



**METRO**  
**MINING**  
**LIMITED**

Explore | Define | Mine

Updated Investor Presentation

November 2019

# Investment Rationale



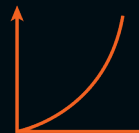
Revenue Earning



Long Life Mine



Generating Cash



Strongly Growing Market

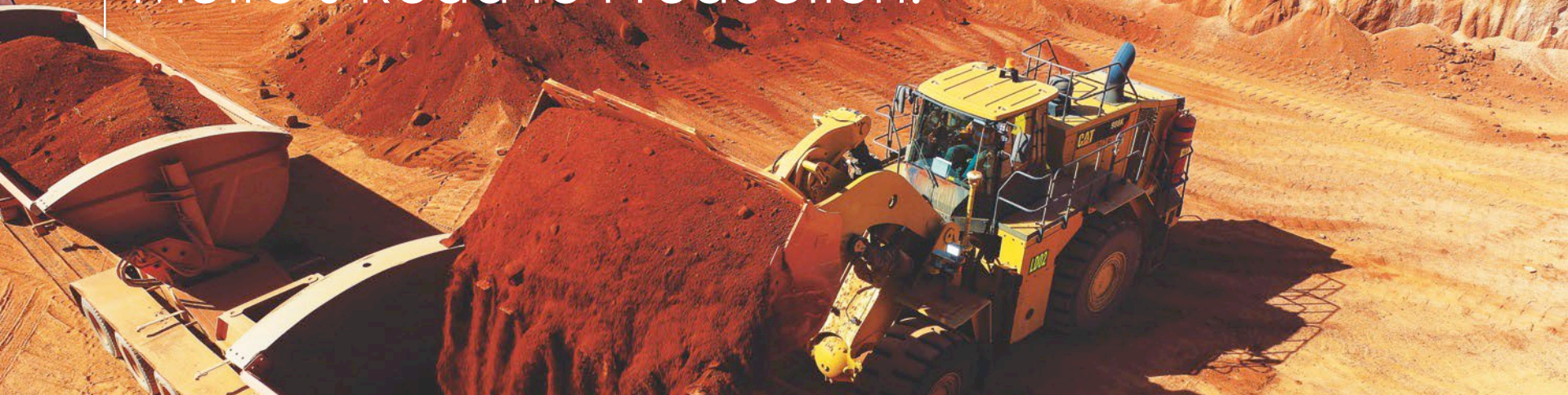


Simple Project –  
Low CAPEX & OPEX



Enduring Geographical  
and jurisdictional  
Competitive Advantage

# Metro's Road to Production!



Gained control of  
Bauxite Hills early 2015

Financed and constructed  
all in 2017 – CAPEX A\$37M

Dec 2018 – 3.5Mt Expansion

July 2019 – 18.8%  
increase in Reserve

A\$47.5M Loan  
Facility from NAIF

Takeover of Gulf – doubled  
Resource & Reserve – Dec 2016

April 2018 – 1st Production

July 2019 – 3Mt Mined

Oct 2019 – Completion  
of Stage 2 DFS

# 2019 Achievements

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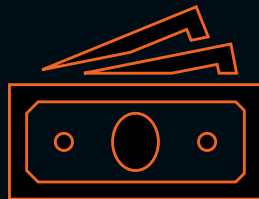
Production Increase



Operational Performance



Reducing Operating Cost



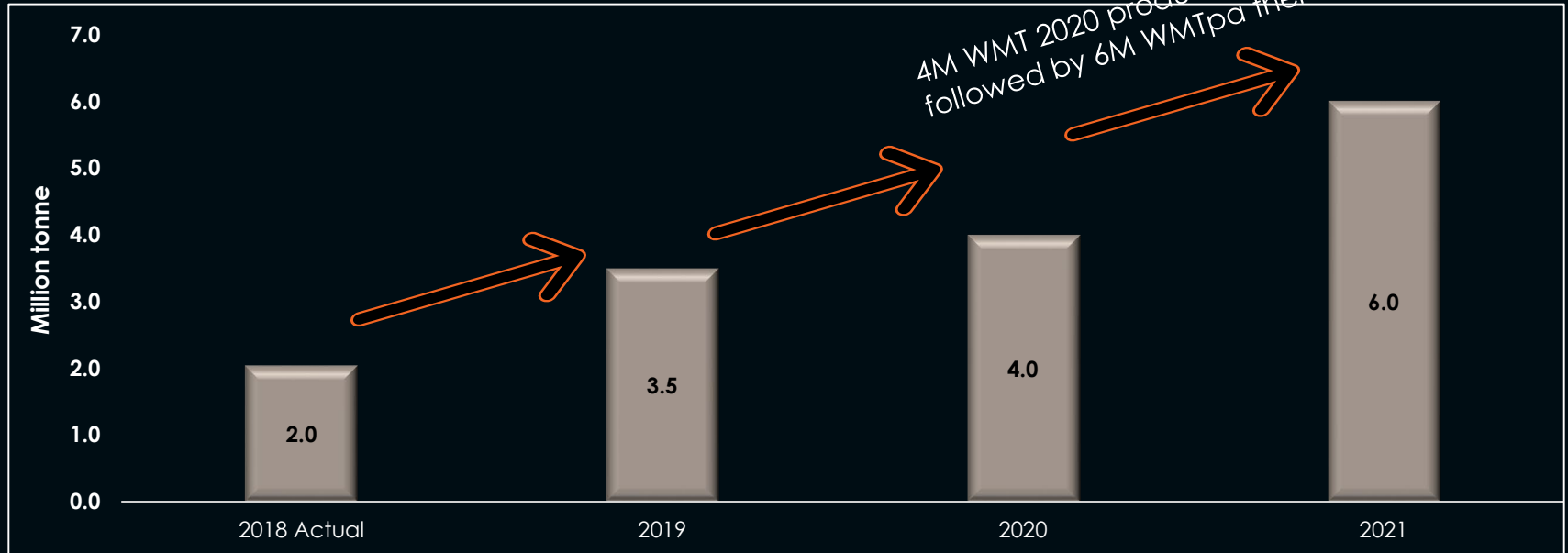
Revenue/EBITDA Growth



Stage 2 DFS Expansion



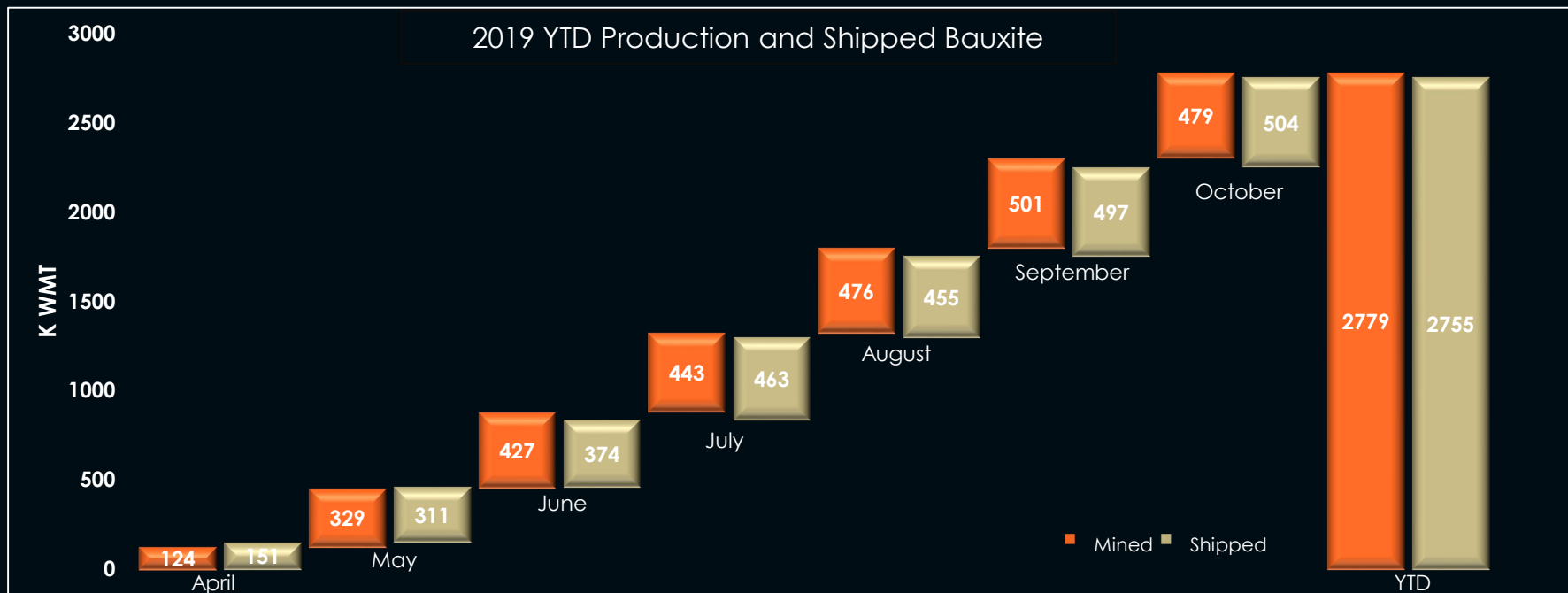
# Production Increase



Stage 2 Subject to Board Approval

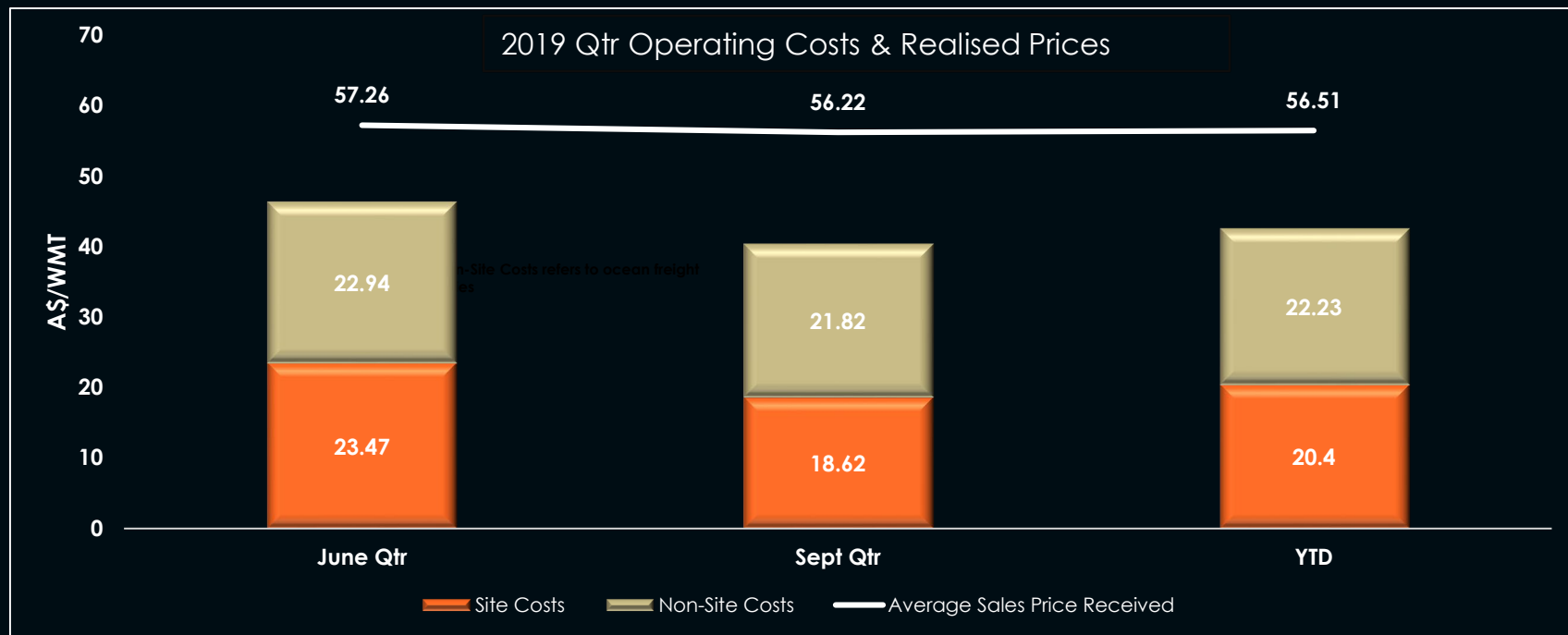


# Operational Performance

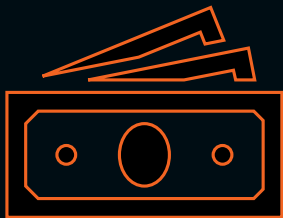




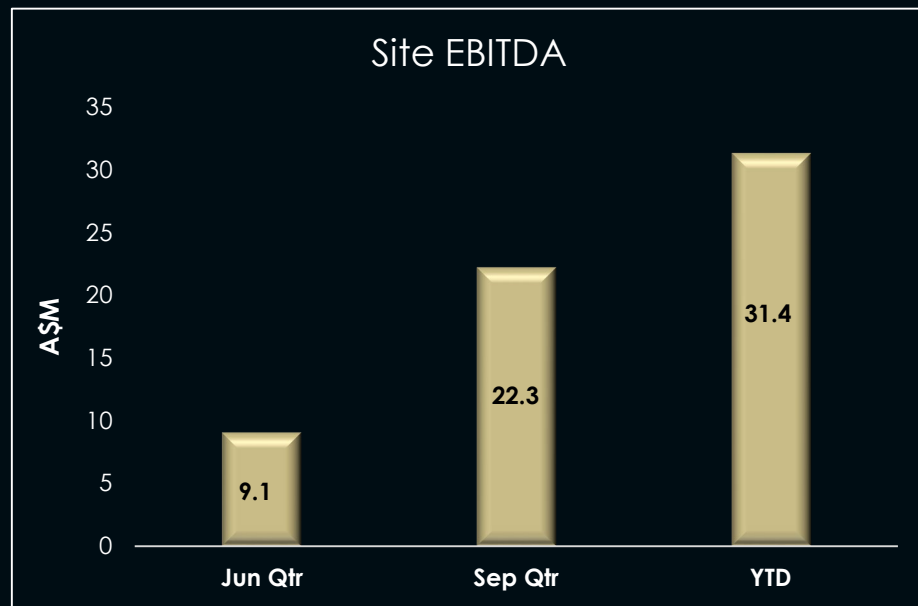
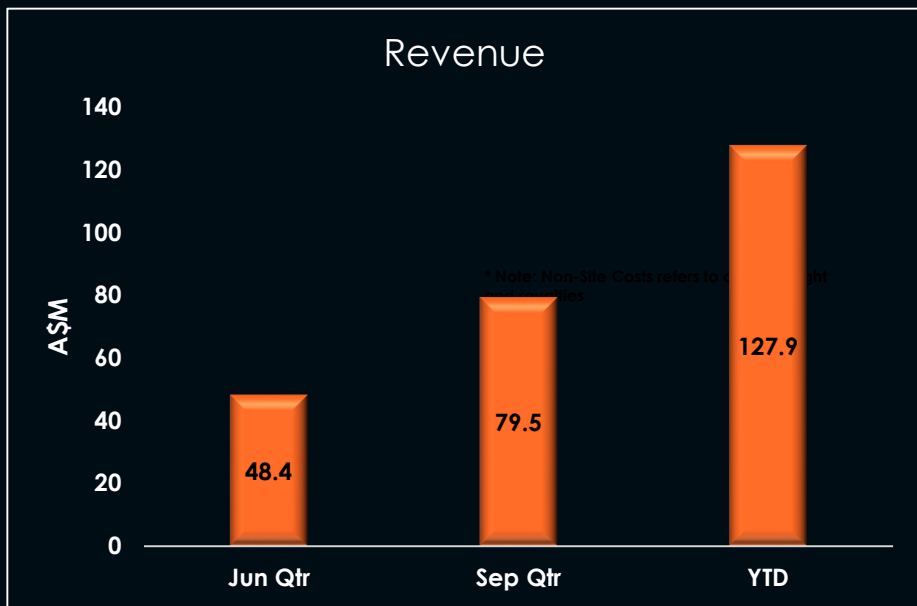
# Reducing Operating Cost







# Revenue/EBITDA Growth







# Stage 2 DFS Expansion Outcomes

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Source: IAI, CM Analysis

## 6.0M WMT pa

- ✓ Significant economic benefits confirmed
- ✓ LOM unit operating costs forecast to reduce by ~18% delivered to China – margins increased
- ✓ Positions Bauxite Hills in lowest quartile of global cash cost curve for bauxite producers
- ✓ Significant reduction in unit operating costs delivered via Floating Terminal loading larger Ocean-Going Vessels

## Funding

- ✓ A\$51.4 M Capital Costs (incl 10% contingency)
- ✓ Project Payback <18 months
- ✓ Approval from NAIF received for \$47.5M facility
- ✓ Final decision to proceed after finalisation and completion of detailed engineering & design



# Stage 2 – Capital Cost Estimates

Source: IAI, CM Analysis

Capital Cost Estimates*	
Category	Cost (A\$M)
<b>Floating Terminal</b>	
Direct Cost	38.0
EPCM Contract	2.0
Contingency (10%)	3.9
<b>Cost of Floating Terminal</b>	<b>43.9</b>
Camp Modifications & Expansion	1.0
Upgrade Port & Barge Loading Facility	4.8
Mobilisation Costs	1.0
Other Contingency (10%)	0.7
<b>Total Estimated Cost</b>	<b>51.4</b>

\*Assumed exchange rate of A\$/US\$0.70

Floating Terminal – Capital Cost Estimates		
Category	Cost (US\$M)	*Cost (A\$M)
Total Component Parts	12.5	17.9
Shipyard Costs	8.7	12.4
Other Services	1.9	2.7
<b>Costs ex Shipyard</b>	<b>23.1</b>	<b>33.0</b>
Mobilisation to Skardon River	2.6	3.7
Start-up and Commissioning	0.9	1.3
<b>Total Direct Costs</b>	<b>26.6</b>	<b>38.0</b>
EPCM Costs	1.4	2.0
Contingency	2.7	3.9
<b>Total Estimated Costs (US\$M)</b>	<b>30.7</b>	<b>43.9</b>

\*A\$/US \$0.70 Exchange Rate



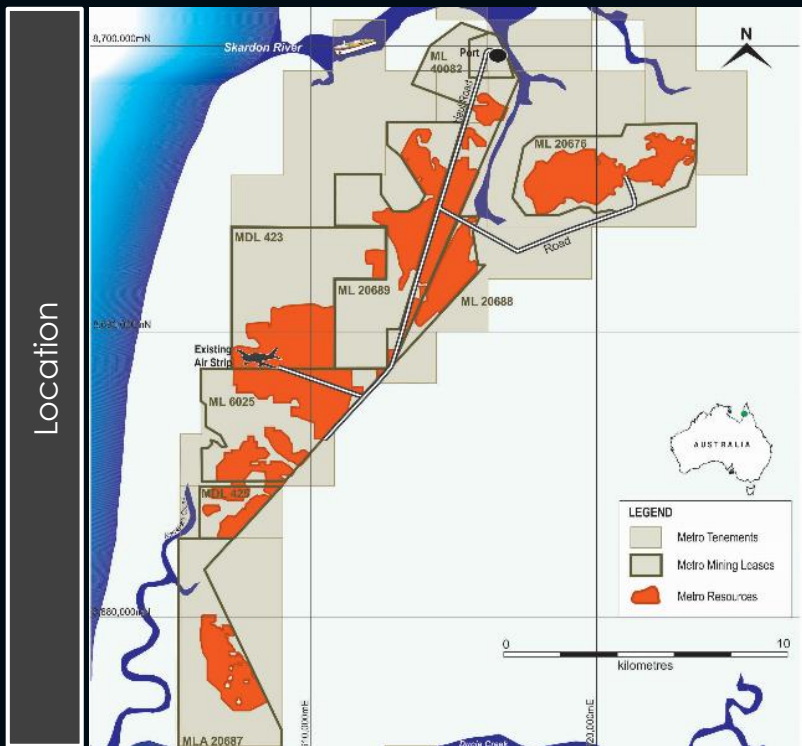
# Stage 2 Expansion – Floating Terminal

Source: IAI, CM Analysis



Floating Terminal by Rocktree for indicative purposes only

# Bauxite Hills Mine Snapshot



## Key Statistics

Project Overview	Ownership:	Metro (100%)			
	Commodity	Bauxite			
	Location:	Cape York, Qld			
	Product Type	Direct Shipping Ore			
	Contained Mineral:	Reserves	109.5Mt <sup>1</sup>	Resources	138.2Mt <sup>1</sup>
	Mining	Mine Type	Surface mining	Status	Operational
Operational Overview	Commenced Mining	April 2018			
	2018 Production	~2.04M WMT			
	2019 Production	~3.4M WMT			
	Future Production <sup>2</sup>	~6M WMT pa (from 2021)			
	Mine Life	2037			
	Operations	Mining & transshipment			
	Workforce	~240 personnel			

1. ASX Release 14 October 2019

2. Subject to Board Approval of Expansion to Stage 2

# Future Growth

Reserve up  
17.3Mt (18.8%)  
to 109.5Mt (wet)

- Depletion by mining
- Conversion of existing resources
- Moisture assumption adjustment based on operational experience

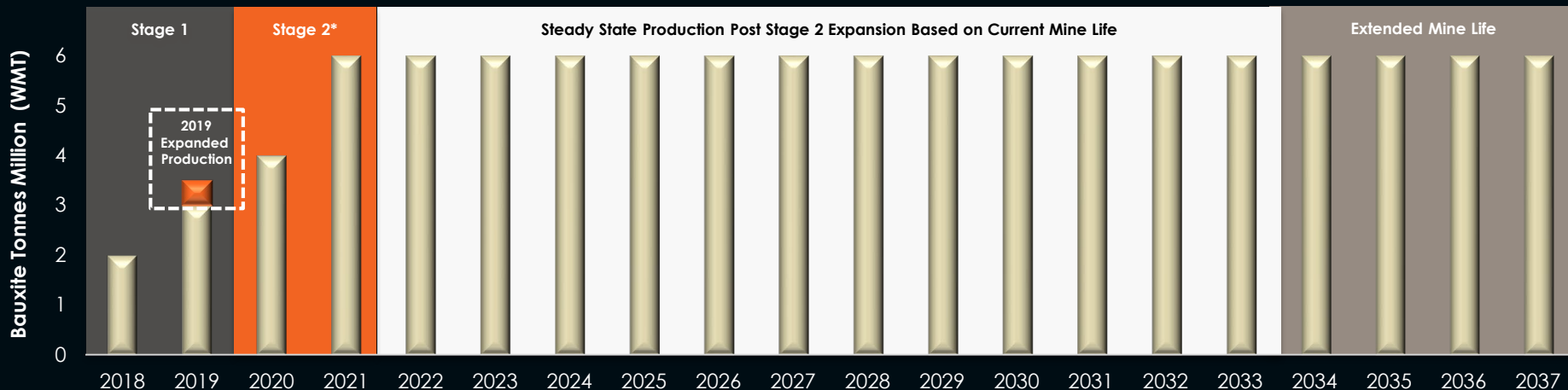
Resource down  
6.4Mt (4.6%) to  
138.2Mt (dry)

- Depletion by mining
- Adjustment to dry bulk density
- Measured category up 42.8%

Stage 2  
Expansion DFS  
update

- Stage 2 Definitive Feasibility Study complete – compelling financial metrics
- Detailed design on the floating Terminal underway
- NAIF facility to fund majority of capital costs

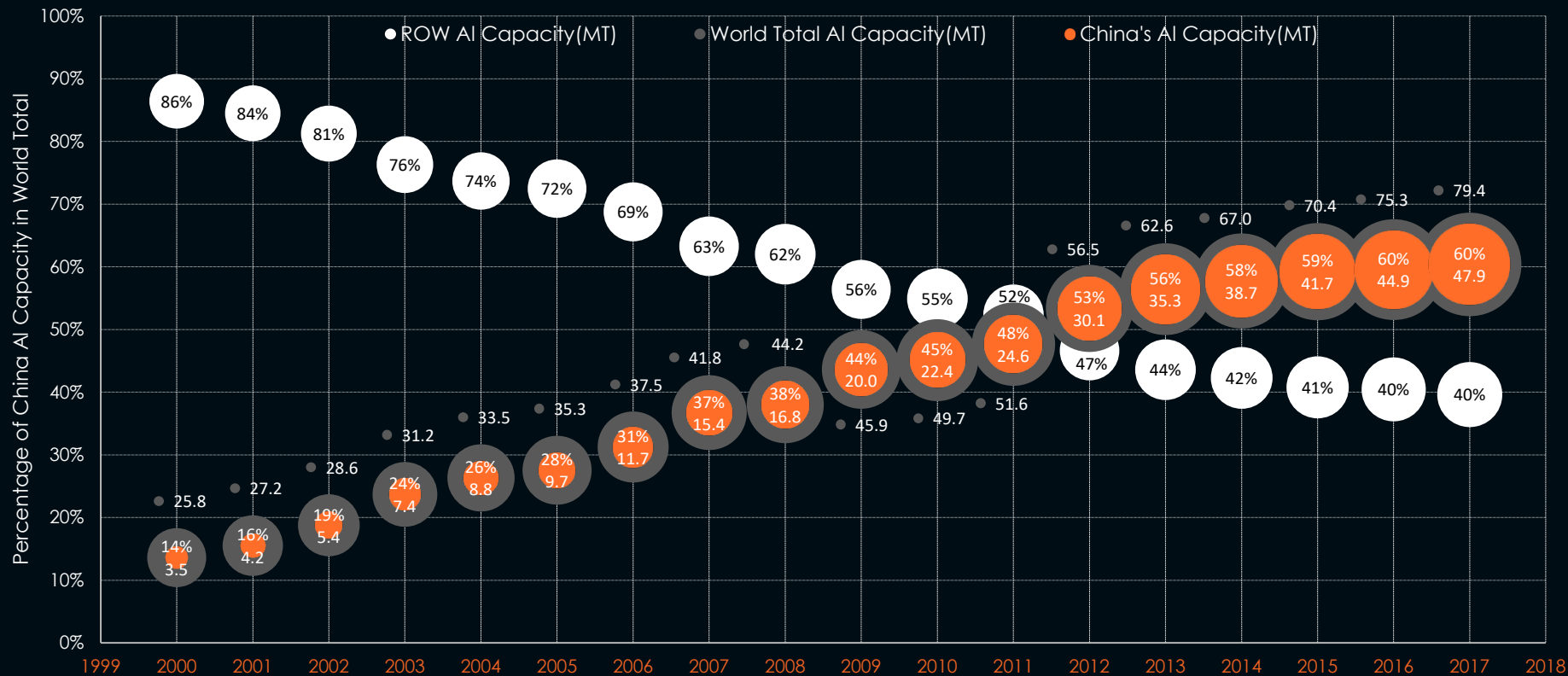
## Strong Stage 2 Production Expansion



# China vs ROW Primary Aluminium Capacity 2000 – 2018 (Mtpa)

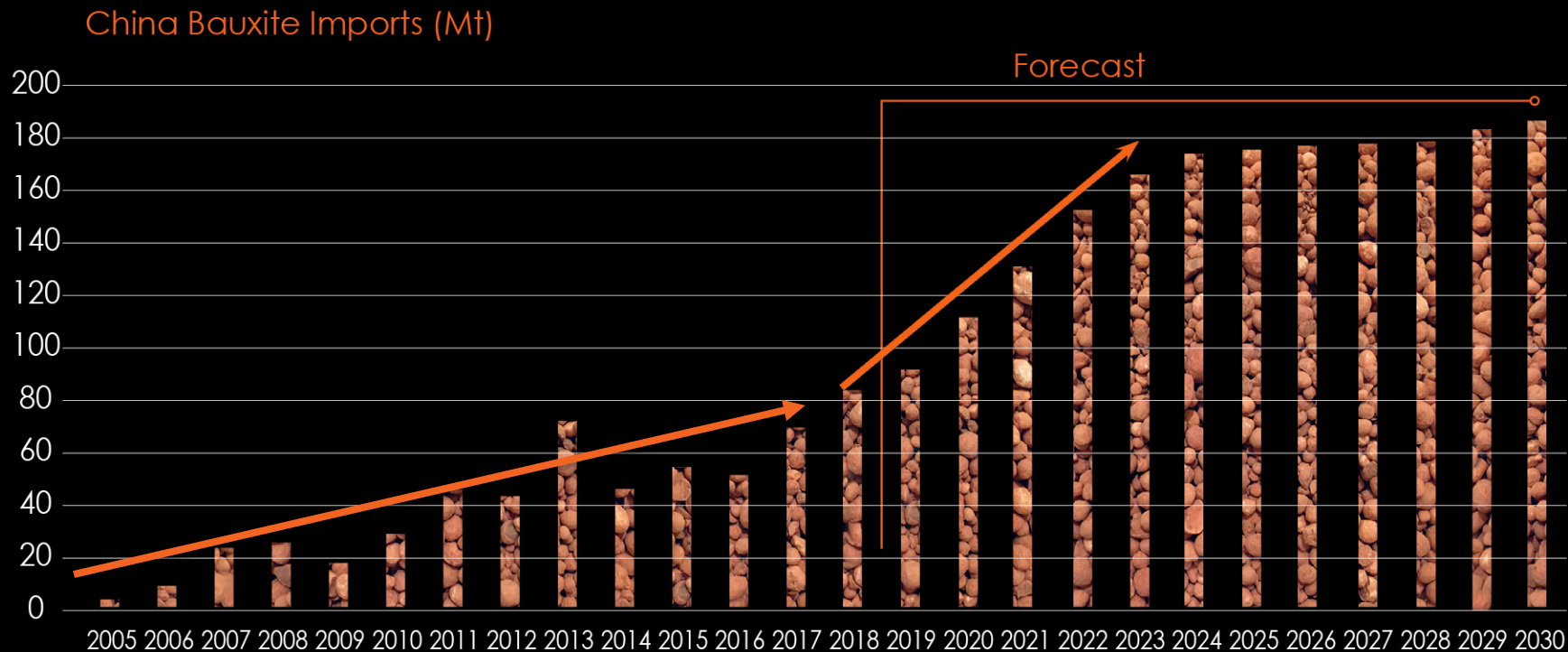
Source: IAI, CM Analysis

Source: CM Group





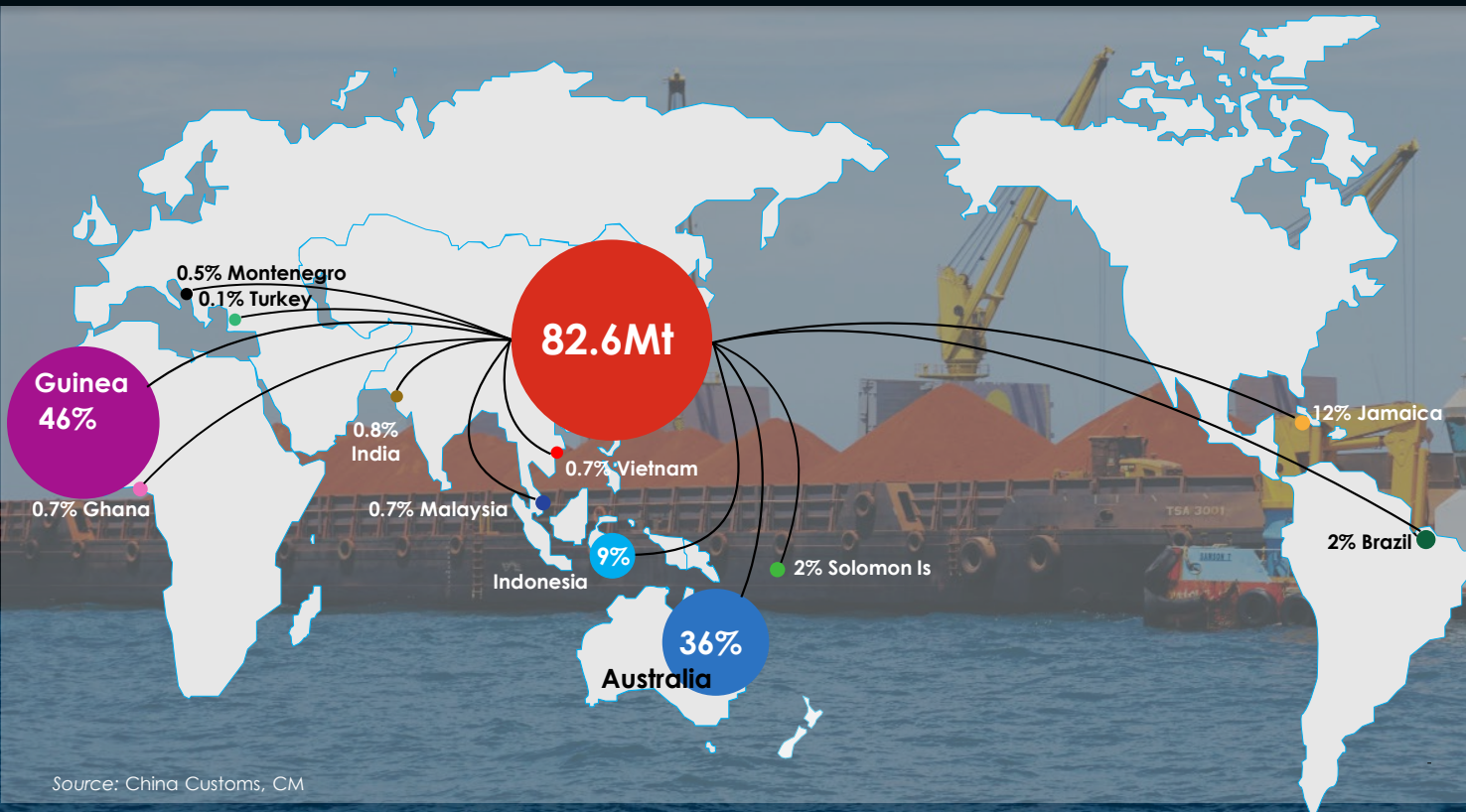
# China Demand Outlook Remains Strong



Source: CM Group



# China's 2018 Bauxite Imports



Source: China Customs, CM

- Guinea now largest supplier to China. But 98% of exports are from the Chinese-controlled SMB-WAP
- Australia's supply is steadily growing, up 4.1Mt (16%) in 2018 to 29.6Mt
- Indonesia & Malaysia now less relevant
- Ocean freight cost trending upwards
- 2019 Bauxite imports estimated at 95.0Mt

# Alumina Producers China

Source: CM Group



## Main Bauxite Consuming Provinces

1. Shandong (65MT)
2. Shanxi (49MT)
3. Henan (27MT)
4. Guangxi (18MT)
5. Guizhou (10MT)

## Liaoning Province and Inner Mongolia

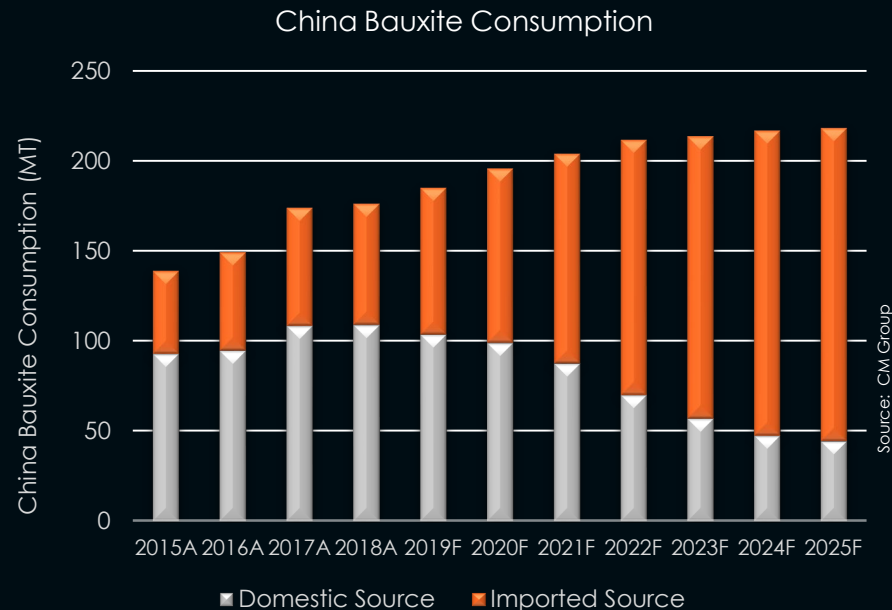
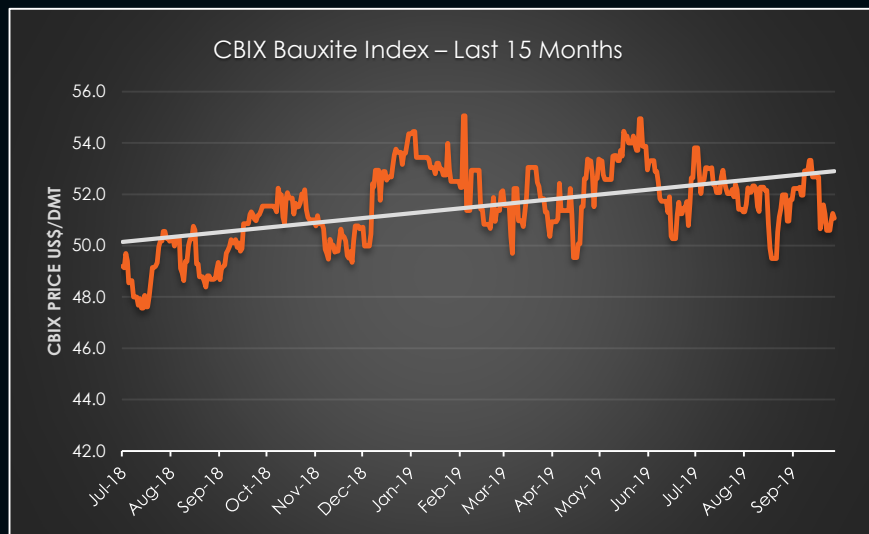
Emerging as major new players, with several projects planned or under construction

Source: CM Group

# Bauxite Market & Price Outlook

Source: CM GROUP

- China imports continue to increase with total 2018 imports exceeding 82M WMT
- Bauxite prices in an upward trend with CBIX bauxite index currently US\$52.60 DMT (dry metric tonne)
- Strong demand for Metro's bauxite from Chinese inland Refineries as domestic bauxite supply has been hindered by resource depletion, recent mine closures and environmental audits



# Positive Community Relationships

- Relationship continues to grow and flourish
- Metro a key part of Northern Cape York Community
- Current Indigenous employment is 36.1% (target 20%)
- Business opportunities for indigenous groups being assessed with one already in place



# Investment Rationale



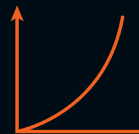
Revenue Earning



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Simple Project –  
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Enduring Geographical &  
jurisdictional competitive  
advantage

# Share Price & Corporate Structure

Share Price Performance



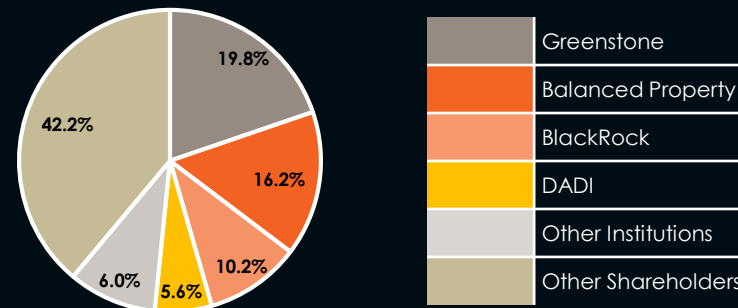
Capital Structure

Share Price (12 November 2019)	A\$0.135
Shares on Issue	1,383.4M
<b>Market Capitalisation</b>	<b>A\$187.0M</b>
Options Unlisted	30.1M
Cash and Receivables (30-Sept-2019)	A\$43.5M
Debt Facilities	A\$37.9M
<b>Enterprise Value</b>	<b>A\$181.4M</b>

## Board of Directors

Independent Chairman	Stephen Everett
Managing Director & CEO	Simon Finnis
Non-Executive Director	Mark Sawyer
Independent Non-Executive Director	Philip Hennessy
Independent Non-Executive Director	Lucas Dow
Independent Non-Executive Director	Fiona Murdoch

Share Register





# Disclaimer

## FORWARD LOOKING STATEMENT

Statements and material contained in this ASX Presentation, 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 Presentation (including data used in the graphs) are sourced from third parties and Metro Mining has not independently verified the information. Although reasonable care has been taken to ensure that the facts stated in this ASX Presentation are accurate and 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 Presentation should be construed as either an offer to sell or a solicitation of an offer to buy or sell shares in any jurisdiction.

## For Further Information

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**Ph:** +61 (0) 7 3009 8000 | **Head Office:** Lvl 2, 247 Adelaide Street, Brisbane Q 4000 | **GPO Box 10955, Brisbane Q 4000**

## COMPETENT PERSON'S STATEMENT

The information in this report that relates to the Bauxite Hills Mine Mineral Resource is based on information compiled by Ed Radley who is a consultant to Metro Mining and a Member of the Australian Institute of Mining and Metallurgy (MAusIMM)). Mr Ed Radley has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking 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 Ed Radley has consented in writing for inclusion in this Report the matters based on the information in the form and context it appears.

## COMPETENT PERSON'S STATEMENT

The information in this ASX Presentation 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. Competent Person Statement:

## COMPETENT PERSON'S STATEMENT

The information in this Presentation 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.