



SUSTAINABILITY
REPORT 2019



METRO
MINING
LIMITED

Metro Mining Limited is an Australian exploration and mining company based in Brisbane, Queensland.

This Sustainability Report, approved for release by Metro Mining's Board of Directors, covers the period from 1 January 2019 to 31 December 2019. It offers an account of our contributions to sustainable development and complements Metro's Annual Report.

Metro's flagship project, the Bauxite Hills Mine, located 95Km north of Weipa is one of the largest independent projects within the Weipa Bauxite Region. The Company holds a total tenement package covering approximately 1,900sq km on Western Cape York. The Bauxite Hills Mine is a single operating mine combining two Environmental Authorities covering the Bauxite Hills and Skardon River tenements.

Metro's Bauxite Hills Mine ore is shipped to meet China's strongly growing bauxite market; where Cape York bauxite is well known and highly regarded. In order to meet this demand Metro increased the Bauxite Hills Mine 2019 Calendar Year production to 3.5 Million Wet Metric Tonnes (WMT).

In October 2019 Metro announced completion of the Definitive Feasibility Study for Stage 2 Expansion of the Bauxite Hills Mine confirming the economic benefits of expanding the mine to an annualised rate of 6.0 Million WMT.

Metro also holds thermal coal resources in Queensland's Surat Basin. As the company focus is bauxite there was no exploration or field work undertaken on the coal holdings in 2019. All coal tenements are in good standing and Metro is actively seeking opportunities to create value from these assets.



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FRONT COVER: Seed mix from Metro's Indigenous Collection program used for rehabilitation at the Bauxite Hills Mine.

Explore | Define | Mine

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1. MANAGING DIRECTOR'S MESSAGE

Welcome to Metro Mining Limited's first Sustainability Report. Metro is committed to defining, monitoring, regularly measuring and, as required, redefining the Company's sustainability ambitions and targets.

Shortly after commencing operations at the Bauxite Hills Mine we adopted the positioning statement "Good for the Cape – Good for the State." A succinct slogan which perfectly aligns to our operating philosophy of employing and buying locally and creating benefits that flow through to local communities and to the State of Queensland. We are determined to ensure we maintain this focus to increase the benefits over time.

Whilst our shareholders and key stakeholders are vitally important to our ongoing operations, we believe our accountability is even more wide reaching and consequently we have embraced sustainability which encompasses the broader social, environmental and economic environments, both directly and indirectly.

The foundation of our sustainability is our respect for, and support of, our Traditional Owners – past, present and future. The sustainability of the land upon which we operate is a joint vision we share with our Traditional Owners. We also must sustain and develop our workforce, our contractors and the broader community and we believe the key to achieving this is to partner with like-minded employees and contractors who uphold our values.

We recognise our sustainability responsibilities include our response to a changing environment and we continually seek to minimise our environmental footprint. Mine site rehabilitation is a key component of this as is the effective management of water, waste and energy.

This Sustainability Report brings our sustainability practices and achievements together and provides a basis to regularly monitor progress and to further develop our planned activities.

Metro's sustainability priorities encompass the leadership and functions of our Board, our people, our daily operations, the environment and our social and economic responsibilities.

This inaugural Sustainability Report establishes our responsibilities and our priorities. We are proud of our achievements to date and we will continue to foster relationships with all our stakeholders as we acknowledge our obligation to continually develop and improve our sustainability targets.

Simon Finnis
Managing Director & CEO
28 April 2020

2. METRO'S VISION & VALUES

To be a safe and efficient, low cost, bauxite producer, providing long term benefits to its stakeholders.

METRO'S CORE VALUES



Continuous improvement will deliver efficiency and create opportunities.



Build integrity and ethics into all our business decisions.



Be safe in everything we do.



Trust each other to do the right thing every time.



Respect each other and the environment in which we work.



3. SUSTAINABILITY PRIORITIES

GOVERNANCE

RISK MANAGEMENT

- Target:**
- Risk management processes and systems consistent throughout the Company
 - Increased risk maturity
- When:** 2020
- Progress:**
- Qudos risk management system implemented
 - Increased consistency
 - Chief risk officer role established
- Planned Activities:**
- Risk maturity assessment
 - Further definition to risk appetite

EMS

- Target:**
- Environmental Management System (EMS)
- When:** 2020
- Progress:**
- Developed implementation plan for the EMS for corporate structure
- Planned Activities:**
- Implement and operate EMS

ORGANISATIONAL GOVERNANCE

- Target:**
- No breaches of core values or Board approved policies
 - Corporate Governance framework aligned with better practice
- When:** 2019
- Progress:**
- No breaches of core values or Board approved policies
 - Board evaluation completed
 - New directors appointed
- Planned Activities:**
- Complete implementation of ASX 4th Edition principles
 - Promotion of the elimination of modern slavery

HEALTH & SAFETY

OH&S

- Target:**
- No injuries or significant incidents
 - No fatalities or significant incidents
- When:** Ongoing
- Progress:**
- Established OHS team on-site as well as OHS systems, processes, training and auditing
- Planned Activities:**
- Continuous improvement

ENVIRONMENT

MINE REHABILITATION

- Target:**
- Progressive rehabilitation
- When:** Ongoing
- Progress:**
- Rehabilitation commenced in 2019
- Planned Activities:**
- Rehabilitation trials
 - Rehabilitation monitoring

MINE REHABILITATION

- Target:**
- Rehabilitate legacy Kaolin pit and stockpiles
- When:** 2021
- Progress:**
- Rehabilitation plan accepted by DES
- Planned Activities:**
- Complete rehabilitation

ENVIRONMENT

WASTE

- Target:**
- Responsible waste disposal
 - Minimise waste to offsite landfill
- When:** 2020
- Progress:**
- Optimising waste processes
 - Collating waste baseline data
- Planned Activities:**
- Develop large scale composting capability
 - Evaluate opportunities for further recycling

WATER

- Target:**
- Practise water efficiency
 - Continual water monitoring & water usage volume reporting
- When:** Ongoing
- Progress:**
- Water monitoring and water volume data progress
- Planned Activities:**
- Identify opportunities to recycle water

BIODIVERSITY

- Target:**
- Implement Commonwealth biodiversity offsets strategy
- When:** 2021
- Progress:**
- Finalisation of contract with research party – University of WA
- Planned Activities:**
- Commence engagement program

COMPLIANCE

- Target:**
- Ensure compliance with all legal requirements (Tenement and Licence conditions)
- When:** Ongoing
- Progress:**
- Monitor compliance
- Planned Activities:**
- Regular Environment Committee Meetings held on-site

ENVIRONMENT

COMPLIANCE

- Target:**
- Minimise environmental incidents
 - Continually improve incident response programs
- When:** Ongoing
- Progress:**
- Marine Spill First Responders Basic Operators Course undertaken on-site
- Planned Activities:**
- Increase environmental coverage on-site
 - Focus on incident controls
 - Maintain monitoring regime

CLIMATE CHANGE

- Target:**
- Increase understanding of our greenhouse gas emissions
- When:** 2020
- Progress:**
- Design work and planning finalised
- Planned Activities:**
- Assessment

SOCIAL

COMMUNITY INVESTMENT

- Target:**
- Investigate current procurement spend in FNQ & Indigenous business
- When:** 2019
- Planned Activities:**
- Develop a list of preferred FNQ and Indigenous suppliers

SOCIAL

INDIGENOUS ENAGAGEMENT

- Target:**
- Source majority of seed for rehabilitation work from local Indigenous communities
- When:** Ongoing
- Progress:**
- Seed collections commenced in Mapoon and Injinoo
 - Purchased grass seed from CYNRM
- Planned Activities:**
- Interest from TO Group to take over community seed collections

INDIGENOUS ENAGAGEMENT

- Target:**
- Continue involvement with the Liaison Committee (LC)
- When:** Ongoing
- Progress:**
- Four LC meetings held, assisted TO groups in business tenders, NAIDOC celebrations on-site
- Planned Activities:**
- Create Scar Tree display on-site with direction from TOs
 - AA and CHMA Review

COMMUNITY INVESTMENT

- Target:**
- Donate to local community initiatives that will have long-term positive effect in the communities we operate
- When:** 2019
- Progress:**
- Two Indigenous representatives attended Indigenous Economics Conference in Darwin
 - Funded "Connect to Country" program, Sponsored NPA Show & NAIDOC event in Mapoon
- Planned Activities:**
- Review and update sponsorship guidelines
 - Direct sponsorships to meet priority areas / groups

SOCIAL

EMPLOYEE ENGAGEMENT

- Target:**
- Employees actively demonstrate living the Company's values
- When:** 2020
- Progress:**
- Vision and values rolled out to all employees
- Planned Activities:**
- Employee engagement survey

DIVERSITY

- Target:**
- All employees and Directors to undertake Cultural Awareness Training (CAT)
- When:** 2019
- Progress:**
- Three training sessions held in 2019
- Planned Activities:**
- Ongoing CAT training program

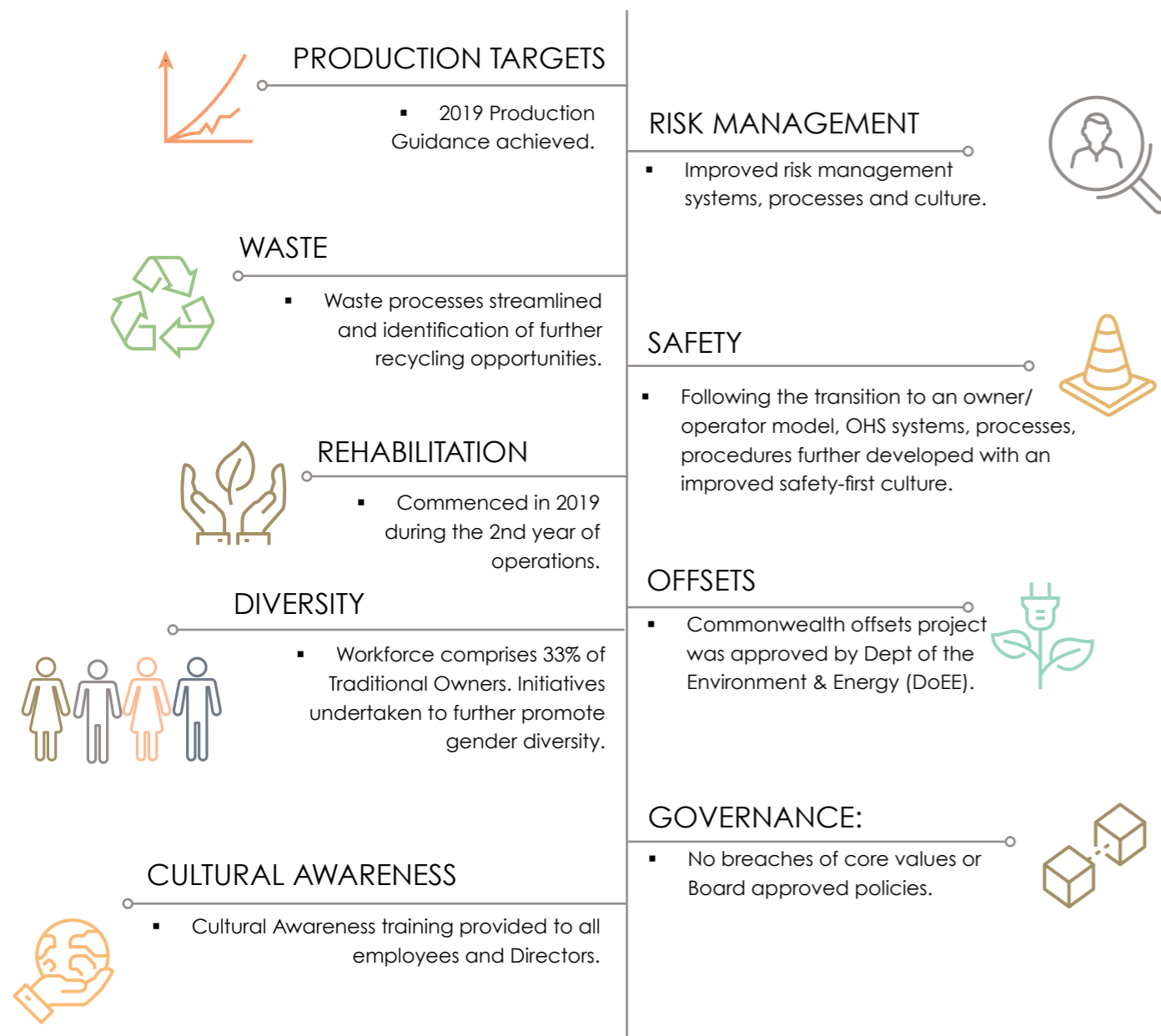
TRADITIONAL OWNER BUSINESSES

- Target:**
- Develop one new TOB at the mine site
- When:** 2020
- Progress:**
- Identified opportunities
- Planned Activities:**
- Work with TOs to develop sustainable business activities

INDIGENOUS EMPLOYMENT

- Target:**
- More than 20% of the workforce employed from local Indigenous communities
- When:** 2019
- Progress:**
- 33% Indigenous employment
 - Five Traditional Owner Trainees
 - Finalised Indigenous employment strategy
- Planned Activities:**
- Training programs for TOs

4. PERFORMANCE HIGHLIGHTS IN 2019



5. GOVERNANCE

5.1 ORGANISATIONAL GOVERNANCE

The Metro Mining Board comprises five members and is supported by the following Committees:

- Audit and Risk Committee
 - Remuneration and Nominations Committee
- Four members of the Board are Non-Executive Directors including the Chair.

A list of Board members and the Committees they are members of can be found in the Metro Mining Annual Report.

The Board is structured to align Director's skills and experience with the Company's goals and strategic direction. Non-Executive Directors conduct regular meetings without management present which provides a further opportunity for free expression of views and the promotion of good governance.

The functions and responsibilities of the Board and each of the Committees are set out in their respective Charters which can be found on Metro Mining's website: www.metromining.com.au

We are committed to building our business sustainably, operating ethically, safely, minimising our environmental footprint and ensuring we are well-governed and socially responsible. These are all core elements to creating value for our stakeholders and are at the heart of our strategy.

Our Corporate Governance performance is underpinned by meeting objectives set out in the ASX Corporate Governance Principles and Recommendations. Our Corporate Governance Statement is available in the Corporate Governance section of our website (www.metromining.com.au) The 4th edition of the ASX Corporate Governance Principles and Recommendations (www.asx.com.au) came into force for financial years commencing on or after 1 January 2020 and we have chosen to adopt these principles to further strengthen our governance.

Metro's commitment to good governance practices, operating ethically and with integrity is guided by a suite of Board approved policies in relation to the following:

- Community and social responsibility
- People and diversity
- Health and safety
- Mental health and well being
- Environment
- Anti-bribery and corruption
- Risk management
- Continuous disclosure
- Whistle-blower
- Securities trading

These policies are available at: www.metromining.com.au

The Metro Mining Board together with Executive Management are accountable for ensuring the Company operates in accordance with governance principles and in a sustainable manner. Our Policies and Standards are regularly reviewed to ensure we observe and maintain the highest standards of Corporate Governance. The Board and Management review compliance with Policies and Standards throughout the year and all significant incidents are elevated to the Board.

The Audit and Risk Committee assist the Board in identifying, understanding and monitoring risk and sustainability related matters and ensuring appropriate strategies and controls are implemented. In particular, the Committee ensures material risks are identified, objectively assessed and where appropriate risk mitigation actions are effected to reduce residual risk. The Committee also assists the Board in overseeing the internal financial control systems including external audit processes.

The Remuneration and Nominations Committee assists the Board with remuneration matters at all levels, Board appointments and succession planning, as well as diversity and inclusion in the workforce and people/culture strategy.

Management assists all Committees to ensure they have the appropriate level of information and are aware of material issues. The Committees are able to seek independent professional advice if considered appropriate.



5.2 RISK MANAGEMENT

Metro Mining follows an enterprise risk management framework based on ISO31000 to identify, evaluate and manage risks. Risk management is a required business practice linked to strategy, business objectives and decision making. Risk activities are integrated across all operating sites, development projects and corporate activities.

We identify financial, operational, environmental, health, safety and social risks, then evaluate the inherent risk of an activity and the mitigation required. Risk assessments are updated by operations and management and reported to the Board each month.

The categories of Material Business Risks described in the Directors' Report in the 2019 financial year are:

- Fluctuation in commodity prices and Australian dollar;
- Mineral resources and ore reserves;
- Replacement of depleted reserves;
- Mining risks and insurance risks;
- Production and cost estimates;
- Sovereign risk and concentration of customers;
- Marketing risk;
- Environmental, health, safety and permits (including climate change risk);
- Community relations;

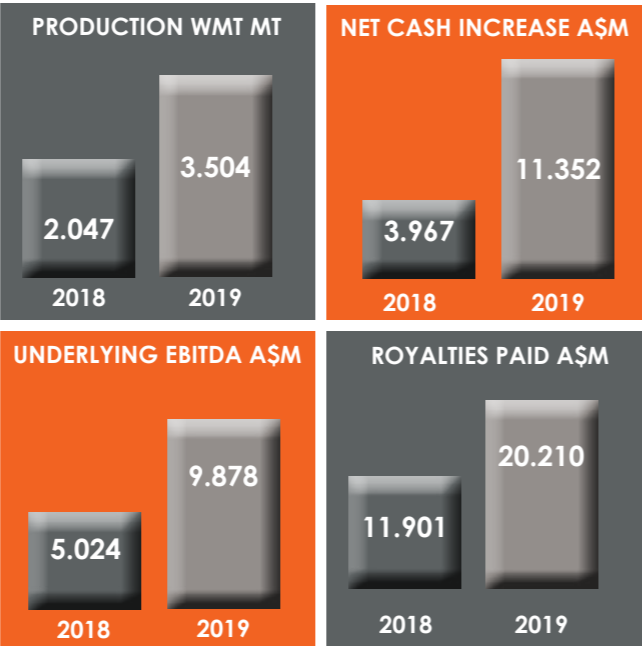
Major achievements in 2019 in our organisational governance and risk management were;

- A campaign was undertaken to promote Metro's Vision and Values to all employees;
- A focus on further developing and enhancing a safety-first culture;
- An independent Non-Executive Director was appointed to the Board, whose skills and experience have complemented and added to the collective experience and diversity of the Board;
- No incidents of bribery or corruption; adherence by all employed contractors and consultants to Metro's bribery and corruption standards;
- Compliance with key legislation;
- Planning has been undertaken for adherence to the Modern Slavery Act;
- Further development of risk management governance, systems and processes including the establishment of a Chief Risk Officer role;
- Implementation of the Qudos Compliance and Risk Management System and enhanced reporting to the Board of key risks.

In 2020 we will continue to develop and enhance our Corporate Governance and risk management processes through initiatives including implementation of recommendations in the ASX 4th edition of their Corporate Governance Guidelines, more extensive oversight of key risks by the Audit and Risk Committee as well as articulation of the Board's appetite for risk.

5.3 FINANCIAL PERFORMANCE

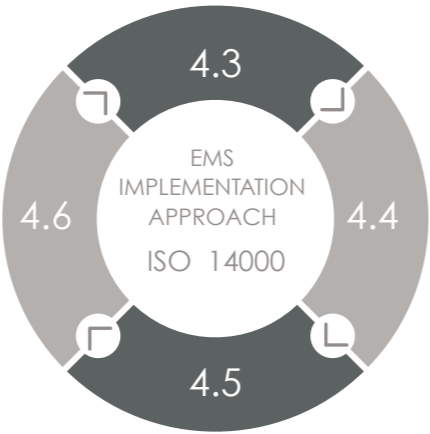
Metro Mining's financial performance in 2019 is summarised in the Company's 2019 Financial Report released via the ASX and also available on our website. Key highlights are as follows:



5.4 ENVIRONMENTAL MANAGEMENT SYSTEM

Metro Mining currently utilises a collection of stand-alone corporate and operational procedures and Environmental Management Plans (EMPs) to manage environmental risks, compliance, monitoring, reporting and operations.

Metro commenced planning for a coordinated Environmental Management System (EMS) in 2019 and in 2020 will focus on collating all existing documents into an EMS developed in accordance with ISO 14000 Standards.



4.3 PLAN

- Survey environmental impact and issues.
- Assess environmental activity plans

4.4 DO

- Implement environmental activities.
- Build implementation and operation systems.
- Educate employees

4.5 CHECK

- Internal audits.
- Corrective and prevention measures

4.6 ACT

- Management review of operations

6. HEALTH AND SAFETY

The health and safety of our people, including our contractors, whilst at work is a priority. Adherence to Metro Mining's health and safety policy is a fundamental requirement for successful and sustainable operations.

Metro believes all workplace injuries can be prevented and aims for all people to return home safely after a day's work. Management and the individual hold equal responsibility and accountability for their safety and health. Metro is committed to developing and maintaining a strong culture that promotes high standards of health and safety and aims to ensure that all personnel, both employees and contractors, are provided with the necessary skills, training and resources to safely undertake their work.

2019 was the first year the Bauxite Hills Mine operated as an Owner Operator business. Previously all mining activities had been outsourced to a contractor. Changing to an Owner Operator business resulted in Metro establishing and developing Corporate health and safety systems, procedures and culture.

Metro's major achievements in 2019 included strengthening the Bauxite Hills Mine health and safety team, developing health and safety governance systems and processes (including daily Toolbox Talks), implementing the Qudos Compliance and Risk Management System, extensive health and safety training to all staff and implementation of monitoring and audit processes.

Health and safety outcomes are included as shared goals in Metro's Short-Term Incentive Plan.

While significant progress was made in maintaining a high standard of health and safety during the year, unfortunately, two lost time injury's (LTI's) were recorded.

Both incidents were thoroughly investigated, and a number of improvements were implemented to prevent re-occurrence. Continuous improvement to Metro's safety systems remains an ongoing priority.

In 2020 Metro will continue to embed a health and safety culture into day-to-day business practices, expand monitoring and audit activities (including key contractors). In addition, an employee engagement survey will be undertaken to better understand our culture and work environment.

| 2019 Bauxite Hills Mine Health & Safety Statistics | FREQ |
|---|---------|
| Serious Accident | 1 |
| High Potential Incident | 1 |
| LTI | 2 |
| Diseases | 0 |
| Total Recordable Injury Frequency Rate (TRIFR) (TRIFR Industry Standard 13.3) | 4.17 |
| Lost Time Injury Frequency Rate (LTIFR) (LTIFR Industry Standard 12.2) | 4.17 |
| Medical Treatment Injuries | 2 |
| First Aid Injuries | 115 |
| Near Miss / Damage Incidents | 65 |
| Total Work hours | 514,860 |

BAUXITE HILLS MINE TOOLBOX TALKS

Toolbox Talks are short 10-15 minute daily safety discussions conducted on-site at our Bauxite Hills Mine prior to the commencement of each work shift. The objectives of these discussions are to communicate activities to be undertaken for the day along with critical safety information relating to those activities and to ensure the team is engaged and focused.

Toolbox Talks can significantly reduce workplace incidents as they:

- Foster a positive safety culture;
- Keep workers alert;
- Improve team communication and productivity;
- Serve as a reminder of workers' duties and responsibilities;
- Function as an updated record of hazards and action plans.

In 2019 there were 2,850 Toolbox Talks held at the Bauxite Hills Mine.





7. ENVIRONMENT

Metro Mining is committed to achieving strategic goals through the implementation of sustainable environmental management programs across all aspects of our business, including offices, mine sites and tenements. Metro's objective is to maintain and sustain the diversity of the natural environments in which we operate. To achieve this objective Metro work closely with the local communities to understand and incorporate the local environmental priorities.

We seek to understand how our activities, products and operations align with global efforts to move towards a more sustainable use of resources. Environmental leadership and adherence to Environmental Policies is the responsibility of all Metro employees, contractors, suppliers and vendors.

7.1 BAUXITE HILLS MINE

Before any construction or mining commenced at Bauxite Hills Mine, Metro incorporated environmental risk minimisation into the overall mine plan.

The Bauxite Hills Mine reduced a number of significant environmental risks associated with mining by:

- Not beneficiating the bauxite ore means no tailings dams are required and use of water resources is significantly reduced;

- Having no landfill on-site means all of the mine's wastes are either recycled and remediated on-site or moved off-site and transported to certified waste contractors;
- Removing Big Footprint Swamp from the Mining Lease ensured no mining operations would ever directly impact this culturally and environmentally sensitive area;
- Using shallow draft barges and tugs for transshipping activities avoided any dredging of the Skardon River
- Combining all bauxite mining across the two mining leases (Bauxite Hills and Skardon River) and using the Port of Skardon River it removed the requirement for duplicated infrastructure;
- Progressively replacing overburden material back into the mine pit it removes external overburden stockpiles and the associated erosion and sediment control risk.

HISTORIC KAOLIN MINE REHABILITATION

The Bauxite Hills Mine incorporates the historic remnants of a kaolin mining operation that went into liquidation in 2011. As the kaolin mine was not rehabilitated at closure, Metro accepted responsibility for rehabilitation of the remaining impacts when the mining leases were acquired.

The most significant impact from the kaolin mine occurs in the floodplain of Namaleta Creek where three separate mining pits were excavated and not backfilled.

The material excavated from the floodplain was either kaolin taken for processing or overburden material that remains in stockpiles beside the creek. Metro has developed a rehabilitation plan to use the stockpiled overburden material to backfill one of the pits (Fluvial Pit) that intersects the flow path of Namaleta Creek. This will restore Namaleta Creek to its original flow path.

The other two pits will be maintained as water storages for the Bauxite Hills mining operations.

A specific Kaolin Rehabilitation Plan has been accepted by the Department of Environment and Science (DES) incorporating a work plan and final landforms.

The complete rehabilitation works for the Fluvial Pit and overburden stockpiles has been tendered and will be completed by contract operators in 2021, as required under the Skardon River Environmental Authority.



PROGRESSIVE REHABILITATION

As a relatively new mine, progressive rehabilitation has been incorporated into the Bauxite Hills Mine operations as a natural part of the mining process. Given the shallow nature of the bauxite orebody, averaging 2-3 metres thickness, rehabilitation works are relatively simple and require significantly less volume of materials in comparison with deeper mining operations.

Mining commenced at the Bauxite Hills Mine in 2018 with first rehabilitation completed in 2019. Rehabilitation works incorporated native seeds sourced from the Cape York region which was then seeded by a local contractor from the Native Title holder, the Ankamuthi people.

While only 15ha were completed in 2019 it provided the opportunity to test and confirm the planned rehabilitation processes and identify opportunities for improvement when rehabilitation of larger areas commences. Over 100ha is planned for rehabilitation in 2020.

Photo Caption:

1. Big Footprint Swamp

2. Initial hand-seeding being conducted at Bauxite Hills Mine



7.2 WASTE

Metro Mining has adopted the Waste Management Hierarchy and cleaner production concepts as the primary strategies employed for sustainable waste management. The Waste Management Hierarchy highlights the need to move away from landfill disposal practices and promote waste reduction, prevention, reuse, recycling and other recovery opportunities. In addition, all contractors and suppliers are encouraged to comply to Metro's standard Waste practices.

At the Bauxite Hills Mine these concepts are incorporated into all aspects of the operations. With no material processing or beneficiation of bauxite ore undertaken on-site, no waste material is produced and therefore no tailings dams are required.

There is currently no landfill in use at the Bauxite Hills Mine with all waste either re-used on-site or shipped off-site for recycling or disposal by certified waste management operators. Each waste stream is managed in compliance with the appropriate regulations.

Cardboard, scrap metal, batteries, tyres, aluminium cans, waste oils and bulk materials are all recycled through registered recycling facilities. Regulated and hazardous wastes are removed from site and treated at a licensed government approved facility with tracking arrangements for safe disposal. Putrescible waste is managed with a small composting unit which provides compost for use in the camp gardens.

In 2020 Bauxite Hills Mine has set a target to construct a large-scale composting facility and bioremediation area with the ability to process putrescible waste and hydrocarbon stained soils, sewage sludge and grease trap waste.

This initiative presents an opportunity to create a beneficial end-of-use product which is proposed for use as a soil conditioner and enhancer for mining rehabilitation. The construction of the large-scale composting facility and bioremediation area will also decrease the amount of waste leaving site for treatment.

The Bauxite Hills Mine continues to improve waste procedures by educating the workforce to minimise waste generation and ensure proper segregation of waste streams.

In order to further minimise on-site waste, all personal food and drink containers are reusable. e.g lunch boxes, kitchen receptacles, all drink containers and storage containers.

In 2020 the Bauxite Hills Mine aims to increase recycling rates and reduce the amount of waste leaving site for treatment by installing a full bioremediation system.

| | Tonnes |
|-------------------------------|---------|
| Total waste produced on-site: | 1151.87 |
| Recycled: | 204.27 |
| Regulated: | 191.1 |
| Landfill: | 756.5 |

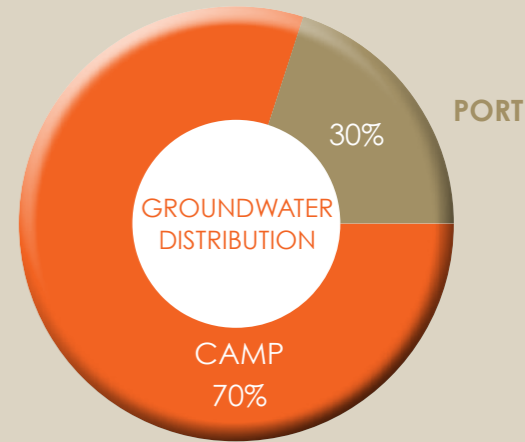
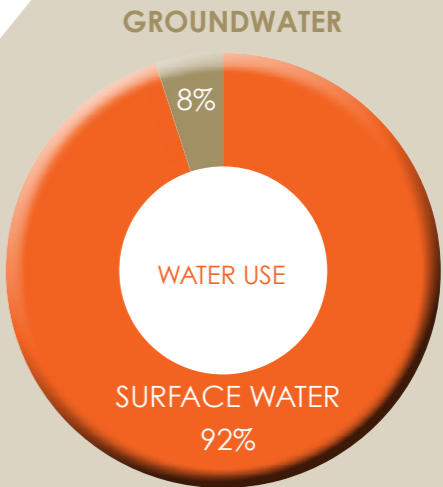
7.3 WATER

The majority of waters surrounding Bauxite Hills Mine are considered to be of high ecological value, placing greater priority on monitoring and managing the water systems to ensure there is no negative impact to receiving environments. Water management on-site ensures groundwaters, surface waters, mine water releases, stormwater and dust suppression activities are undertaken in compliance with all relevant water licensing and industry regulators.

Water requirements during operations is approximately 1 ML/d, with the majority of this being raw water for dust suppression associated with mining and haulage activities. Raw water is supplied from the historical kaolin mine water storages. Groundwater is only extracted for potable water supply used at the camp and port area.

With no mineral processing or contamination of pit waters, the only wastewater produced by the mine is effluent from the sewage treatment plant and runoff water from disturbed areas. During operation, effluent water produced by the sewage treatment plant is disposed at an average rate of 25,000 litres per day over the eight-month operational period. Treated sewage effluent is stored in a tank for final treatment prior to being irrigated to natural bushlands.

Runoff from mining disturbed areas is managed under the site Erosion and Sediment Control Plan produced by a qualified engineer and implemented accordingly.



| | Kilolitres |
|--|------------|
| Total volume of water used at the Bauxite Hills Mine in 2019 | 286,041 |
| Volume of water supplied to camp: | 8,279 |
| Volume of water supplied to port: | 6,237 |
| Total Volume groundwater: | 20,753 |
| Total volume surface water: | 250,772 |



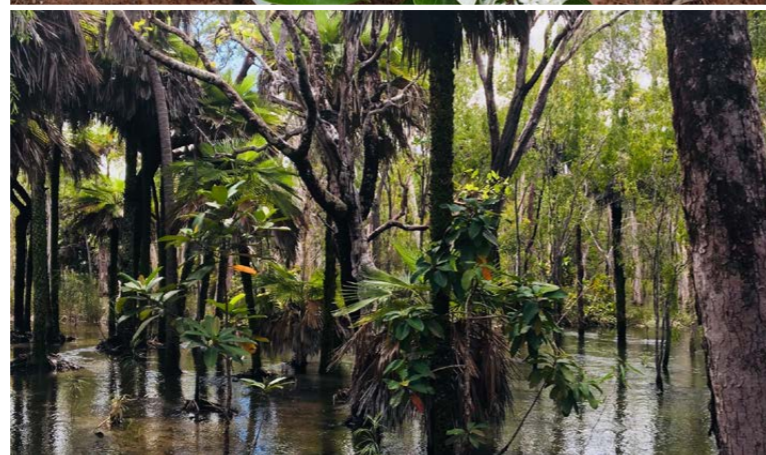
7.4 BIODIVERSITY

In addition to the Environmental Offsets required under State and Commonwealth approvals potential biodiversity impacts are managed via the site Environmental Management Plans (EMPs).

Biodiversity management at the Bauxite Hill Mine is simplified by the bauxite ore occurring in the higher plateaus, away from low-lying swamps and wetland areas that have been identified as having higher ecological significance. The flora on the plateau areas are predominantly Darwin Stringybark (*Eucalyptus tetradonta*) communities, which inherently minimises biodiversity impacts by limiting the range of communities affected.

It is relevant to note that the mine impacts less than 1.0% of mapped Darwin Stringybark communities in the Cape York area.

There are few State or Commonwealth listed flora species found in the vicinity of the operations, and of these, none have been found to occur within the mine footprint.



BIODIVERSITY PROGRAMS AT THE MINE INCLUDE

- Progressive rehabilitation aimed at developing post-mining ecosystems that have the same or similar ecological values to the pre-mining conditions;
- Rehabilitation that incorporates a range of immediate habitat development, for instance cleared vegetation spread back over land, nesting boxes installed in and around rehabilitation areas, re-standing some large, hollow bearing trees for immediate nesting habitat and landform variations to approximate the natural dips and hollows along the plateaus;
- Minimising clearing ahead of mining as much as possible;
- Using fauna spotter-catchers during all vegetation clearing;
- Mine plans that incorporate buffers around sensitive ecosystems, and;
- Fauna corridors incorporated into mining and rehabilitation plans.

STATE AND COMMONWEALTH OFFSETS

State Offsets at the Bauxite Hill Mine were required for less than 5ha of mangrove and riverine communities to establish infrastructure along the Skardon River.

An equivalent of 19.5ha of offsets were approved and Metro Mining provided financial offsets in accordance with DES online calculator.

Although no Commonwealth marine offsets were specifically identified a condition of the Commonwealth approvals included funding a CSIRO research project into Sawfish and River Sharks within the Skardon River area. The Sawfish and River Sharks research project was conducted over 4 years commencing prior to construction in 2016 and completed late in 2019. The final report from this research is being completed by CSIRO and will be released in accordance with their process with outcomes from this research made available in 2020.

No significant residual environmental impacts were identified at the Bauxite Hills Mine during two separate EIS processes however Commonwealth offsets for all mining areas were required as part of the approval conditions.

In 2019 Metro Mining's Offsets Strategy for the Bauxite Hills Mine was approved by the Department of the Environment & Energy (DoEE). Metro is now working to finalise the implementation plan that will be led by the University of Western Australia incorporating input from a number of local Cape York community and environmental groups over the next decade.

The listed species addressed by the Offsets Strategy are:

- Red Goshawk;
- Bare-rumped Shearwater;
- Masked Owl (Northern);
- Black-footed tree-rat.



BLACK-FOOTED TREE-RAT CASE STUDY

The Black-footed tree-rat (North-Queensland) is the only Commonwealth listed species that was found on the mine site and Metro has placed additional focus on this species as part of the Commonwealth Offsets Strategy.

The Black-footed tree-rat is a nocturnal, medium-sized native mammal that dens mostly in tree hollows and occasionally in dense Pandanus foliage close to waterways. There are only sparse records of this species in the Cape York Peninsula and only one record of the species occurring on-site.

Stage 1 of the Offsets Strategy will include targeted ecological surveys for the Black-footed tree-rat and its distribution in the Cape York area.

Further stages of the Offsets Strategy will focus on threatening process and appropriate management strategies however the first step will be to determine the ecological niche and abundance of the Black-footed tree-rat

Stage 1 of the Offset Strategy will commence in 2020.



7.5 COMPLIANCE

Bauxite Hills Mine is a single operating mine combining two separate mining approvals for the Bauxite Hills and Skardon River projects. These projects were approved under separate EIS processes, meaning there are two State and two Commonwealth approvals that apply to operations at the Bauxite Hills Mine.

Metro has worked with both State (DES) and Commonwealth (DoEE) regulatory bodies to minimise the differences between these approvals and allow for seamless operations across the mine.

Annual compliance reports are completed for each of the Commonwealth approvals and are displayed on the Metro Mining website. No significant non-compliances have been identified and DoEE confirm that, based on reports provided, Metro is operating in compliance with our licences.



In 2019, Metro self-reported a number of potential or minor non-compliances with the two State Environmental Authorities. Reports were made to the DES Pollution Hotline and Metro worked with DES to investigate and provide any additional information required to close the issues out. Reported incidents included two minor diesel spills to water and a small number of sewage effluent and water release quality exceedances.

None of the reported issues resulted in any discernible environmental harm and while Metro received three warning notices DES deemed no regulatory action was required.



7.6 CLIMATE CHANGE

Metro acknowledges we are living in a changing climate influenced by anthropogenic activities. Climate change is included as one of the environmental business risks for the Company.

Climate change risks relevant for Metro not only include direct impacts from increased extreme weather events and rising sea levels but also the associated economic risks around the cost for businesses to operate in an increasingly stringent regulatory regime and to implement changes to operations to meet reduction targets for greenhouse emissions.

Greenhouse emissions are the measure of gases that a company emits that contribute to climate change and are generally reported in carbon dioxide equivalents (CO₂ equivalents). Greenhouse emissions for the Bauxite Hills Mine mining operations up to 5Mtpa

were determined in 2016 to be 10,921 tonnes of CO₂ equivalents. This is well below the 25,000 tonnes of CO₂ equivalents that trigger the National Greenhouse and Energy Reporting (NGER) requirements.

As part of Metro's proposal to go to 6.0 Million wet metric tonnes (WMT) of production per annum from 2021 updated greenhouse emissions calculations will be undertaken by independent specialists in 2020 and the results will be reported. Metro plans to determine all Scope 1 greenhouse emissions from our mining operations as well as identified Scope 2 and Scope 3 emissions associated with international shipping, refinery of the bauxite ore to aluminium and other relevant activities.

Given the remote nature of the Bauxite Hills mining operations there is no grid electricity supply and all power is provided by diesel generators. Diesel also powers the mining and transshipping machinery so the vast majority of the mine's greenhouse emissions come from diesel usage.

Optimising or replacing diesel usage with non or lower emitting power sources will be a major factor in reducing site greenhouse emissions. Metro is not currently required to report to the National Greenhouse Energy Reporting Scheme (NGERs) and no specific emission reduction target has been determined however Metro continues to improve the efficiency of operations with the added benefit of reducing greenhouse emissions.

This is Metro's first Sustainability Report and we have committed to recalculating all our greenhouse gas emissions in 2020 to establish our operational and reporting baseline. An appropriate reduction target will be set from our reporting and will align with the International Council on Metals and Mining (ICMM) position statement on climate change.



8. SOCIAL

Metro Mining believes a fundamental requirement of successful business is supporting the communities in which we operate and that a properly managed mining operation will bring significant benefits to the associated local and regional communities.

Metro aims for honest and open communication in all activities and respects the culture, customs, interests, needs and rights of the Traditional Owners, Indigenous people and communities in which we operate. We strive to build long term and mutually beneficial relationships based on these ideals.

Metro communicates with stakeholders via many platforms including:

- Formal Meetings
- Community events
- Sponsorships
- Community meetings
- Corporate publications
- Newsletters
- Social media
- ASX Releases
- Media Releases

Photo Captions

1. Bauxite Hills Mine employees Lillian Woosup & Gaynor Clifton
2. Brandon Maloney & Barunah Sagiba



8.1 EMPLOYEE ENGAGEMENT

Metro Mining believes it's people are their greatest asset.

Metro strives to provide a healthy workplace that encourages a life work balance, incorporating work, family and social commitments, whilst achieving the company's business goals. Metro aims to promote working relationships based on mutual trust and respect and provide adequate training to enable all personnel to undertake their work tasks safely and efficiently. Metro conducts regular employment reviews and career development pathway programs to ensure the workplace continues to be fulfilling and develops a culture that promotes individual accountability and rewards initiative.

8.1.1 DIVERSITY

Metro embraces and values diversity and employs a workforce of individuals with a vast range of backgrounds, values, skills and experience.

Metro is committed to promoting a culture characterised by inclusive practices and behaviours of fairness, equity and respect that benefits all.

Metro employees are selected for positions on merit and provided equitable access to employment and professional development. We recognise our staff are our greatest asset and aim to attract and retain the very best people.

Metro considers diversity in the workforce to be an important aspect of the company culture and, in this context, diversity at Metro refers to all attributes that make individuals unique. It encompasses gender, age, language, ethnicity, cultural background, sexual orientation, religious belief and family responsibilities.

Diversity also refers to the other ways in which people are different such as educational level, life experience, work experience, socio-economic background, personality and marital status. Workplace diversity involves recognising the value of individual differences and managing them in the workplace. Metro recognises the intrinsic importance of diversity in building operational strength and the future growth that comes from incorporating a wide variety of capabilities, ideas and insights in decision making, problem solving and policy development.

In 2019 a company initiative was undertaken, by female personnel, to identify and make recommendations toward ensuring that all Metro workplaces, including accommodation facilities, were suitable and compatible for female employees. Plans are in place for a series of Women in Mining Workshops to be conducted in 2020. The first workshop, targeted toward Indigenous women, was held in February 2020 in the Cape York vicinity.

8.1.2 TRAINING

Metro encourages all employees to develop their careers and offer a Career Development Grant to employees who would like to undergo extra training in their field.

In addition to the Career Development Grant, Metro also facilitates a range of training programs for leaders identified within the business.

Metro also offers traineeships. In 2019 two trainees, at the Bauxite Hills Mine, completed their traineeships and are now qualified to perform their roles as an Administration Officer and a Stores & Logistics Officer.

Currently the Bauxite Hills Mine has 5 Trainees (a Survey Assistant, 2 Environment Technicians, an Administration Officer and a Laboratory Technician) all working toward achieving a Certificate III in their appropriate field.

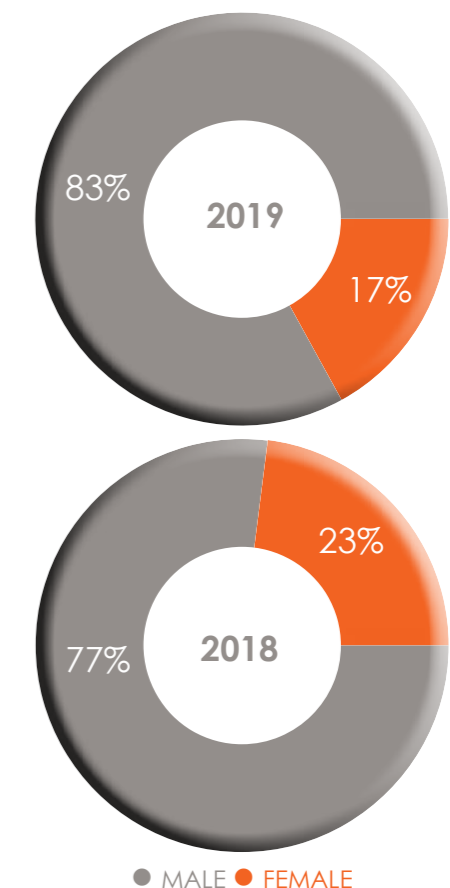
Bauxite Hills Mine also has 4 barge loading facility operators who will gain RII Competencies in excavator, bobcat, bulldozer, front-end loader and grader rather than the lower basic Verification of Competence level (VOC) which is considered industry norm.

In 2019, all Bauxite Hills Mine Supervisors completed their Supervisor 1, Supervisor 2 and Supervisor 3 Training.

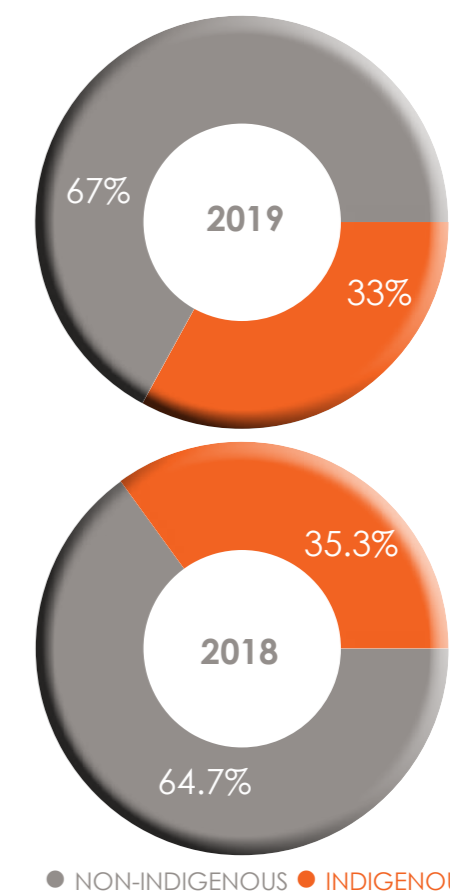
In 2020 Metro will award two diesel fitter apprenticeships to join the maintenance team at Bauxite Hills Mine.

DIVERSITY

COMPANY GENDER REPRESENTATION



INDIGENOUS REPRESENTATION



8.2 STAKEHOLDER ENGAGEMENT

Metro Mining has a stakeholder engagement plan for the Bauxite Hills Mine that extends into the local and wider communities, incorporating social and environmental groups, Aboriginal and Regional Councils, the Port Authority, as well as State and Commonwealth Government departments.

Every year an offer is made to identified stakeholders for Metro to deliver an update on the Bauxite Hills mining operations and to answer any questions. Stakeholders decide if they want to accept the offer and thereby determine their own level of involvement. Metro also responds to any specific requests for information that may be received from identified stakeholders.

The Bauxite Hills Mine provides a regular newsletter to maintain an overview of how the mine is progressing. The newsletter is produced at least three times a year

and is handed out at community events, sent to all relevant stakeholders and is also made available on Metro Mining's website,

Metro places all notices of shareholder meetings and related explanatory material on its website.

The Company encourages full participation of shareholders at its AGM each year and provides shareholders with the opportunity to participate in the AGM as well as submit questions prior to that meeting. The Company's external auditor, EY, attends the AGM and is available to answer shareholder questions about the conduct of the audit and the preparation and content of the Auditor's Report. EY also has a reasonable opportunity to answer written questions submitted by shareholders to the auditor as permitted under the Corporations Act 2001 (Cth).



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8.3 TRADITIONAL OWNER ENGAGEMENT

Metro Mining's Bauxite Hills Mine operates on Cape York, which is an area with a deep Indigenous cultural history. Metro's Ancillary Agreement provides clear guidelines on appropriate engagement with our Traditional Owners, the Native Title holders (Ankamuthi people) and Aboriginal landowners (Old Mapoon Aboriginal Corporation). The Ancillary Agreement stipulates a range of commitments which include employment and training opportunities, cultural obligations and the establishment of a Liaison Committee where all parties are represented in a forum where direct benefits and avenues of communication are presented.

In 2019 the Bauxite Hills Mine Liaison Committee met 4 times (the Ancillary Agreement stipulates a minimum of 3 times per year) with elected representatives from the Native Title holders, Aboriginal landowners and Metro Mining in attendance. Each member of the Liaison Committee works together to achieve the best possible outcomes in relation to Bauxite Hills Mine and the associated communities. Liaison Committee members report opportunities, upcoming events and achievements at the mine to their communities.

Metro strives to understand the cultural significance of the lands in which they operate and take appropriate measure to ensure Cultural Heritage is respected and preserved. All Metro employees, including Metro's Board of Directors, have specific Ankamuthi Cultural Awareness Training conducted by Ankamuthi people.

Metro Mining's Cultural Heritage Management Agreement (CHMA) requires Metro to work with the Ankamuthi-appointed Heritage Body to ensure land

at Bauxite Hills mine site is not disturbed without a detailed archaeological survey and identified cultural management practices being undertaken. Ankamuthi Cultural Heritage Monitors are included through all aspects of the initial survey work, and further Cultural Heritage Monitors oversee all land clearing.

In 2019 Metro hosted NAIDOC celebrations on-site with employees and Liaison Committee members in attendance. Celebrations commenced with Traditional Owner employees preparing and cooking a Kup-murri meal for all participants with traditional dancers playing an important role in making the occasion a success.

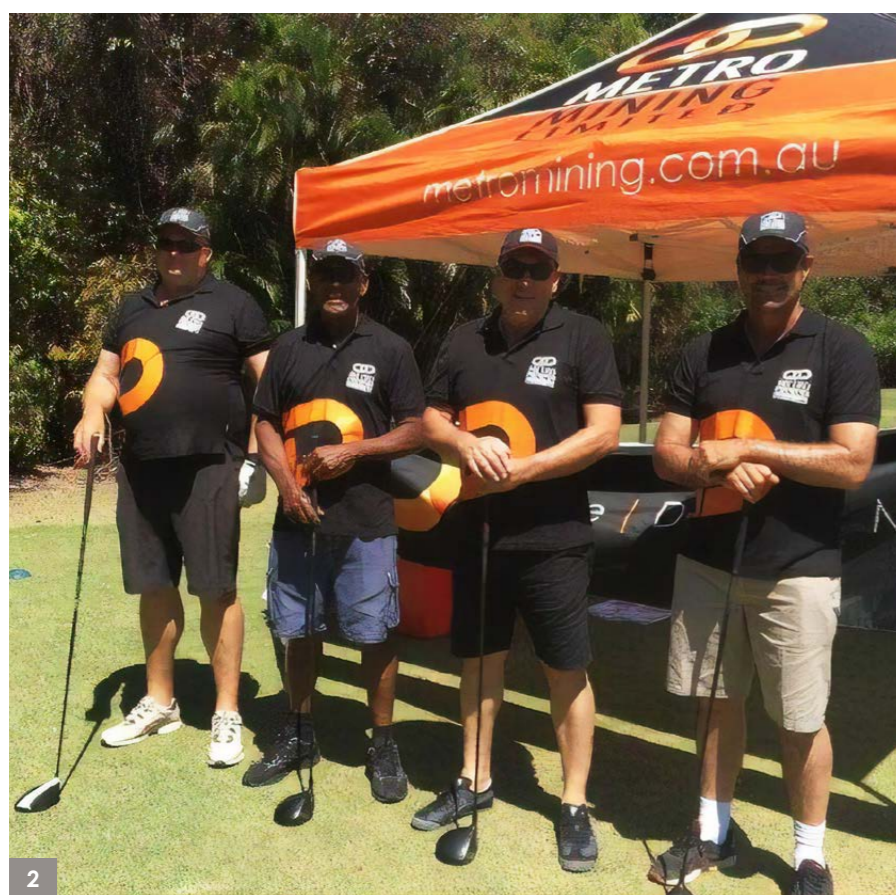
In 2020 a Scar Trees display will be established to honour the traditional activities that were once conducted within the Bauxite Hills Mine site. Metro will seek Traditional Owner supervision regarding construction, location and how best to display the Scar Trees.

Photo Captions:

1. The Hon Warren Entsch MP, Federal Member for Leichardt at the mine with Metro Managing Director, Simon Finnis
2. Mapoon Mayor, Aileen Addo, at Paanja Festival with Metro Environment & Communities Manager, Colleen Fish
3. GM Bauxite Hills Mine, Graham Tanner, presents maiden voyage commemorative plaque to Ship's Captain
4. Traditional dancers at the Kup-murri dinner held on-site during NAIDOC



1



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8.4 COMMUNITY INVESTMENT

Metro Mining is committed to working collaboratively with our local communities to help achieve our combined aspirations.

Metro aims to build partnerships within the community by supporting organisations and initiatives that benefit the local communities. Metro are invested in creating further employment, economic benefit and building stronger communities together.

Photo Captions

1. Traditional dancers perform at the NPA Cultural Festival in Bamaga
2. Metro team members at the Cairns Chamber of Commerce Golf Day
3. Metro Community Liaison Officer, Kathi Steffenson, during NAIDOC week

8.4.1 SPONSORSHIP

Metro encourages sponsorship requests from local community groups and organisations that deliver outcomes for the broader community and that have a focus in the following areas:

- **Community** – support for local organisations or initiatives that have significant benefit at local, regional, state, national or international levels;
- **Culture** – support for local Traditional Owner cultural events, cultural awareness or cultural organisations, and;
- **Youth** – support relevant training, projects and organisations that benefit youths.

In 2019 Metro Funded

- The Angkamuthi Tribal Aboriginal Corporation "Connect to Country" program;
- The NPA Show and Rodeo in Bamaga;
- NAIDOC Week events in Old Mapoon;
- An Indigenous family support organisation in New Mapoon;
- Two Indigenous representatives to attend the Darwin Indigenous Economic Development Summit.

8.5 REGIONAL ECONOMIC DEVELOPMENT

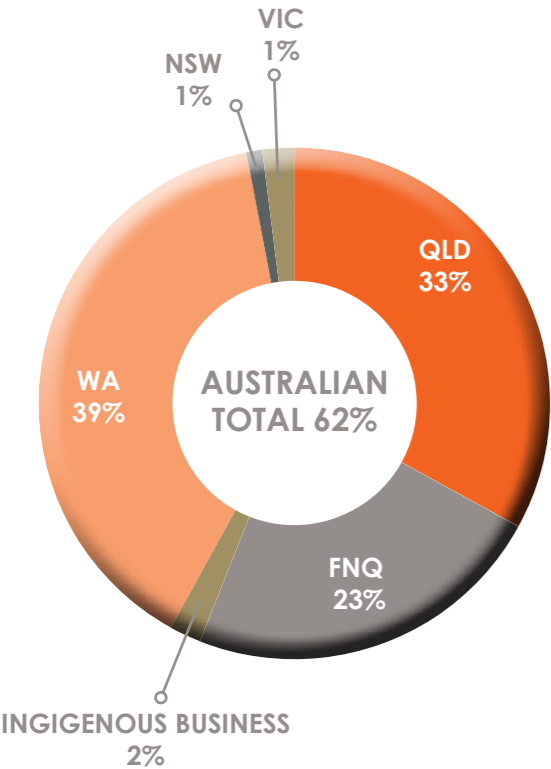
Metro encourages and supports regional economic development by providing, wherever possible, opportunities for employment, business development, education and training.



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8.5.1 LOCAL PROCUREMENT

Metro Mining seeks to support the communities in which we operate and utilises local and regional suppliers wherever possible and practical. Metro advertises for goods and services in the region and wherever possible gives preference to local contractors. Due to the remoteness of Bauxite Hills Mine, and the associated cost of transporting goods, local suppliers are always given preference when available.



Metro are dedicated to engaging with local communities to encourage economic growth in the Cape York region. Metro aims to prioritise local procurement, employment and training particularly from the local Indigenous communities and aims to foster mutually beneficial relationships with long term economic benefits.

Metro is committed to reviewing their procurement spend with the aim of developing a list of preferred FNQ and Indigenous suppliers in the coming year.

Australian Procurement (excluding Royalties)

| | |
|----------------------|-----|
| Australian Total: | 62% |
| QLD: | 33% |
| FNQ: | 23% |
| INDIGENOUS BUSINESS: | 2% |
| WA: | 39% |
| NSW: | 1% |
| VIC | 2% |



TRADITIONAL OWNER BUSINESS

In order to progress local procurement strategies Metro is actively working with Traditional Owners, the Ankamuthi people, to identify potential business opportunities at the mine site that could be developed by the Ankamuthi people into viable businesses.

Metro currently utilises Ankamuthi businesses for:

- Cultural Awareness Training;
- Contracting works at the mine site, including roadside slashing and road maintenance and;
- Seeding for rehabilitation works.

In addition, Metro is in discussion with members of the Ankamuthi people on a number of potential business opportunities including:

- An Indigenous pre-employment training program;
- Commercial tree felling within the planned mining area;

- Camp Management
 - Catering
 - Cleaning
 - Laundry
- Tree seed and nursery supply business.

The process of working cooperatively and collaboratively with the Traditional Owners to develop potential business opportunities helps to establish strong relationships and procedures to maximise business openings as they arise.

Photo Caption

1. Seed sowing services for Bauxite Hills Mine rehabilitation provided by an Ankamuthi Business



8.5.2 COMMUNITY SEED COLLECTION PROGRAM CASE STUDY

In June 2019 Metro Mining commenced their inaugural seed collection program in the communities of Mapoon and Injinoo. The program focuses on seed collection by the local Indigenous communities who form part of Metro’s Bauxite Hills Mine Ancillary Agreement, namely the Native Title holders — the Ankamuthi people represented by the Seven Rivers Aboriginal Corporation (SRAC) and the land owners represented by the Old Mapoon Aboriginal Corporation (OMAC).

The seed collection program provides an opportunity for a range of Indigenous people to make an income and actively contribute to the environmental sustainability of their traditional land areas. The communities’ source native seeds from the Cape York region which will ensure rehabilitation of the Bauxite Hills Mine is as close as possible to pre-mined conditions. Local communities are familiar with the native plants of their area and know where to locate them. Seed collection also provides families the opportunity to work together on-country and to pass on

knowledge to the next generation. Interactive collection workshops are held monthly and build on existing knowledge regarding seed species required by Metro as well as instruction and tips on how to clean and dry each species.

The Seed Program is currently overseen by an external specialist, Dr James Hill, who has been involved in numerous Seed Collection Programs around Cape York during the last 7 years. Toward the end of 2019, Metro received interest from a Traditional Owner group to manage and run the Seed Collection Program. Metro is very invested in their commitment to small business opportunities for Indigenous people in the community and will assist this endeavour however possible.

The community Seed Collection Program paid over \$25,000 directly to community members and assisted in supporting local economic growth. A bigger season is expected in 2020 with more people getting involved each month. With help from the community, the seed collection program aims to provide the best quality, locally sourced seed to facilitate rehabilitation of the Bauxite Hills Mine as well as provide opportunities for local Indigenous people.





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