

Q1 2019 Highlights

- The planned wet season shut-down was successfully managed with operational maintenance and planning, including transition to owner operator, taking place during the quarter.
- Mining operations re-commenced in early April. After the end of the quarter, loading of the first Ocean Going Vessel commenced as planned on April 13.
- 2019 production guidance of 3.5M WMT shipped is re-affirmed; an increase of 75% over 2018 production of 2.0M WMT.
- The expansion and upgrade program is largely complete; on time and within budget.
- Definitive Feasibility Study (DFS) for Stage 2 expansion to Annual Production of 6.0M WMT by 2021 is on track for completion during Q2 2019.
- Metro's available cash on hand and receivables as at 31 March 2019 was A\$13.2M.
- China bauxite demand remains strong with CBIX bauxite index maintaining high levels through the quarter, with the price currently being US\$52.20/DMT (dry metric tonnes).

Bauxite Hill Production & Sales Guidance

Thousands of Wet Metric Tonnes	Quarter Ending			2019 Total
	Jun 2019	Sep 2019	Dec 2019	
Bauxite Mined (WMT) ('000)	1,090 -1,150	1,225 -1,300	1,085 -1,150	3,400 – 3,600
Bauxite Shipped (WMT) ('000)	1,040 -1,100	1,225 -1,300	1,135 -1,200	3,400 – 3,600





Bauxite Hills Mine Operations

SAFETY PERFORMANCE

The first quarter at Bauxite Hills saw 34,022 work-hours completed Lost Time Injury (LTI) free. This was mainly a non-operating period through the Wet Season, with a reduced on-site workforce completing upgrades and preventative maintenance tasks. Given Wet Season challenges this represented an excellent result from our staff and contractors.

SITE BASED ACTIVITIES

As planned, with the start of the Far North Queensland wet season, mining operations ceased late December 2018. Over the March quarter, focus was on undertaking planned maintenance of on-site infrastructure, and installation and procurement of capital items associated with the expansion and upgrade program.

Completion of these activities was a pleasing result given the weather impact from Tropical Cyclone Trevor in mid-March. Whilst the cyclone caused no damage, high rainfall both during and after meant site-based activities were suspended for several days.

Metro's on-site transition from contractor mining to owner/operator is now complete. Metro is currently working with SAB Mining regarding finalisation of all outstanding contractual arrangements.

Recruitment of all senior site management and operators is complete and staff are being mobilised to site in conjunction with the mining rate ramp-up. Mining re-commenced in March resulting in 37Kt of stockpiles at the port at the end of the quarter.

Other activities undertaken during the quarter included:

- Repair and maintenance of haul roads and creek crossings;
- Restoration of older accommodation units to increase capacity at camp;
- Mine planning and ongoing analysis of drill results to facilitate mining activities for the coming year.

Expansion and upgrade program to the 3.5Mtpa production rate is largely complete and aligns with the initial timeline and approved budget.

- The duplicate screening plant and stacker commissioned mid-April; both are now operational;
- Upgrade of the prime movers to allow towing of higher payloads associated with the triple trailers is complete;
- Construction of the additional 7,000t barges was completed in March and mobilised to Skardon River during April. These are currently being incorporated into the marine fleet in time to coincide with the planned ramp-up in mining rates over the June quarter;
- The port area layout was redesigned to improve traffic flow and stockpile management processes. This will improve flexibility and quality management systems at the port;
- The jaw crusher was repositioned to ensure any oversized material can be processed efficiently.

All the above changes are anticipated to increase efficiency and productivity as Metro delivers on its upgraded production forecast. When combined with our operating experience from 2018, it is anticipated that unit costs will trend downwards as production increases through the operational year.

Bauxite Hills Mine Operations

BAUXITE HILLS MINE STAGE 2 EXPANSION

Work on the updated DFS for potential Stage 2 Expansion of Annual Production to 6.0M WMTpa by 2021 continued during the quarter and is close to completion. The DFS will be updated to incorporate operating experience to date, updated capital costs, operational improvements and upgrades being implemented, and the bauxite market conditions in China.

Focus has been on optimisation of the on-water transshipment equipment that will facilitate loading of larger vessels at significantly higher loading rates. To ensure ore supply will match budgeted ship loading rates, mine planning and efficiency improvement studies regarding materials handling at the port and Barge Loading Facility are also being completed.

The DFS remains on track to be completed in Q2 2019.



BAUXITE SALES

Metro's bauxite marketing and sales program continues to progress. All production for 2018 was sold and shipped to a range of Chinese customers and deliveries were within contractual specifications.

Approximately 75% of Metro's upgraded 2019 production of 3.5M WMT has been contracted and discussions are well advanced with customers for the remaining portion with the aim being to secure further long-term agreements to underpin the expanded Stage 2 production.

Approximately 2.2M WMT of planned 2019 production will be sold under the long-term off-take to Xinfu. Under this contract prices received are linked to an RMB denominated alumina price index.

Pricing of the remainder of 2019 product sales are expected to be linked to the prevailing market price.

Given all revenue is US\$ denominated, the continuing weak A\$/US\$ exchange rate is expected to have a positive impact on Metro's A\$ revenue.

Metro is experiencing strong demand for its bauxite from refineries located in inland Chinese provinces, where supply of domestic bauxite has been hindered by resource depletion, recent mine closures and environmental audits. Bauxite Hills' product specifications are well suited to the processing requirements of these refineries.

Bauxite Hills Mine Operations

INDIGENOUS ENGAGEMENT

The regular Liaison Committee meeting, with representatives from Ankamuthi people, Old Mapoon Aboriginal Corporation (OMAC) and Metro, was held in Cairns over two days. These meetings continue to incorporate training, information exchange and agreed actions to improve the ongoing implementation of the Ancillary Agreement between the parties.

At the end of 2018, the role of the Community Liaison Officers (CLO) was expanded to incorporate both site and community liaison services between the Ankamuthi people and Metro. Metro's two CLO's are now on regular rosters with half of their time spent on site and other half spent in the relevant communities. Metro interviewed several Ankamuthi applicants during the quarter with job offers accepted in March and both CLO's commencing in April.

At the invitation of OMAC, Metro attended and presented at a Mapoon community meeting in March. The presentation updated the community on the increased mining operations proposed for the Bauxite Hills Mine, current Traditional Owner employment figures that significantly exceed our targets, and general environmental and community activities planned for the coming year.

Staff also met with the Mapoon Aboriginal Council and Mapoon Land & Sea Rangers to discuss expanding the current land management partnership opportunities, including feral animal controls & fire management.

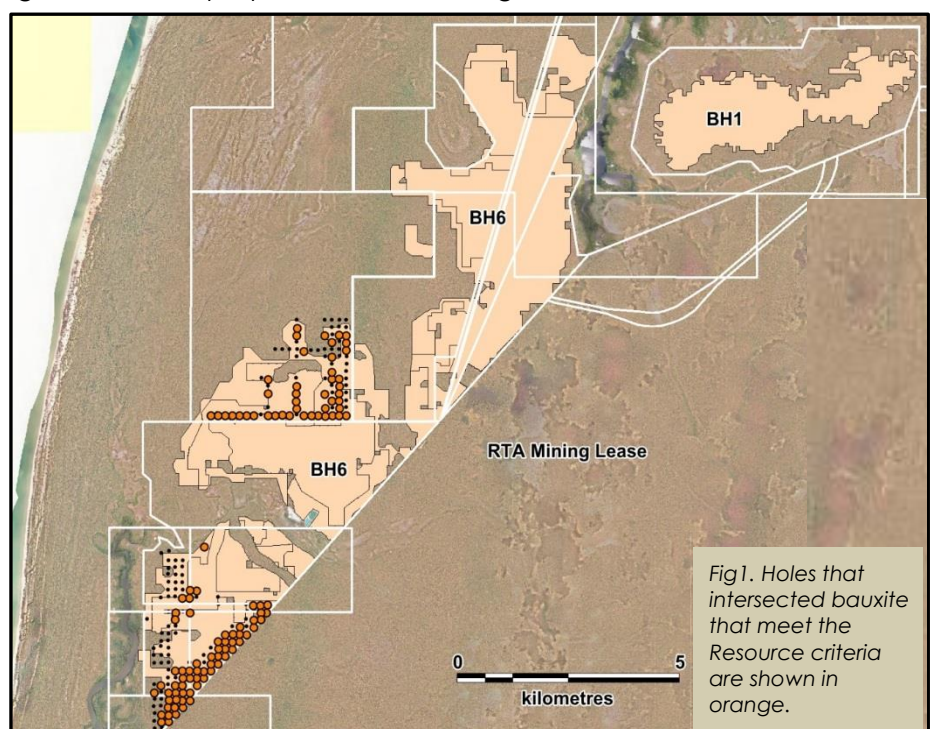
Metro is also pleased to confirm that Cultural Awareness Training, undertaken by Ankamuthi presenters, commenced towards the end of March and will continue through April to ensure employees have completed this training prior to commencement of their work on site.

RESOURCE DEVELOPMENT/EXPLORATION

Analytical results have been received from drilling program completed during the last quarter of 2018 and are currently being compiled. Drilling was undertaken on a 160m by 160m grid with most holes designed to upgrade selected areas of the existing bauxite Resource from the Inferred category to the Indicated and/or Measured categories. A small proportion of the drilling tested for bauxite within an area located to the south of the existing Resource. The locations of the holes are shown in Fig 1.

Most of the holes intersected bauxite that met Metro's Resource criteria and are shown in orange in Figure 1. The drilling has been successful in outlining additional areas of bauxite beyond the southern boundary of the current Resource.

Results from the drilling are being incorporated into updated Resource and Reserve statements that will be completed and announced during the June quarter.

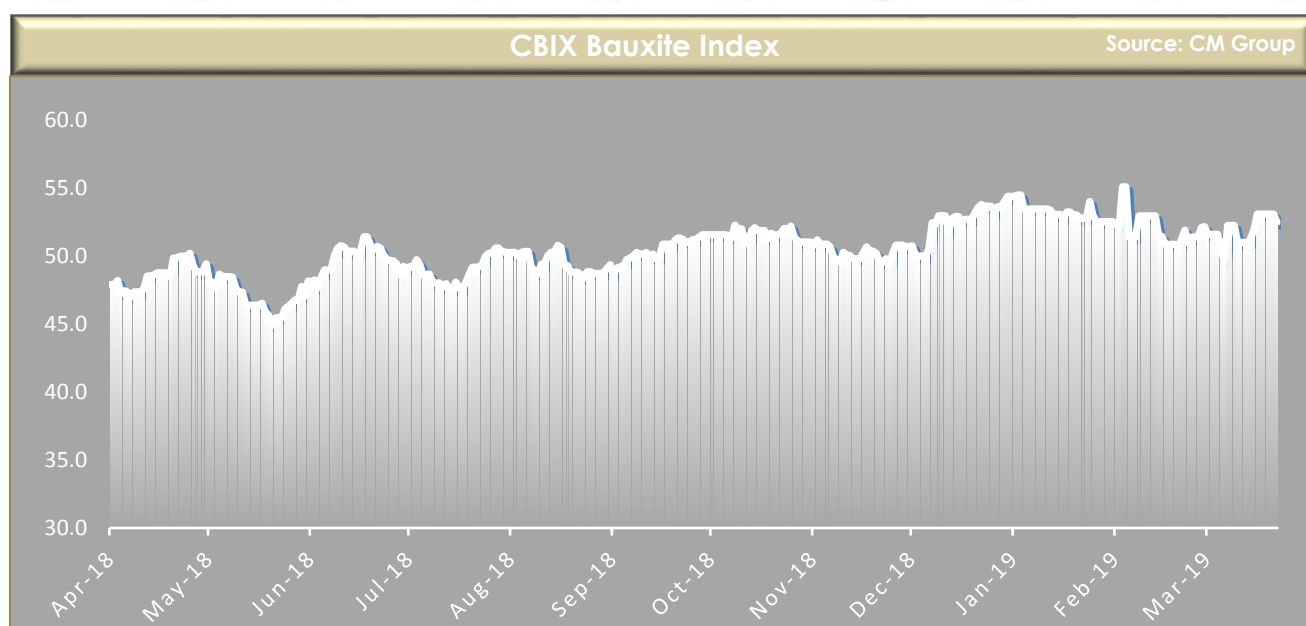
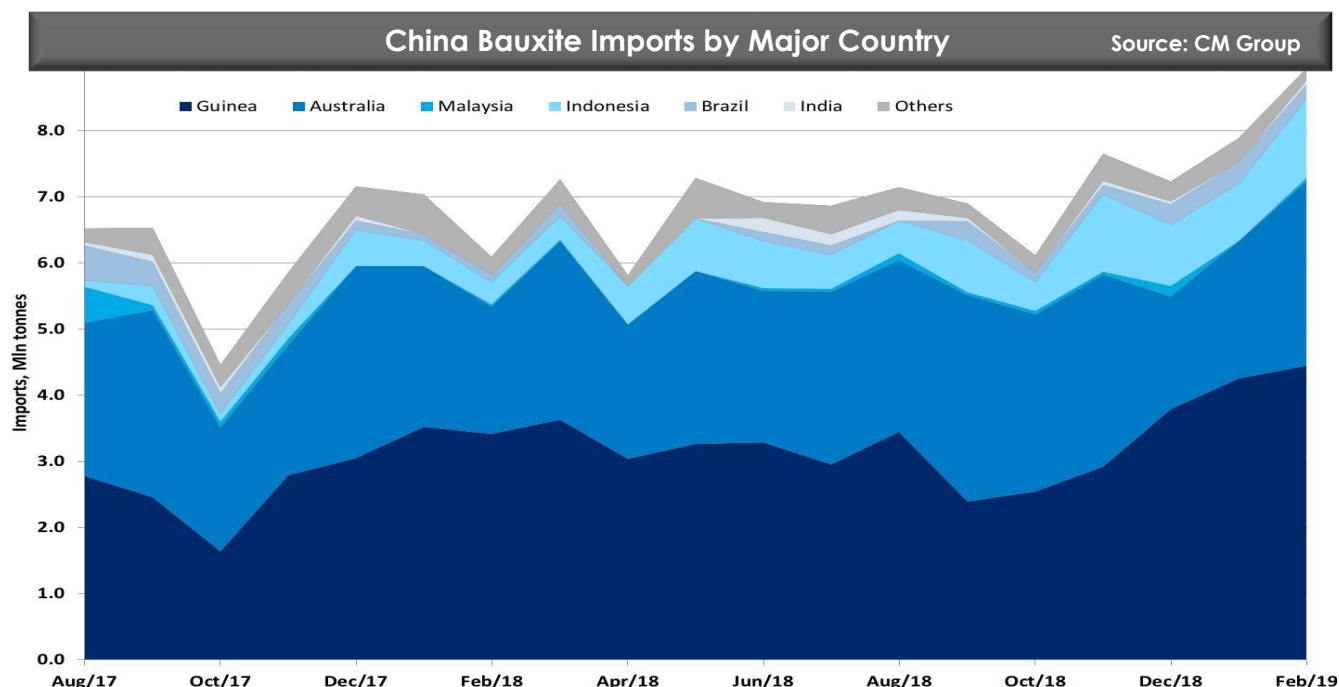


Bauxite Price Outlook

The demand outlook for bauxite has continued to be positive with Chinese bauxite imports growing to record levels despite the normal seasonal impact of the Chinese New Year holiday. The proportion of imported bauxite in China's total bauxite consumption increased to 41% in February (from 39% in January) as inland refiners continued to face declining domestic bauxite production.

China imported 7.9M and 8.9M WMT of bauxite during January and February respectively, bringing total imports for the first two months of 2019 to 16.8M WMT; 28% above the equivalent period in 2018.

Imported bauxite prices CFR China, as measured by the CBIX bauxite index, remained near their recent two-year highs at US\$52.2/DMT (dry metric tonne). China's domestic bauxite prices in Henan and Shanxi came off their December highs during Q1 2019 and, by the end of the quarter, the two opposing forces influencing prices i.e. northern ore supply tightness pushing prices up and falling alumina prices pushing prices lower, were restricting major price movements in either direction. Inland refineries are increasingly supplementing their domestic supply with imports, which will lead to increasing imported ore flows inland.





Corporate

CASH POSITION

Metro's cash on hand and receivables at the end of the quarter was A\$13.2M reflecting the cessation of operation and therefore revenue during the period.

In addition, Metro holds A\$7.1M of restricted cash, comprising financial assurance bonds and other security deposits.

DEBT FACILITIES

During the quarter, Metro had two fully drawn debt facilities, including accrued interest, totalling A\$41.8M (at A\$/US\$0.706).

The A\$21.4M debt facility with Sprott Private Resources Lending is structured with principal repayments commencing in July 2019 at US\$1.07M per month until the final repayment date in August 2020.

The A\$20.3M facility with Ingotatus AG Pty Ltd remains due to repaid in September 2020.

HEDGING

As at 31 March 2019, Metro holds US\$/A\$ put options for US\$17.5M at an average strike price of \$0.85 with expiry dates staggered monthly during the Bauxite Hills operating periods in 2019.

At end of the quarter Metro also has in place forward sale A\$/US\$ contracts totalling US\$7.5M expiring during the June quarter at an average exchange rate of 0.7169.

OTHER

Metro has been advised by the Australian Securities Exchange that it will be reclassified from Mining – Exploration to Mining – Production from the beginning of the June quarter. As a result, future Quarterly Activities Reports will not include an Appendix 5B



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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.

FORWARD LOOKING STATEMENT: Statements & material contained in this ASX Report, particularly those regarding possible or assumed future performance, production levels or rates, commodity prices, resources or potential growth of Metro Mining Ltd, industry growth or other trend projections &, or may be, forward looking statements. Such statements relate to future events & expectations &, as such, involve known & unknown risks & uncertainties. Graphs used in this Report (incl data used in graphs) are sourced from 3rd parties & Metro has not independently verified the information. Although reasonable care has been taken to ensure the facts stated in this Report are accurate & or that opinions expressed are fair & reasonable, no reliance can be placed for any purpose whatsoever on the information contained in this document or on its completeness. Actual results & developments may differ materially from those expressed or implied by these forward-looking statements depending on a variety of factors. Nothing in this Report should be construed as either an offer to sell or a solicitation of an offer to buy or sell shares in any jurisdiction

+Rule 5.5

Appendix 5B

Mining exploration entity and oil and gas exploration entity quarterly report

Introduced 01/07/96 Origin Appendix 8 Amended 01/07/97, 01/07/98, 30/09/01, 01/06/10, 17/12/10, 01/05/13, 01/09/16

Name of entity

Metro Mining Limited

ABN

45 117 763 443

Quarter ended ("current quarter")

31-Mar-19

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (3 mths) \$A'000
1 Cash flows from operating activities		
1.1 Receipts from customers (Note 1)	16,650	16,650
1.2 Payments for		
(a) exploration & evaluation	(204)	(204)
(b) development	0	0
(c) production	(21,470)	(21,470)
(d) staff costs	(714)	(714)
(e) administration and corporate costs	(888)	(888)
(f) marketing fees	(254)	(254)
(g) movements in security deposits	(308)	(308)
1.3 Dividends received		
1.4 Interest received	86	86
1.5 Interest and other costs of finance paid (Note 2)		
1.6 Income taxes paid		
1.7 Research and development refund		
1.8 Other - finance lease payments	(1,310)	(1,310)
1.9 Net cash from / (used in) operating activities	(8,412)	(8,412)

(Note 1) - Receipts from customers are cash received from outstanding letters of credit.

(Note 2) - Interest and other costs of finance paid represent interest payments on corporate debt facilities (refer Item 8) and have been reclassified from operating cashflows Item 1.5 to the financing cashflows at Item 3.9. This disclosure is considered more appropriate.

(Note 3) - Finance lease payments are payments made for leased plant and equipment at the Bauxite Hills Mine.

2 Cash flows from investing activities		
2.1 Payments to acquire:		
(a) property, plant and equipment	(3,838)	(3,838)
(b) tenements (see item 10)		
(c) investments		
(d) other non-current assets		
2.2 Proceeds from the disposal of:		
(a) property, plant and equipment		
(b) tenements (see item 10)		
(c) investments		
(d) other non-current assets		
2.3 Cash flows from loans to other entities		
2.4 Dividends received		
2.5 Payments for business combination		
2.6 Net cash from / (used in) investing activities	(3,838)	(3,838)

3 Cash flows from financing activities		
3.1 Proceeds from issues of shares		
3.2 Proceeds from issue of convertible notes		
3.3 Proceeds from exercise of share options		
3.4 Transaction costs related to issues of shares, convertible notes or options		
3.5 Proceeds from borrowings / equipment financing	3,170	3,170
3.6 Repayment of borrowings		
3.7 Transaction costs related to loans and borrowings		
3.8 Dividends paid		
3.9 Interest and other costs of finance paid (Note 2)	(1,062)	(1,062)
3.10 Other		
3.11 Net cash from / (used in) financing activities	2,108	2,108

4 Net increase / (decrease) in cash and cash equivalents for the period	Current quarter \$A'000	Year to date (3 mths) \$A'000
4.1 Cash and cash equivalents at beginning of period	23,367	23,367
4.2 Net cash from / (used in) operating activities (item 1.9 above)	(8,412)	(8,412)
4.3 Net cash from / (used in) investing activities (item 2.6 above)	(3,838)	(3,838)
4.4 Net cash from / (used in) financing activities (item 3.10 above)	2,108	2,108
4.5 Effects of foreign exchange	(60)	(60)
4.6 Cash and cash equivalents at end of period	13,165	13,165

5 Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1 Bank balances	9,355	22,117
5.2 Call deposits	3,810	1,250
5.3 Bank overdrafts		
5.4 Other (provide details)		
5.5 Cash and cash equivalents at end of quarter (should equal item 4.6 above)	13,165	23,367

6 Payments to directors of the entity and their associates

- 6.1 Aggregate amount of payments to these parties included in item 1.2
6.2 Aggregate amount of cash flow from loans to these parties included in item 2.3

Current quarter \$A'000
(85)
22

- 6.3 Include below any explanation necessary to understand the transactions included in items 6.1 and 6.2

6.2 Director's Loan: Principal of \$21,330 plus interest on the outstanding balance was paid during the quarter. The receipt of principal is included in item 1.1 above. The receipt of interest is included in item 1.4.

7 Payments to related entities of the entity and their associates

- 7.1 Aggregate amount of payments to these parties included in item 1.2
7.2 Aggregate amount of cash flow from loans to these parties included in item 2.3

Current quarter \$A'000
-
-

- 7.3 Include below any explanation necessary to understand the transactions included in items 7.1 and 7.2

n/a

8 Financing facilities available

Add notes as necessary for an understanding of the position

- 8.1 Loan facilities (Note 4)

- 8.2 Credit standby arrangements

- 8.3 Other - Equipment financing (Note 5)

Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
41,788	41,788
-	-
3,170	3,170

- 8.4 Include below a description of each facility above, including the lender, interest rate and whether it is secured or unsecured. If any additional facilities have been entered into or are proposed to be entered into after quarter end, include details of those facilities as well.

(Note 4) The total loan facilities consist of two secured loans. The Sprott facility amount is USD\$15 million, which is fully drawn down at the end of the quarter. The term of the facility is approximately 3 years, at commercial interest rates. Interest is payable monthly, and principal repayments on this facility commence in July 2019.
The Inगतatus facility is for AUD \$20million and a term of 3 years at a commercial interest rate, with interest payable quarterly and the principal repayment due at the end of the loan term. The Inगतatus facility (AUD\$20million) is fully drawn down at the end of the quarter.

(Note 5) Equipment financing totalling \$3.17M was negotiated during the quarter. The facility has a three year term and an interest rate of 8.54% for the duration of the term. The lender has security over the items of equipment that are the subject of the arrangement.

9 Estimated cash outflows for next quarter	\$A'000
9.1 Exploration and evaluation	(207)
9.2 Development	0
9.3 Production	(34,717)
9.4 Staff costs	(748)
9.5 Administration and corporate costs	(1,032)
9.6a Other - Capital expenditure	(1,659)
9.6b Other - Marketing costs	(263)
9.6c Other - Interest costs	(1,145)
9.6d Other - Finance lease payments	(1,116)
9.7 Total estimated cash outflows (Note 5)	(40,887)

Cash reserves at 31 March 2019, together with forecast cash inflows from bauxite sales for the quarter ended 30 June 2019, exceed the estimates of cash outflows for the quarter ended 30 June 2019.

10	Changes in tenements (items 2.1(b) and 2.2(b) above)	Tenement reference and location	Nature of interest	Interest at beginning of quarter	Interest at end of quarter
10.1	Interests in mining tenements and petroleum tenements lapsed, relinquished or reduced	N/a	N/a	N/a	N/a
10.2	Interests in mining tenements and petroleum tenements acquired or increased	N/a	N/a	N/a	N/a

Compliance statement

- 1
- This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2
- This statement gives a true and fair view of the matters disclosed.

Sign here:



Date: 29 April 2019

Print name: Mitchell Petrie

(Company Secretary)

Notes

The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity that wishes to disclose additional information is encouraged to do so, in a note or notes included in or attached to this report.

If this quarterly report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, AASB 6: Exploration for and Evaluation of Mineral Resources and AASB 107: Statement of Cash Flows apply to this report. If this quarterly report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.

Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.