtpa <sup>2</sup>			
	Steady State Production	~6Mtpa (year 4) <sup>2</sup>			
	Pre Production Capex	~\$35.8m <sup>3</sup>			
	Expansion Capex	~\$36.7m			
	Costs (LOM Avg)	<b>Onsite</b>	\$16.4/t	<b>Incl Royalty</b>	\$23.0/t
	Mine Life	17 years			
Operations	Contract mining & transhipment				
Workforce	~185 personnel				

1. ASX Release 15 Mar 2017 | 2. Metro confirms all material assumptions underpinning production target & corresponding financial information continue to apply & have not materially changed 3. Note this Capex & analysis excludes the purchase of Haul Trucks

# 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

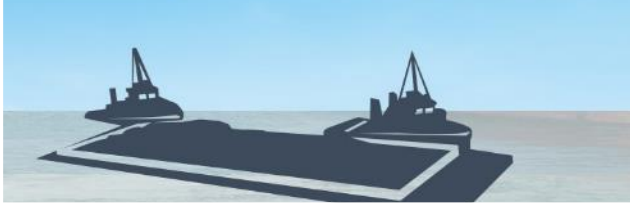


# Low Logistics Costs

Haul ore 5 – 22km to stockpile and barge loading



Tranship ore down Skardon River



Load bauxite on bulk carrier for transport to China



Metro's low cost shipping is a sustainable cost advantage to China relative to competing bauxite producers



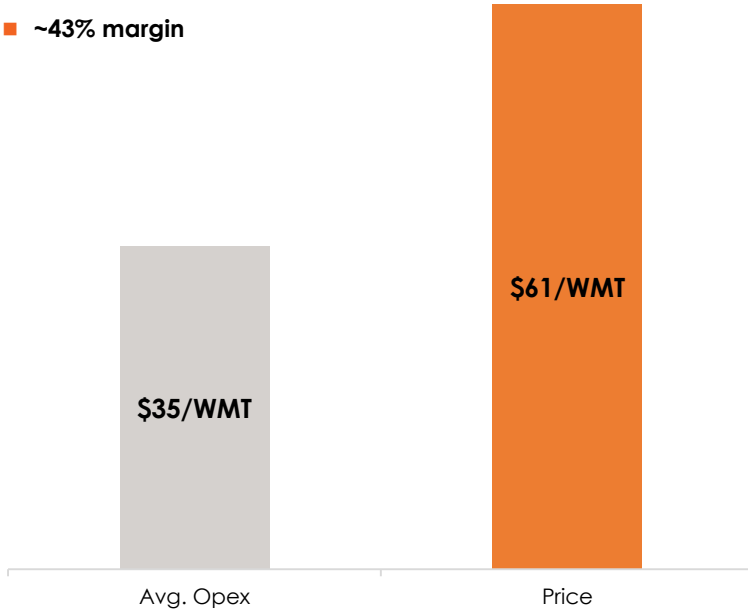


# Compelling Economics \*

## High Margin

Avg. LOM OPEX<sup>1,2</sup> vs. Avg. LOM Price Received (CIF)

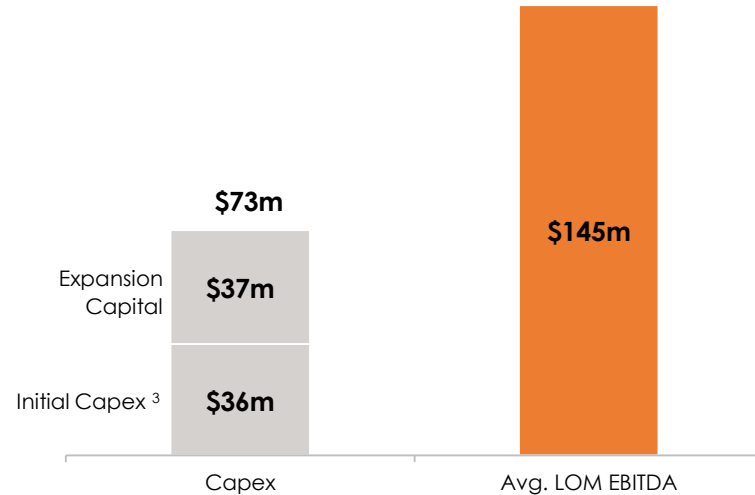
■ ~43% margin



## Low Capex

CAPEX vs. Avg. LOM EBITDA

■ Payback within 1.7 years

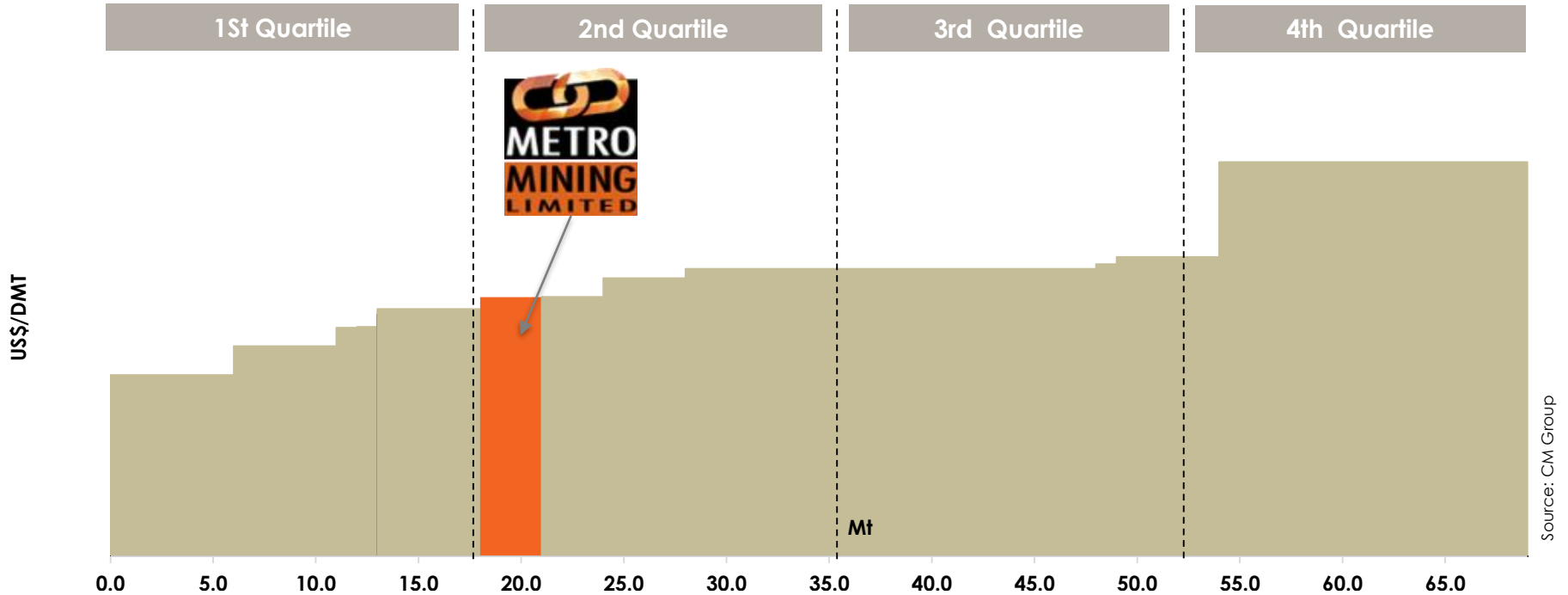


\*ASX Release 15 Mar 2017 | Metro confirms all material assumptions underpinning production target & corresponding financial information continue to apply & have not materially changed | 1. Includes royalties and ocean freight | 2. Purchase of truck & haulage equipment has the potential to reduce operating costs by up to \$1/WMT | 3. Note this Capex & analysis excludes the purchase of Haul Trucks

# Strong Cost Curve Positioning

- 2nd 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

# Early Construction Underway



## Bauxite Hills Village

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

## Barge Load-Out Facility

- TSA appointed marine infrastructure manager
- Fabrication of piles complete and delivery August 2017
- Conveyor design finalised and fabrication underway

## Civil Works

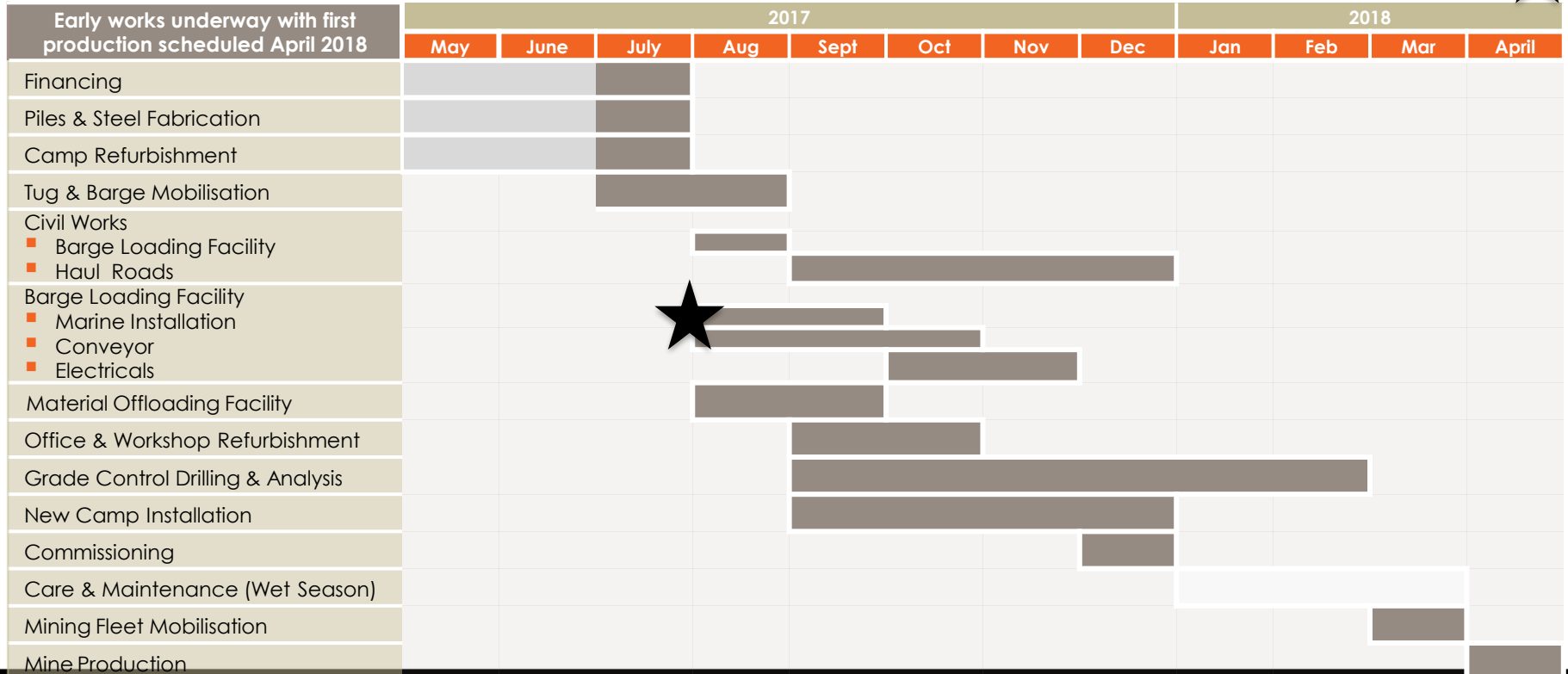
- SAB Mining awarded contract including haul roads
- Mobilisation underway

## Mining Works

- SAB Mining preferred contractor
- Hybrid owner mining/contracting model likely

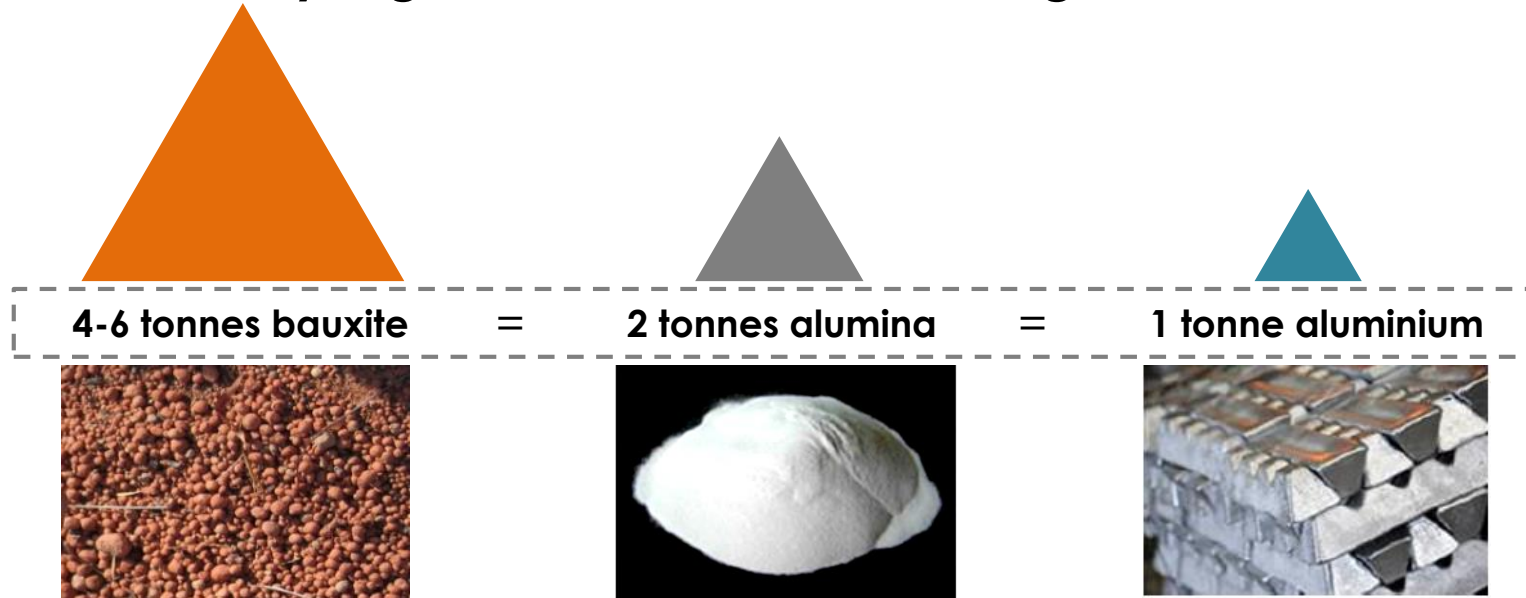
# Rapid Pathway to Production

9 months to Production (estimate) →



# Bauxite is the Primary Ore of Aluminium

## Key Ingredient for Manufacturing Aluminium



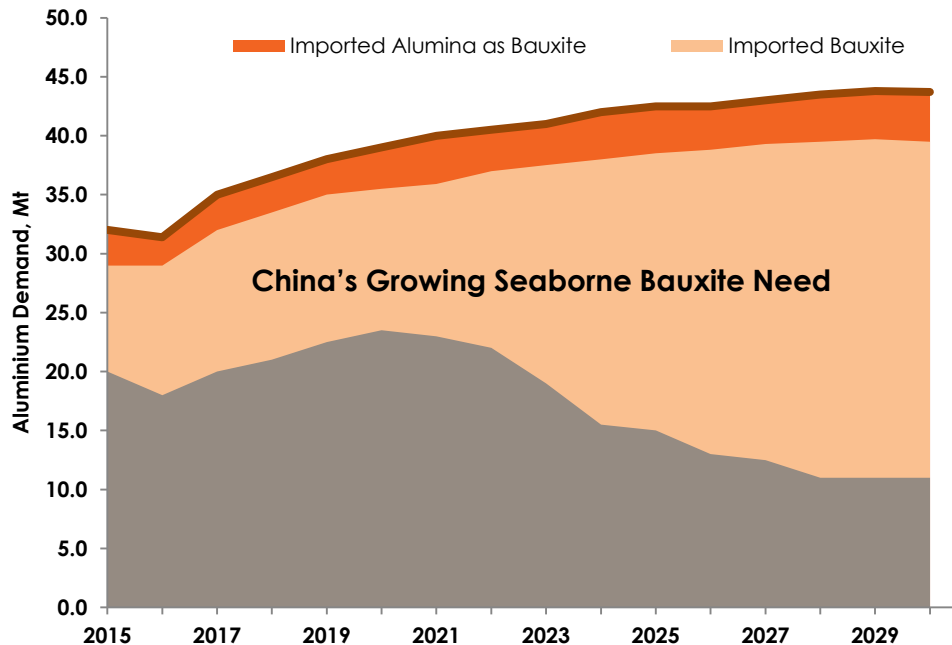
### Key Bauxite Value Drivers

Grade	Alumina content ranges from 30% - 65% and silica ranges from 2% - 30%
Location	Proximity to buyer, supply reliability and sovereign risk

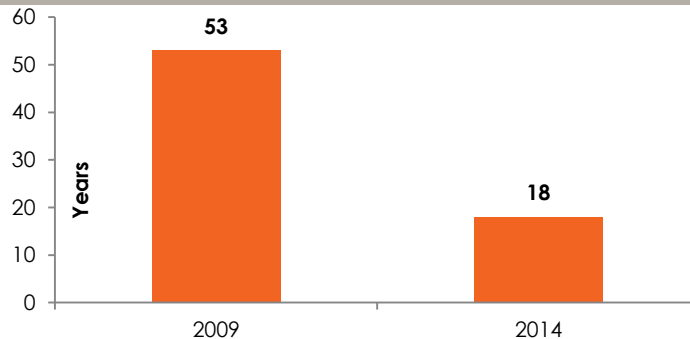
# Structural Change in China

China's seaborne bauxite imports are forecast to grow from ~50mtpa in 2015 to ~150mtpa by 2030

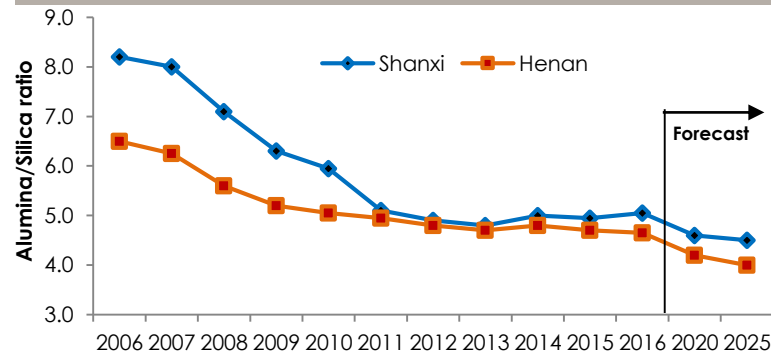
Chinese Aluminium Production & Growing Seaborne Bauxite Demand



Declining Chinese Bauxite Reserve Life Years



Declining Chinese Bauxite Quality

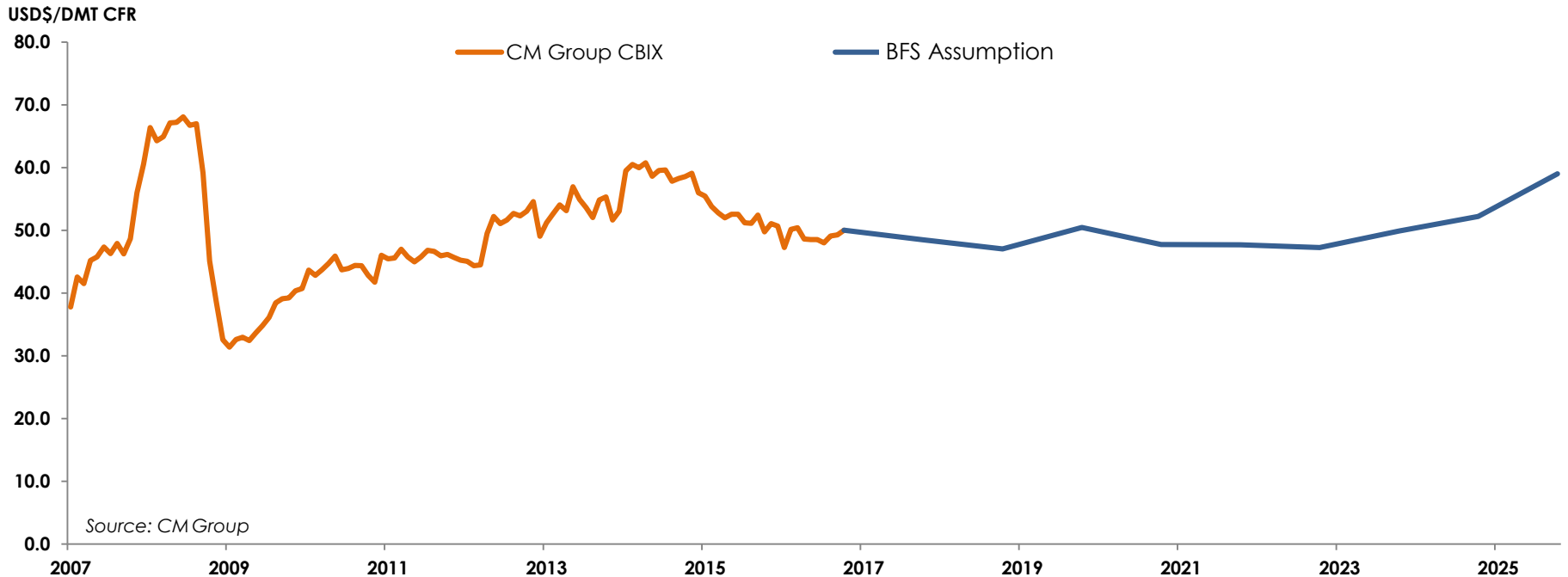


Source: CM Group

# Positive Bauxite Price Outlook

Bauxite has experienced relatively steady and positive price growth since the GFC with growing Chinese demand to support longer term price growth

CM Group historic CBIX price & forecast



# Key Market End Users & Off-take\*

## Summary of Xinha Off-take

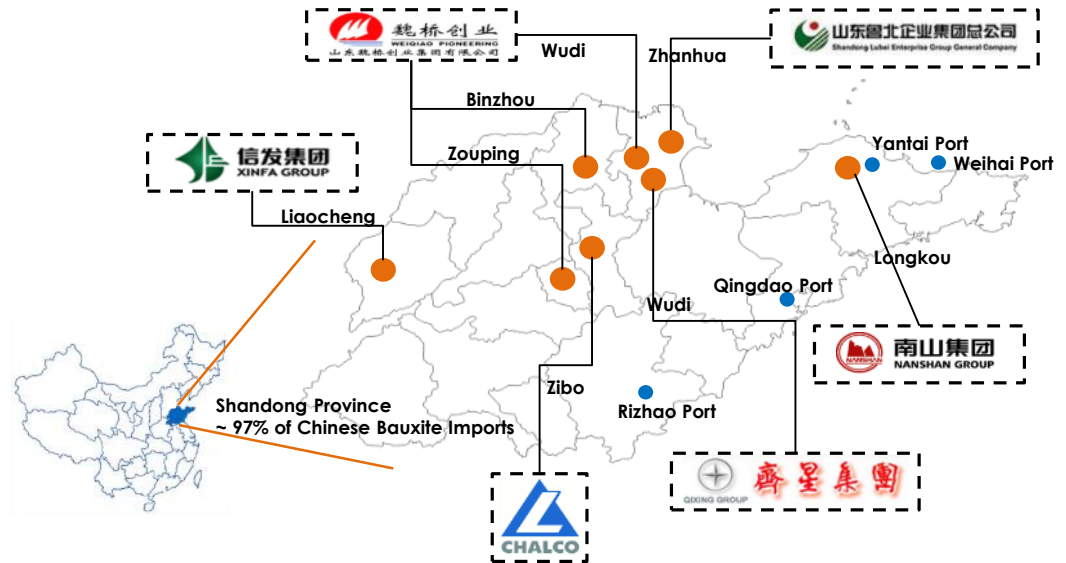
Term	4 years
Total Tonnage	7Mt
Tonnage	1Mt for yr1   2Mt for yrs 2-4
Pricing	CIFbasis
Reference Price	Established alumina index
Payment Terms	Irrevocable LOI for each shipment
Product Spec	Defined parameters with bonus / penalty arrangements
'Take or Pay'	Yes
Shipping	Agreed annually in advance

## Summary of Lubei LOI

Term	3 years
Tonnage	0.5Mt for yr 1   1Mt for yrs 2-3 Option for additional year
Extension	Mutual Agreement
Binding	Non-binding currently. Binding agreement being negotiated
Payment Structure	Market Linked pricing

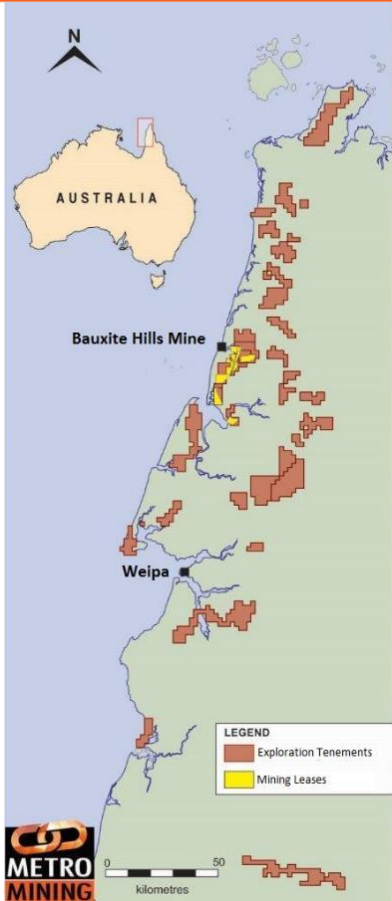
- Binding off-take secured (Xinha), China's 2nd largest private bauxite importer. Agreement covers ~50% of first 4 years production with market linked pricing.
- Lubei LOI (non-binding) for 0.5-1.0mt pa for a minimum three years
- Further strong off-take interest from traders and end users, within and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

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





# Regional Exploration

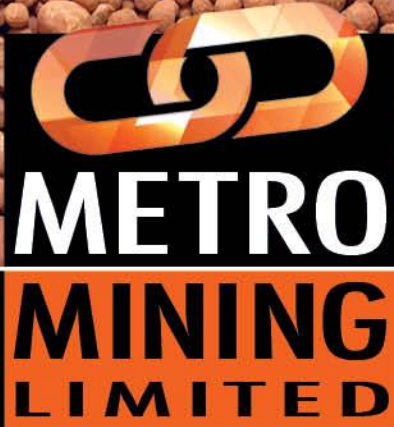


- Metro's exploration exposure covers >2,500km<sup>2</sup> of regional tenement holdings (including Bauxite Hills)
- All tenements are well located on the lateritic plateaus that host bauxite mineralisation
- Close proximity to the coast
- Potential to duplicate Bauxite Hills – internal growth
- Ongoing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

# Summary – A Compelling Investment

- 1 Metro has significant advantages and is backed by leading partners**
- 2 Strong seaborne bauxite fundamentals in China drive positive outlook**
- 3 Recent achievements have delivered platform for value creation**
- 4 Compelling metrics provides significant share price upside**
- 5 Attracting increased investor awareness and support**
- 6 Exciting period ahead with first production on track for April 2018**
- 7 Strategic appeal from being Australia's leading independent bauxite producer**





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**Bauxite!**  
**“Good as Gold”**



# Background Slides

# 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**

- 25+ yrs in Snr Exec/Board roles in mining, exploration, mineral processing, ports, rail, power generation, gas transmission
- Former MD of Dart Mining and previously Mine Manager of the Yallourn Energy open cut coal mine in Victoria

**Mark Sawyer**

**Non-Executive Director**

- Snr Partner at Greenstone Capital LLP & co-founder of Greenstone Resources LP private equity fund. 2013 Co-founded Greenstone after 19yr career in mining sector
- Former roles include co-head of group business development Xstrata plc and snr 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 Xinfra which controls one of the largest alumina-aluminium enterprises in China

**Dongping Wang**

**Non-Executive Director**

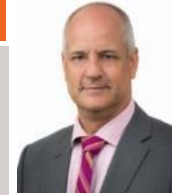
- Over 30 years experience mining & prominent figure in the Chinese coal industry & recognised as coal processing expert
- Chairman of Dadi Engineering which is one of China's largest coal industry engineering groups

# 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 | Managing Director & 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 Anglo American & 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 WOKEN UK, HK & China
- Former Marketing Manager for Comalco (RTA) Bauxite



# Construction Team



- Brisbane / Mackay / Gladstone
- Feasibility & engineering
- Owner's team project construction management



- Queensland
- Piling works
- Marine installation



- Marine infrastructure management
- Logistics



- Cairns fabrication
- Conveyor system
- Product sampling



- Brisbane
- Feasibility
- Mine planning



- Queensland
- Civil works
- Haul Roads



- Townsville
- Electrical engineering & design



- North Queensland operations
- Camp management



- Cairns
- Fuel and lubricants



- Cairns
- Marine logistics



# Supportive Partners

- Metro and Bauxite Hills Mine has attractive strong support from leading product partners and financial investors

## Economics & Financial Returns

**SPROTT**  
RESOURCE LENDING

- Leading Metro's \$40m debt facility
- Globally recognised natural resource lender
- Specialises in providing flexible debt solutions

**Balanced  
Property**

- 16% cornerstone shareholder
- Shareholder since Oct 2014
- Proven track record of identifying, developing and operating bulk commodity projects in Queensland
- Contributing to Metro's \$40M debt facility via related party

- 20% cornerstone shareholder
- Shareholder since July 2016
- Specialist metals & mining fund focused on strategic long term investment
- Significant in-house technical expertise across aluminium and bauxite



## Product Quality & Demand



- China's 2<sup>nd</sup> largest bauxite importer
- 4 year binding off-take for 7Mt
- Off-take agreed Oct 2016
- Take or pay
- Market linked pricing



- China's 5<sup>th</sup> largest bauxite importer
- 3 year LOI for 1.5 to 3Mt
- LOI agreed May 2017
- Market linked pricing



# 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 <sup>1</sup>

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 <sup>1</sup>
LOM Average OPEX including Royalty	A\$23.00/t	LOM Average Operating Margin	A\$26.69/t

\*Refer ASX Release 15 March 2017 | Metro confirms all material assumptions underpinning production target & corresponding financial information continue to apply & have not materially changed | 1. Note this Capex & analysis excludes the purchase of Haul Trucks

# BFS Capital Cost Estimates<sup>1</sup>

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 & 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 <sup>2</sup></b>	<b>A\$35.8M</b>	<b>Expansion Capital Total</b>	<b>A\$36.7M</b>

1. ASX Release 15 March 2017 | Metro confirms all material assumptions underpinning production target & corresponding financial information continue to apply & have not materially changed

2. Note this Capex & analysis excludes the purchase of Haul Trucks

# BFS Operating Cost Estimates\*

Operating Cost Item	BFS LOM Average
Mining, haulage and operation of BLF <sup>1</sup>	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>

\*ASX Release 15 Mar 2017 Metro confirms all material assumptions underpinning production target & corresponding financial information continue to apply & have not materially changed  
 | 1. Purchase of truck and haulage equipment has the potential to reduce operating costs by up to \$1/WMT

# 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 Doubles to 92.2Mt"

# Bauxite Market Update

- **Five (5) alumina refineries planned in China with a potential stage 1 capacity of 8-10Mtpa which could increase imported bauxite into China by 20-25Mtpa**
  - These planned refineries support the view that new refineries will be built in coastal locations to take advantage of the seaborne bauxite market
- **Chinese Government imposed alumina refinery and aluminium smelter shut-downs have had negligible impact on bauxite imports into China**
- **Exports from Guinea continue to increase with May being a record month of approx 3Mt**
  - To date recent local unrest has had little impact on exports
  - Two other mines under development have the potential to export 10Mtpa of bauxite
- **Malaysian bauxite export ban in Kuantan now extended to the election due in 2018**
- **Indonesian Government has granted modest export licenses with strict conditions and minimum sale prices related to product quality**
- **Amrun Mine being developed by Rio Tinto should begin production in 2019 and should add 10Mtpa to the seaborne bauxite market**

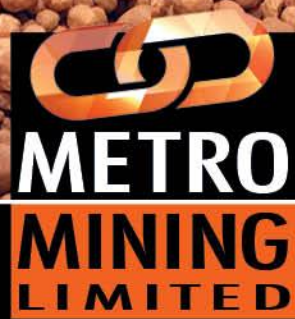
Source: CM Group

# Attractive Debt Facility

## Debt Financing Secured to Underpin Project Construction

Quantum	<ul style="list-style-type: none"><li>■ \$40m</li></ul>
Providers	<ul style="list-style-type: none"><li>■ Sprott Resource Lending</li><li>■ Ingatatus AG (a related party of Balanced Property)</li></ul>
Term	<ul style="list-style-type: none"><li>■ ~3 years</li></ul>
Security	<ul style="list-style-type: none"><li>■ Yes</li></ul>
Coupon	<ul style="list-style-type: none"><li>■ Low</li></ul>
Repayment Schedule	<ul style="list-style-type: none"><li>■ Flexible drawdown schedule</li><li>■ No principal repayment before January 2019</li><li>■ \$20m payment at maturity date</li></ul>
Equity Upside	<ul style="list-style-type: none"><li>■ Modest level of options</li></ul>
Covenants	<ul style="list-style-type: none"><li>■ Simple and minimal</li></ul>
Conditions Precedent	<ul style="list-style-type: none"><li>■ Standard for financings of this nature</li><li>■ Includes raising project equity requirements and receipt of all Mining Leases</li></ul>
Cash Reserve	<ul style="list-style-type: none"><li>■ Low cash reserve balance, no cash-flow sweeps, no reserve accounts, no cost overrun requirements</li></ul>
Hedging	<ul style="list-style-type: none"><li>■ None</li></ul>
Drawdown	<ul style="list-style-type: none"><li>■ Subject to customary conditions precedent for a facility of this nature, including documentation and Metro contributing project equity requirements prior to debt drawdown</li><li>■ First drawn expected August 2017</li></ul>





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**For Further Information**

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