

ASX ANNOUNCEMENT

Explore | Define | Mine

20 November 2018

AGM

Chair & Managing Director's Address



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AGM Chairman Address

My fellow Directors, Ladies and Gentlemen

I'd like to take a moment to congratulate the Metro management team for successfully finalising the development and commissioning of our Bauxite Hills Mine. Recent history shows this is a rare feat indeed for Australian "juniors" and our team and contract partners should be commended for this achievement.

The mine ramp-up phase is now completed, and budgeted production and shipping rates are consistently being achieved. Our 27th vessel has almost completed loading, and Metro is on track to deliver market guidance production and shipping tonnes of 2 million tonnes for 2018.

Your company has confirmed contracts in place for all 2018 production to 5 different Chinese customers, and 69% of the expanded forecast 2019 production.

By anyone's standard this is a great achievement. Indeed, a positive way for me to commence my address this year and a positive foundation for the year ahead.

Now let's get down to the business of the day.

The printed and published Annual Report this year highlights my comment:

".... The Board and management team are steadfastly focussed and determined to further increase the value of your company and your investment in the years ahead."

Whilst returns for our shareholders are our number one priority, to achieve this we focus on our people, our business objectives and the continuous improvement of our operation.

Taking a step back for a moment, I'd ask all shareholders to consider our achievements since my address at the last AGM in 2017.

Your Company has:

- Finalised construction of the Bauxite Hills mine
- Commenced mining operations
- Shipped over 1.7 million tonnes of Bauxite
- Continually reduced site unit costs on a month by month basis
- Sold this year's, and the majority of next year's, production
- Earned revenue in excess of \$69M as at the end of September

- Had a record month in October shipping 306kt, and
- Announced production expansion for the 2019 year to 3.5MT based on customer demands.

This year your company has transitioned smoothly from a developer to a producer with a significant growth outlook and continues to look for ways to improve and take advantage of market forces.

It must be said that we faced some early challenges but as our results are showing these have been addressed.

Having said that, I acknowledge the “shareholder barometer” – the share price – has of late been “disappointing.” I guess we can take some solace in the fact that this has been the case across the broader resource industry.

One of the challenges we face in the year ahead is to continue to educate the investment community about bauxite – particularly Australian bauxite – and its very real potential to offer an excellent investment platform.

I firmly believe the current share price does not reflect the underlying success or value of your business.

The mission now is to continue to focus on the job ahead, increase production, further reduce costs, build an even bigger market share and maximise our sales prices and therefore profits.

Of course, a key component to this is the bauxite market.

The demand for Metro bauxite has been strong this year and is increasing. As Simon will outline in his presentation, the inland refineries of Henan and Shanxi are very short of domestic bauxite supply and that offers increasing opportunities for your Company.

So, building on the success of the past year your Board has approved a plan to increase production to fill increased orders. Next year we plan to mine and ship at least 3.5 Mt. We have also committed to refreshing the DFS to Stage 2 Expansion (to 6MT per annum) in H1 2019 so that your Board can consider further investment.

That covers the business and commercial aspects of your business but there is, of course, our social responsibilities.

Metro Mining is proud to be “Good for the Cape and Good for the State.”

Indigenous employment and opportunity, in particular, is at the very core of your company's social values.

On the latest figures provided to me, 201 people are employed at the Bauxite Hills Mine. 35.3% of these people are of aboriginal or Torres Strait heritage. We are very proud of this achievement so early in the mine's life and likewise we are proud of the work being done by our very committed and talented traditional owner workforce.

We continue to actively participate with the local communities and we are delighted to participate in and provide sponsorship to local festivals and events where appropriate. In addition, we continue to assist wherever possible to create local business opportunities. In short, we are highly committed to being a part of the Cape York community, and a significant contributor to that community for years to come.

We are “Good for the State” in that we are investing in goods and services around the Cape, Far North Queensland and Queensland in general. Of course, we also pay royalties that benefit the State as a whole.

I would also like to touch on the recently passed State legislation; the Minerals and Energy Resources (Financial Provisioning) Bill. This Bill will change how all resource companies provide Financial Assurance and progressive rehabilitation commitments to the Queensland Government. It will require detailed long-term closure planning to be developed at an earlier stage. Metro is already committed to progressive rehabilitation at its Bauxite Hills Mine and has limited historic or proposed final voids, therefore we believe we are well placed to comply with this legislation with minimal additional financial burden or impact to the operations.

Before moving on to the formal business of the meeting, I would like to mention, and sincerely thank all those who served on your Board over the past 12 months.

In July this year, it was with considerable sadness we learnt of the passing of the former Managing Director of the Xinfu Group, Mr Jijun Liu. Xinfu remains a valued customer and Ken Xiao, Mr Liu's alternate Director also contributed a great deal at Board level.

Separately, George Lloyd resigned from the Board in September due to other commitments which created a conflict of interest for him. George's contribution has indeed been valued and appreciated.

I also announce that Mr Xiaoming (Aaron) Yuan, whom became DADI's representative on the Board in July this year following the retirement of Mr Dongping Wang, has decided to withdraw his nomination for re-election to the Board. As such, when we get to the formal business of the AGM, Resolution 4 will be withdrawn.

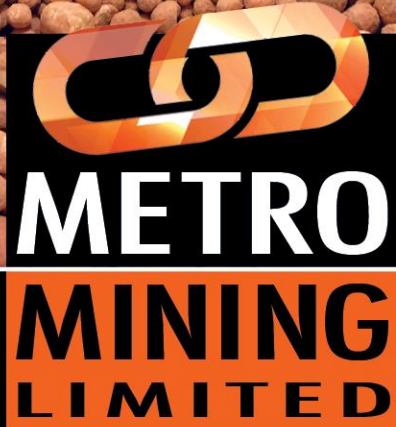
Fortunately, Aaron will continue his involvement with Metro by becoming a director of the subsidiary that owns our coal assets. The company is currently undertaking a review of the opportunities for these assets including Joint Venture or divestiture.

To all of my colleagues on the Board I thank you sincerely for your commitment, dedication, advice, support and hard work over the past year.

To the Metro team led by Managing Director and CEO, Simon Finnis I thank you all for another year of sterling effort. To all of you working on site, in the overseas marketing offices and in Brisbane I convey the Board's gratitude for the work you do – often under challenging circumstances. Thank you.

And, finally to our shareholders. We value your investment. We thank you for your support and we commit ourselves to the undertaking I have made. I repeat:

“We are steadfastly focussed and determined to further increase the value of your company and your investment in the years ahead.”



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Annual General Meeting - 20 November 2018

Highlights

- 1 Bauxite Hills Mine in production 10 months after construction commenced – as planned
- 2 Production Ramping Up – 27 Vessels and >1.7 million tonnes shipped to date
- 3 Expansion strategy announced – 2019 forecast production of 3.5M Wet Metric Tonnes
- 4 Long life mine delivering into a strongly growing Chinese market
- 5 Sales underpinned by a binding 4 year offtake agreement (~50% production) with Xinfu
- 6 Shipments made to a range of Chinese customers as per sales strategy
- 7 Definitive Feasibility for Stage 2 Expansion to be refreshed in Half 1 2019

Corporate Snapshot

Share Price Performance June 2016 – November 2018



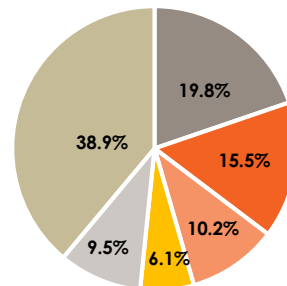
Board of Directors

Independent Chairman	Stephen Everett
Managing Director & CEO	Simon Finnis
Independent Non-Executive Director	Philip Hennessy
Independent Non-Executive Director	Lindsay Ward
Non-Executive Director	Mark Sawyer
Non-Executive Director	Xiaoming (Aaron) Yuan

Capital Structure

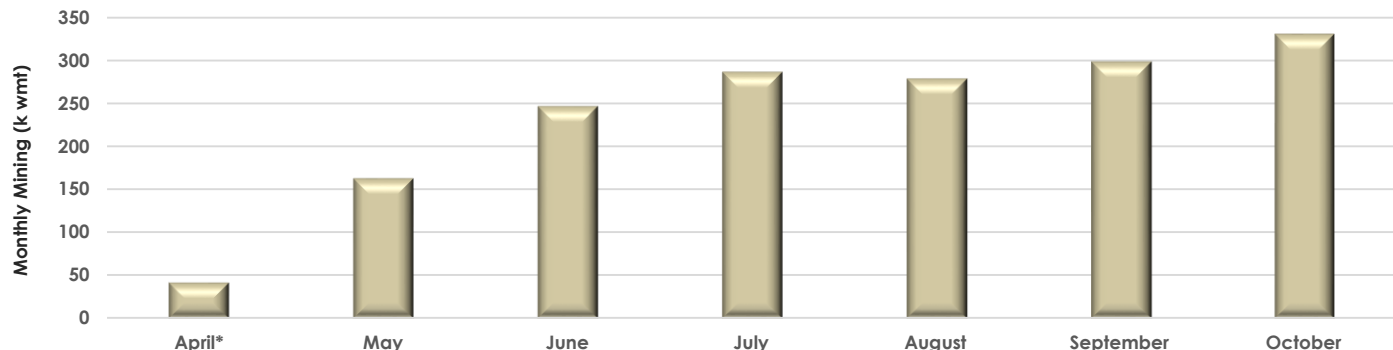
Share Price (16 November 2018)	A\$0.16
Shares on Issue	1,383M
Market Cap	A\$221.3M
Options Unlisted	31M
Cash and Receivables (30-Sept-2018)	A\$38.2M
Debt Facilities	A\$41.2M
Enterprise Value	A\$224.3M

Share Register

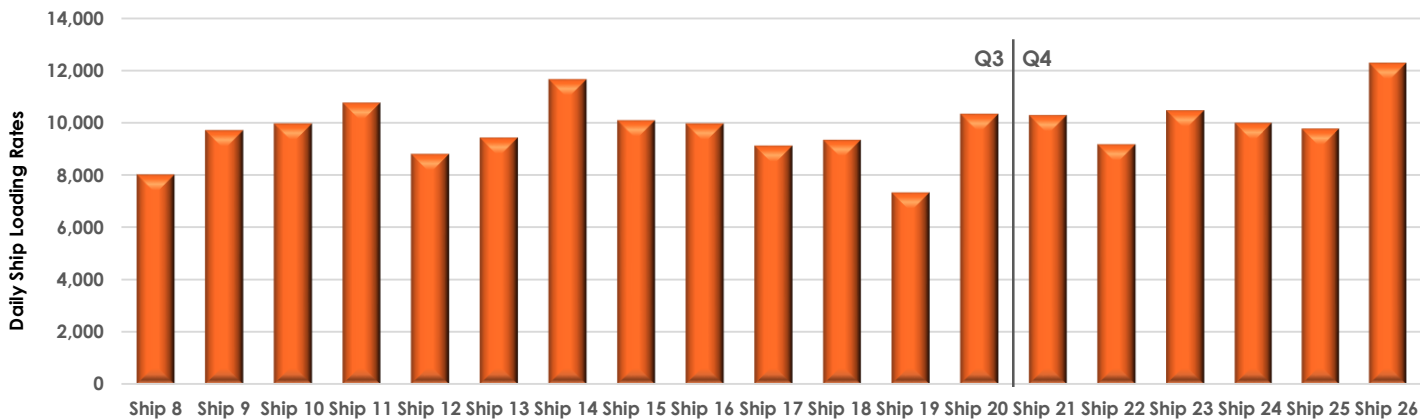


Greenstone
Balanced Property
BlackRock
DADI
Other Institutions
Other Shareholders

2018 Performance



*Partial Mth - Mining began 17 Apr 2018



2018 PRODUCTION FULLY SOLD

- 5 separate customers have received material
- Month on month production continues to improve.
- >1.7Mt shipped to date
- Unit site costs reducing nicely month on month
- Areas to improve operational efficiencies identified

2019 Expansion

- Strong customer demand drives expansion in 2019 to 3.5M (WMT).
- Much of existing infrastructure designed for higher operating levels making initiatives easy to implement and low cost.
- Cost of A\$6.8M to be funded from a combination of Metro's cash reserves and existing financing arrangements.
- Strategically important to support expansion to 6Mtpa by expanding customer base.
- Key elements of the expansion are:
 - Supplementing the current haulage fleet.
 - Duplicating screening capacity at the BLF.
 - Jaw crusher to treat oversized material (on site and operational).
 - Supplementing marine fleet and infrastructure.
- These initiatives were part of the Stage 2 expansion to 6.0M WMT pa. *(subject to DFS update and Board approval)*
- Expansion will deliver economies of scale, a variety of operational benefits and lower unit costs.

Metro Mining 2018 Results

September Quarter Results

Bauxite Mined
859,000 tonnes

Bauxite Shipped
822,000 tonnes

Revenue
\$43.8 Million

Cash &
Receivables
\$38.2Million

27 Ships for 2018 and Counting

Record Month October 2018

Bauxite Mined
311,000 tonnes

Bauxite Shipped
306,000 tonnes



Bauxite Hills Production Results September Quarter

Period	July	August	September	Sept Quarter	June Quarter	Year-To-Date
Bauxite Mined (WMT)('000)	285	277	297	859	445	1,304
Bauxite Shipped(WMT)('000)	253	297	272	822	399	1,221

Metro Mining Q3 2018 Unit Costs

Costs Average
A\$46 / WMT

Month on Month
Reductions

Lower A\$ Sept
Impacted Freight

Higher Volumes will
have a positive impact

Opportunities Identified to Reduce Costs in 2019



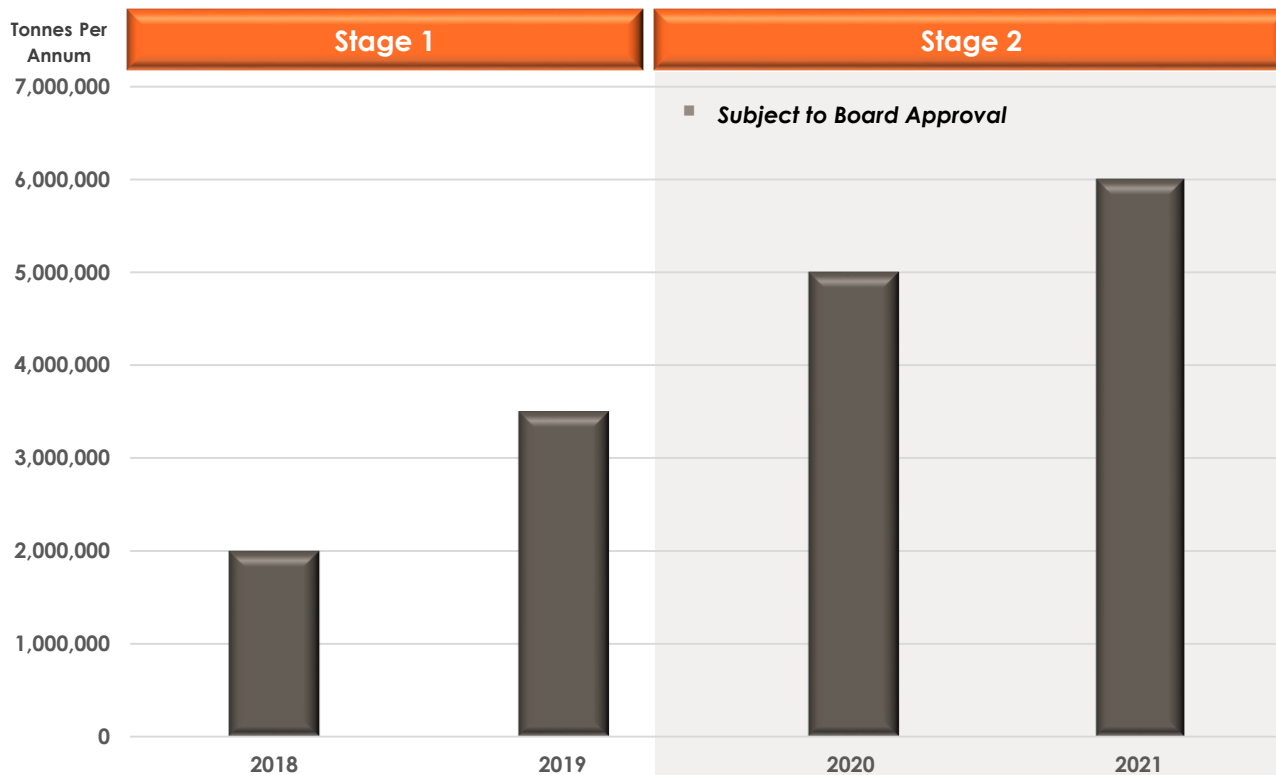
Unit Operating Costs				
Costs	July	Aug	Sept	Sept Qtr
Site Cost A\$/WMT	24.51	24.25	22.44	23.73
Non-Site Cost				
▪ Freight A\$/WMT	16.60	16.99	18.42	17.34
▪ Royalties A\$/WMT	6.30	5.02	4.69	5.31
TOTAL	47.42	46.26	45.54	46.38

2018 Production Guidance Update

- Ramp-up on schedule.
- Bauxite has been shipped to 5 different Chinese customers.
- During the Quarter, production was consistently achieving budgeted operating rates on a daily basis.
- Transshipment activities are performing better than expectations.
- Bauxite market penetration increasing, sales ongoing.
- Production Guidance for CY2018 is maintained.

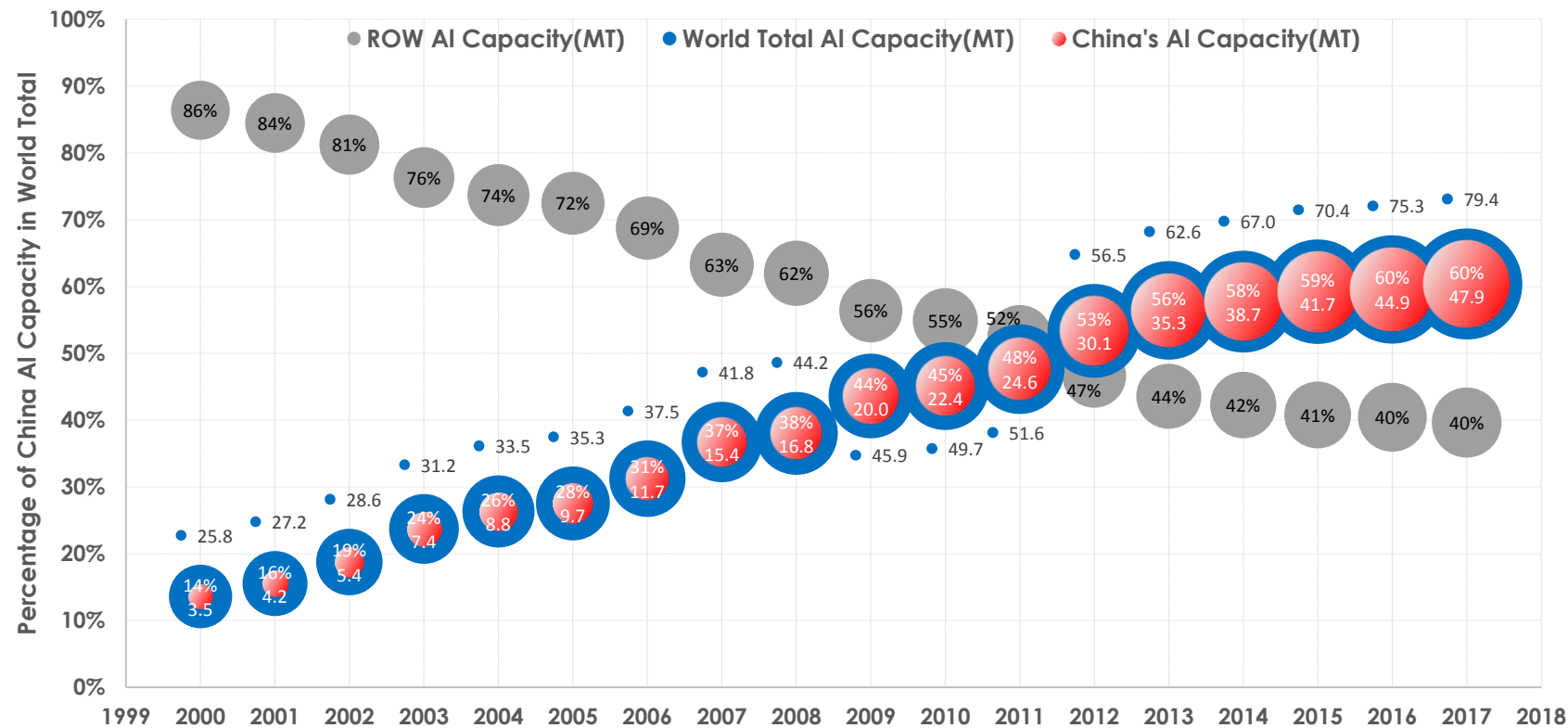


Increasing Production Profile



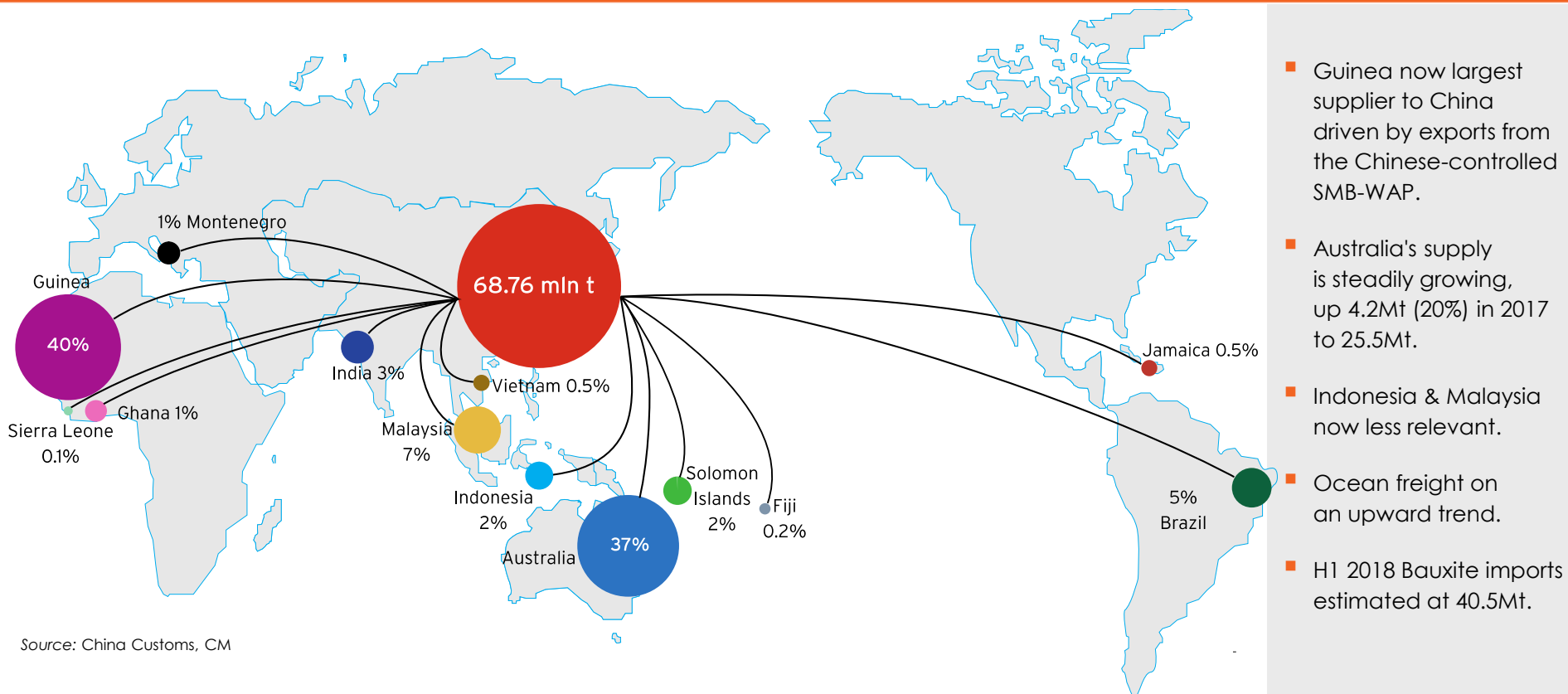
- Four year ramp up reflects building the customer base.
- Further Long-Term offtake agreements anticipated to support Stage 2 expansion.
- Stage 2 subject to updated BFS and Board Approval.
- Stage 2 capital expenditure to be determined during the DFS update.
- Existing infrastructure including the BLF has been proven to operate at Stage 2 production rates – no upgrades required.
- Significant unit cost improvement at higher production rates are anticipated.
- Stage 2 CAPEX will be sourced from internal cashflow and/or several (non equity) funding alternatives.

China vs ROW Primary Aluminium Capacity 2000–2017 (Mtpy)



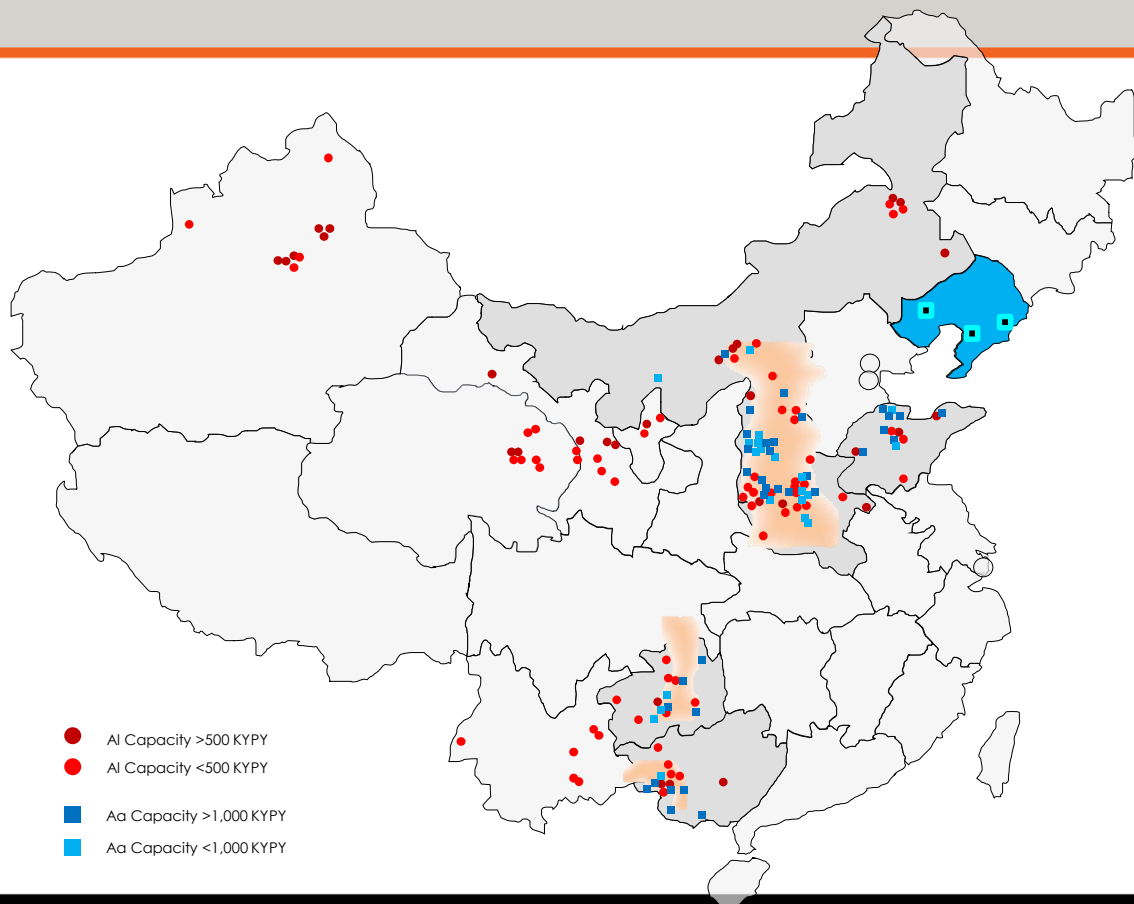
Source: IAI, CM Analysis

China's 2017 Bauxite Imports



Map of China's Major Alumina & Primary Aluminium Bases

Source: CM Group



China's Main Bauxite Concentration

China's major alumina producing provinces:

1. Shandong
2. Shanxi
3. Henan
4. Guangxi
5. Guizhou
6. Inner Mongolia

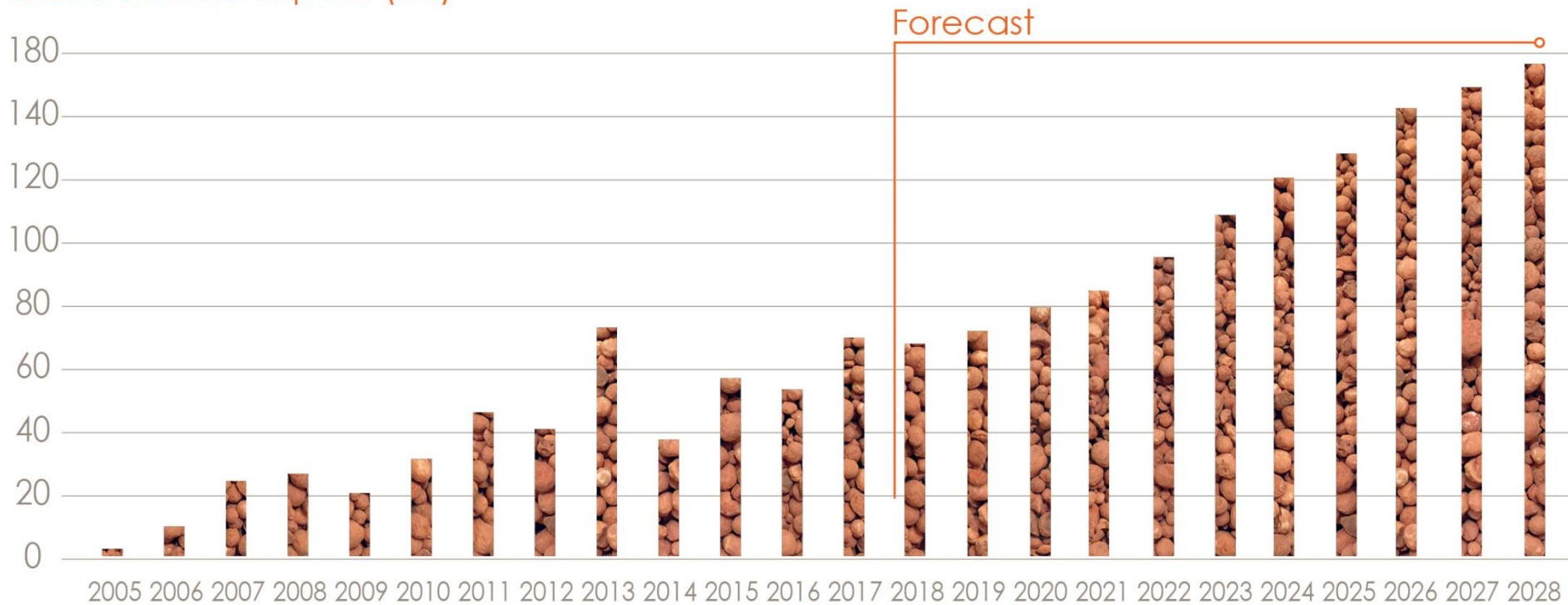
Liaoning Province is emerging as a major player, with three projects planned or under construction

China's top 11 primary Al production provinces

1. Shandong
2. Xinjiang
3. Inner Mongolia
4. Henan
5. Gansu
6. Qinghai
7. Yunnan
8. Ningxia
9. Guizhou
10. Shanxi
11. Guangxi

China Demand Outlook Remains Strong

China Bauxite Imports (Mt)



Source: CM Group

Favourable Price Dynamic

CBIX Weighted Daily Price VS Alumina Price Index



Positive Community Relationships

Ankamuthi Elders George Williams, who performed the Welcome Ceremony, Richard Woosup and Metro's Environmental heritage Support Officer Barunah "Bruno" Sagibba



- ▶ "Welcome to Country Ceremony" at Bauxite Hills Mine with major Ankamuthi family groups, Metro's Chairman, Managing Director and Metro employees attending.
- ▶ Current Indigenous employment is 37% (Target 20%).
- ▶ Metro promotes engagement with the local communities and sponsors community events that encourage and maintain the cultural heritage of the region.



Summary – A Growth Company

1

Metro has moved from Developer to Operator

2

2018 Production is according to plan – expansion to 2019 production underway

3

Long-life mine supplying bauxite from a stable jurisdiction

4

Strong seaborne bauxite market to China driving positive price and demand

5

Growing exports and production rates provide ongoing value creation

6

Australia's leading independent bauxite producer with strategic appeal

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 ASX Announcement 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.

COMPETENT PERSON'S STATEMENT

The information in this ASX Announcement 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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