



Diversified Commodities — Deliberate Focus

---

# DISCLAIMER



Statements and material contained in this Presentation, particularly those regarding possible or assumed future performance, production levels or rates, commodity prices, resources or potential growth of Metro Mining Limited and Cape Alumina 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 the presentation (including data used in the graphs) are sourced from third parties and Metro Mining/Cape Alumina has not independently verified the information. Metro Mining is at an early development stage and while it does not currently have a operating bauxite mine it is taking early and preliminary steps (such as but not limited to scoping studies etc.) that are intended to ultimately result in the building and construction of an operating mine at its project areas. Although reasonable care has been taken to ensure that the facts stated in this Presentation are accurate and or that the opinions expressed are fair and reasonable, no reliance can be placed for any purpose whatsoever on the information contained in this document or on its completeness. Actual results and developments may differ materially from those expressed or implied by these forward looking statements depending on a variety of factors. Nothing in this Presentation should be construed as either an offer to sell or a solicitation of an offer to buy or sell shares in any jurisdiction.

**Technical information about the ore resources on any Cape Alumina project in this document had been compiled by Neil McLean,**

who is a consultant for Cape Alumina Limited, a Fellow of the Australian Institute of Mining and Metallurgy (F. AusIMM) and is a competent person and has relevant experience to the mineralisation being reported on to qualify as a Competent Person as defined by the 2004 and 2012 editions of the Australasian Code for Reporting of Minerals Resources and Reserves. Neil McLean consents to the inclusion in the document of the matters based on the information in the form and context in which it appears. The resource information in this document has been released to the ASX. The information in this document that relates to all resources (other than DSO resources) was prepared and first disclosed under the JORC Code 2004. It has not been updated since to comply with the JORC Code 2012 on the basis that the information has not materially changed since it was last reported. The information in this document that relates to the DSO resource on the BH6 plateau of the Bauxite Hills project has been prepared and disclosed under the JORC Code 2012.

**With reference to resources in the Metro Mining Resource and Reserve table excluding Bundi, Juandah and Coolumbola Resources.**

The information in this Announcement that relates to the Compilation of existing data and Exploration Results is based on information compiled by Mr Ed Radley who is a Member of the Australian Institute of Mining and Metallurgy (MAusIMM) (Membership No 300512). Mr Ed Radley is an independent Geological Resource Consultant retained by Metro Mining Limited. 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 2004 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 announcement the matters based on the information in the form and context it appears.

**With reference to the Bundi, Juandah and Coolumbola Resources in the Metro Mining Resource and Reserve table**

The information in this Report that relates to the Compilation of existing data and Exploration Results is based on information compiled by Mr Ed Radley who is a Member of the Australian Institute of Mining and Metallurgy (MAusIMM) (Membership No 300512). Mr Ed Radley is an independent Geological Resource Consultant retained by Metro Mining Limited. 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 announcement the matters based on the information in the form and context it appears.

# RECENT MERGER CREATES METRO MINING LIMITED





## (ASX CODE: MMI)



**MetroCoal Limited**, with over 4 billion tonnes\* of thermal coal resources in the Surat Basin and a substantial cash holding, **merged with Cape Alumina Limited** which had extensive bauxite resources in Cape York.

The merger made the new company, Metro Mining, a considerably more attractive investment vehicle as it became a diversified bulk commodities company with a strategic focus.

### □ Having Commodity Diversification Provides:

-  Greater resilience through commodity cycles,
-  A strengthened balance sheet,
-  Increased trading liquidity, and;
-  Enhanced access to capital markets.

\*Refer ASX Release 2 Dec 2014

# STRATEGY TO DELIVER SHAREHOLDER VALUE

## ❑ Develop the Bauxite Hills Project by Q4 2016

- 47 million tonne inferred resource\*
- Direct Shipping Ore (DSO) – simplified construction and operation
- Targeting for production at 2Mtpa with over 20 years – significant project
- Low Capital Expenditure and Operating Expenditure
- With exploration tenements covering 1 400 km<sup>2</sup> Metro Mining has growth potential

## ❑ Preserve Coal Assets – Thermal Coal Resource of over 4 Billion Tonnes\*\*

- The thermal coal Market will recover
- The coal assets provide an attractive long term opportunity



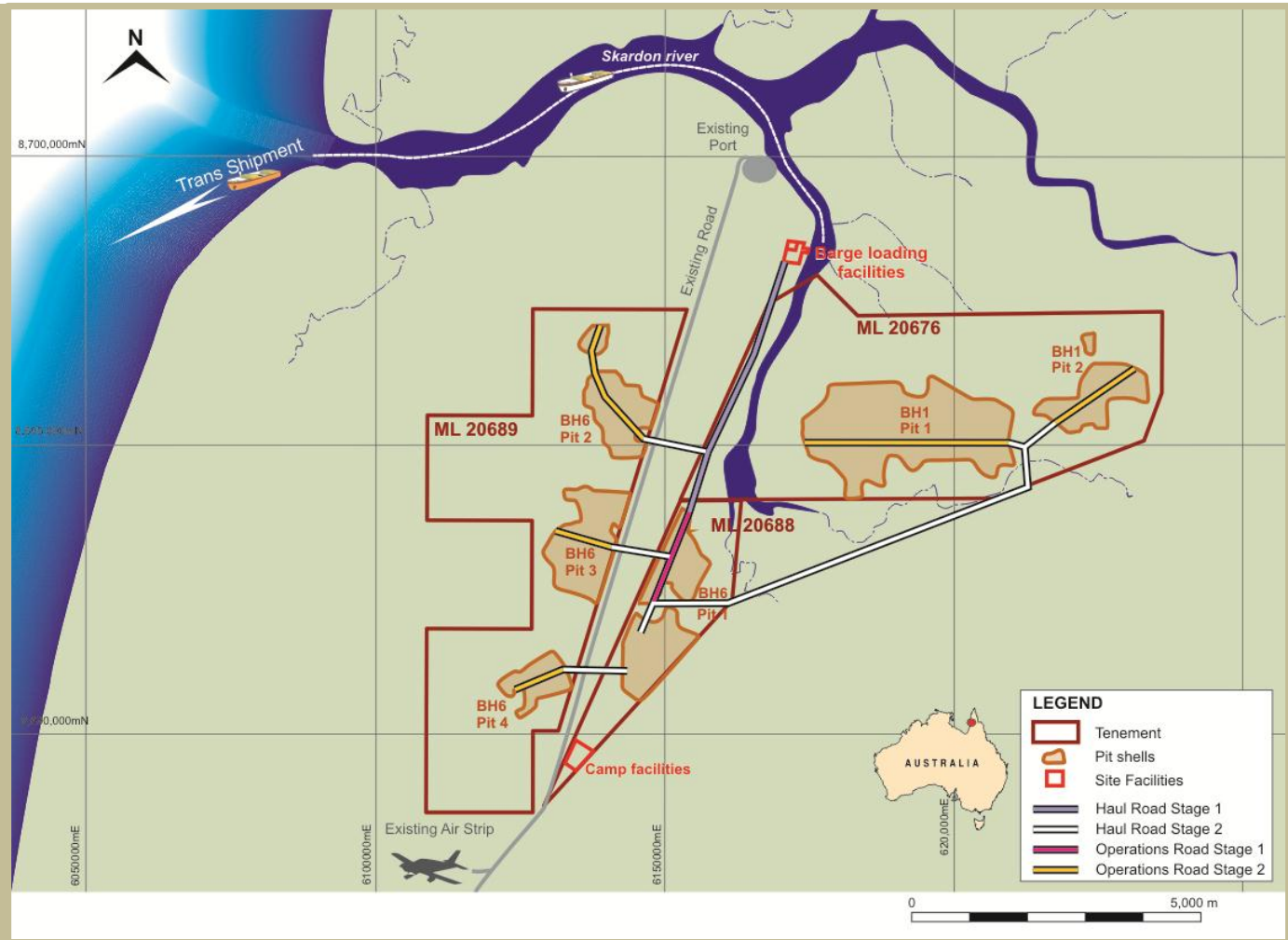
\* Refer Slide 13 for details | \*\*Refer ASX Release 2 Dec 2014

# BAUXITE HILLS PROJECT

A 2Mtpa Project with Low Operating and Capital Costs



- High quality bauxite,
- Shallow, free-digging,
- Minimal overburden,
- Very low strip ratios,
- No conflicting land use,
- Strong local support for development,
- Resource suited to DSO – no beneficiation required.



# BAUXITE HILLS – THE NEXT SUBSTANTIAL MINING OPERATION IN THE CAPE YORK PENINSULA



## □ The Right Commodity

- Bauxite demand expected to outstrip supply due to Indonesian ban on raw material export.
- Increased demand for bauxite in the Chinese market.
- Aluminium global consumption is growing especially in China.
- China needs an alternative supplier – Metro Mining is well positioned to meet the demand.
- Preliminary discussions underway with MMI shareholder Xinfu Group regarding interest in negotiating Offtake agreement for Bauxite Hills Project.



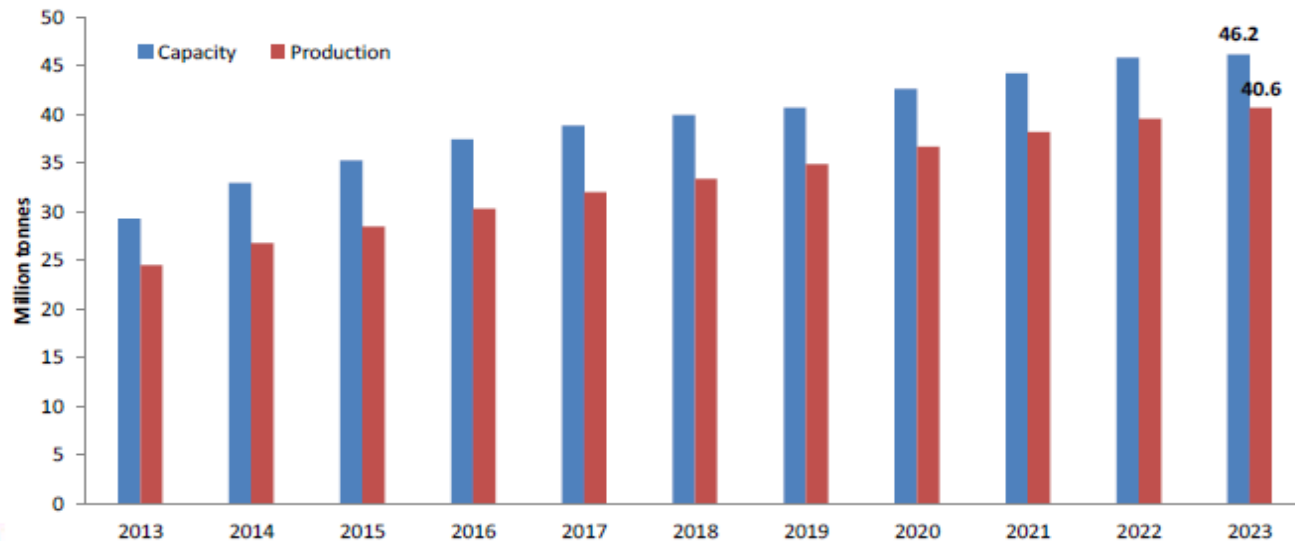
# CHINESE ALUMINIUM PRODUCTION

ALUMINIUM PRODUCTION DRIVES BAUXITE CONSUMPTION



**ALUMINIUM PRODUCTION INCREASE OF 15 MILLION TONNES  
REQUIRES APPROXIMATELY 75 MILLION TONNES OF BAUXITE.**

Aluminium capacity and production, 2013 to 2023



Source: Bauxite and Alumina Long Term Market Outlook; July 2014, CRU

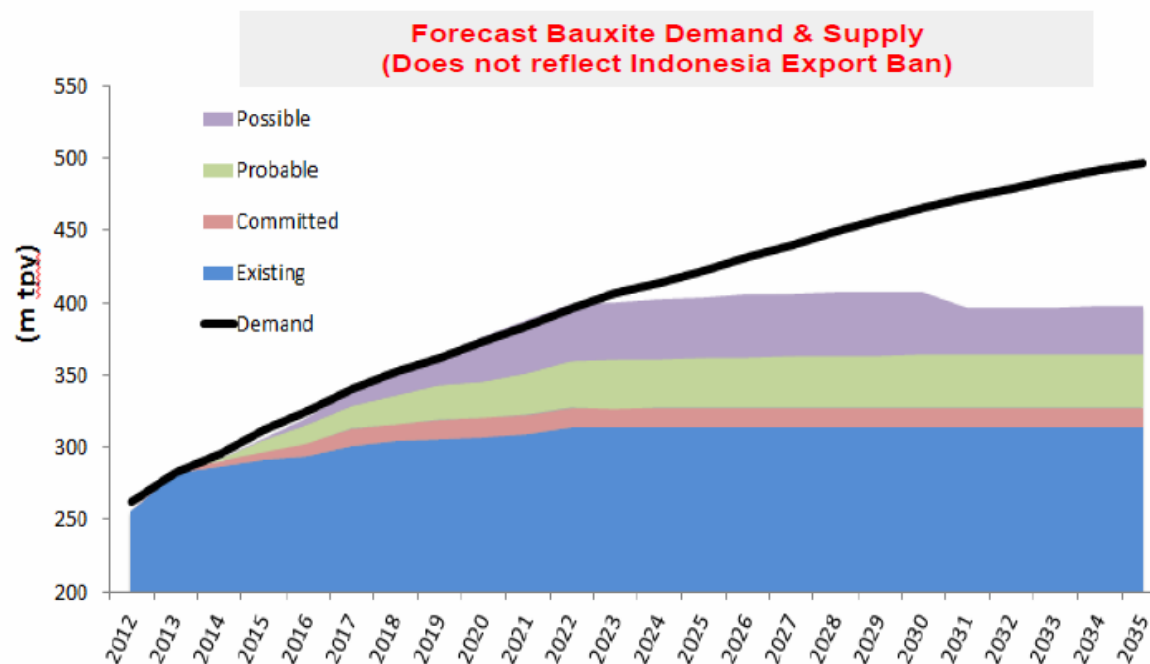
© 2014 CRU International Limited confidential



# WORLD BAUXITE SUPPLY & DEMAND

## MORE MINING OPERATIONS NEEDED TO BRIDGE GAP

### Potential Supply Shortfall Emerging from 2015



■ Bauxite is globally plentiful, but of differing quality and development and financing is becoming slower/harder with issues of:

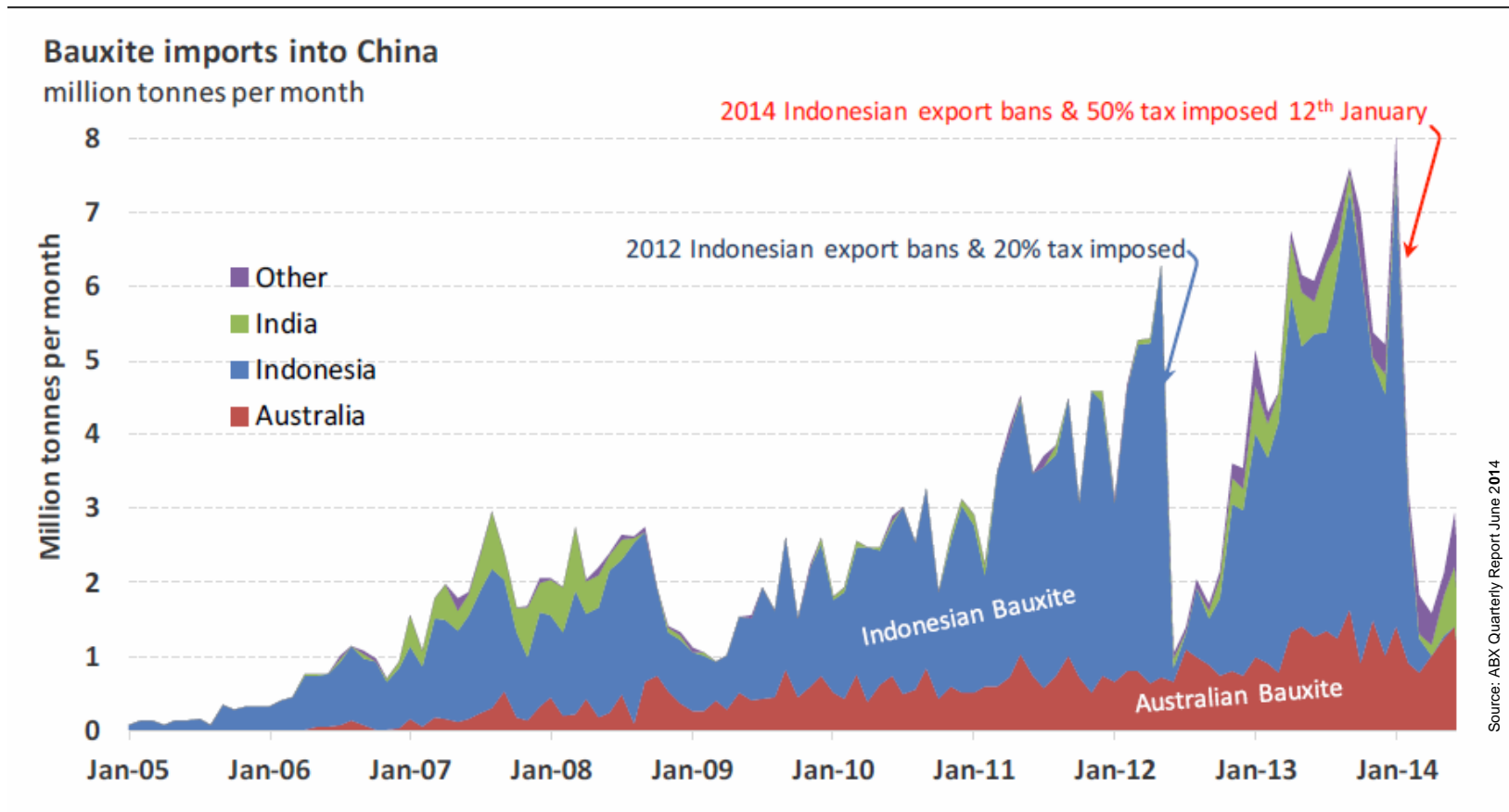
- Government approvals
- Environmental and landowner issues
- Capital costs and available infrastructure
- Nationalistic policies & taxes

Source: Bauxite demand and supply, 2012 to 2035, CRU's Bauxite Long Term Market Outlook, 2013 edition



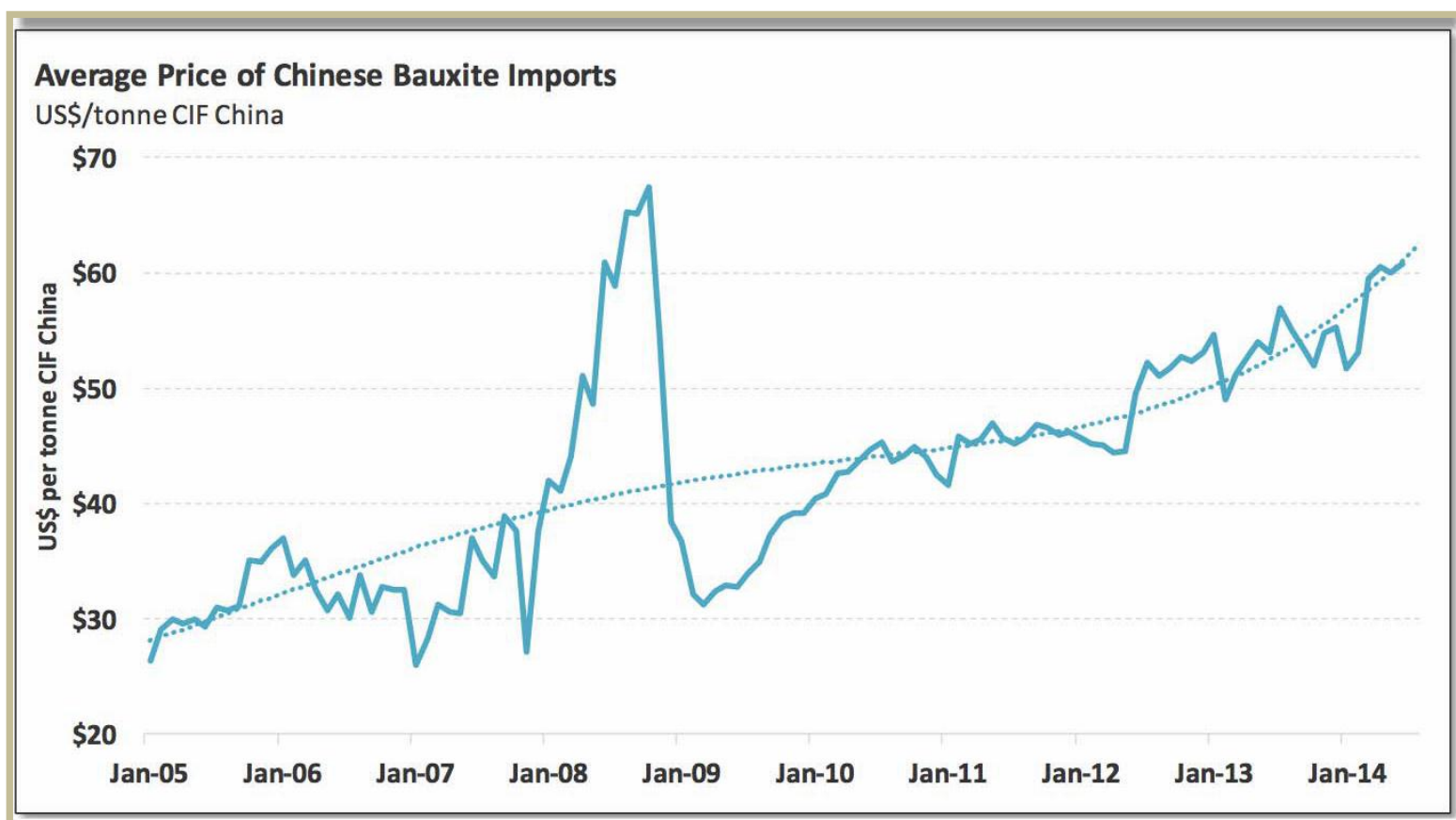
# BAUXITE VOLUMES IMPORTED INTO CHINA

INDONESIA, THE LARGEST GLOBAL BAUXITE EXPORTER IMPLEMENTED AN EXPORT BAN ON BAUXITE. THIS PRESENTS A MAJOR OPPORTUNITY FOR BAUXITE HILLS TO REPLACE A PORTION OF THIS SUPPLY.



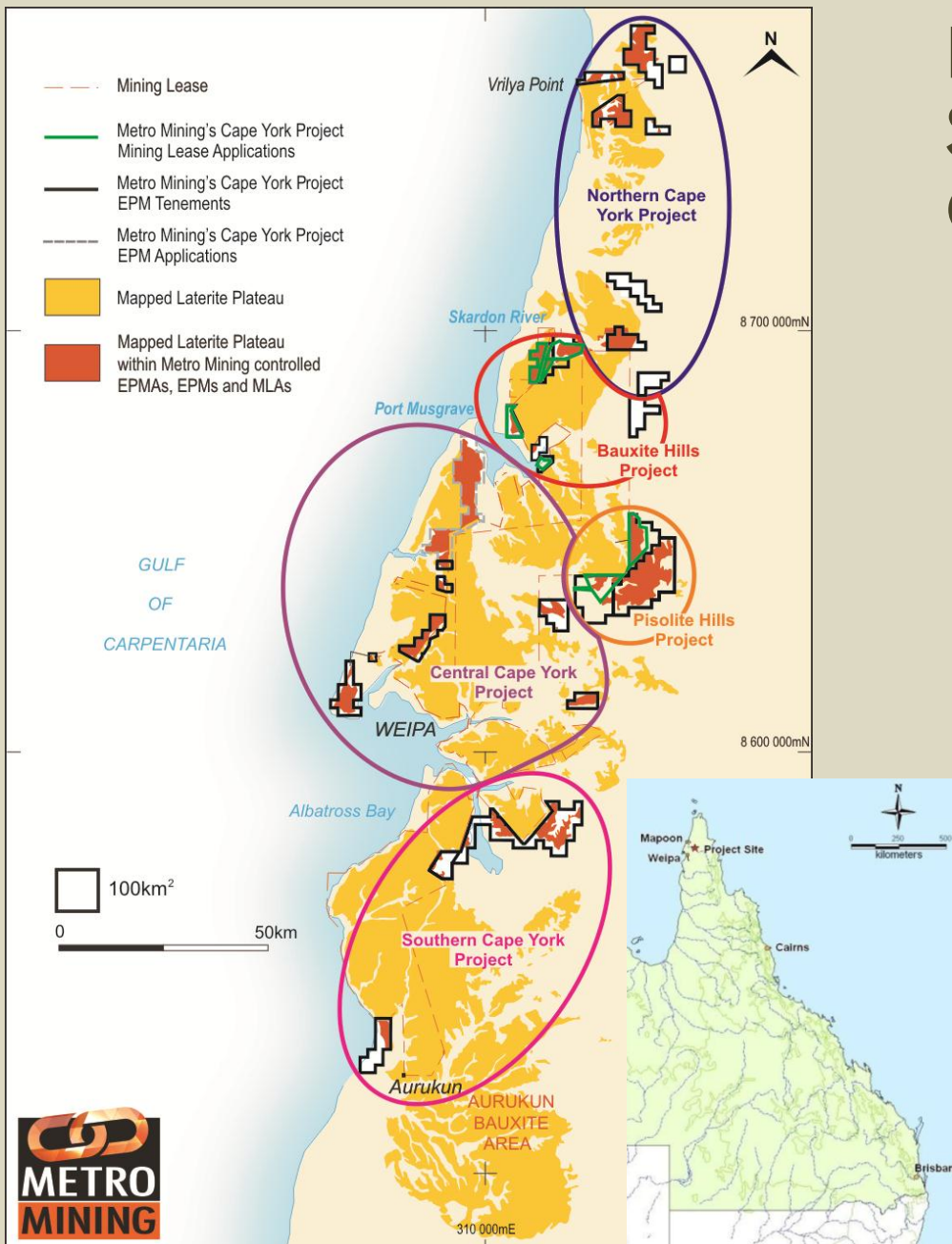
# PRICES FOR IMPORTED BAUXITE INCREASING

BASED ON GROWING DEMAND FROM CHINA AND LIMITED SUPPLY OPPORTUNITIES  
CHINESE IMPORTED BAUXITE PRICES HAVE GROWN DRAMATICALLY OVER THE PAST FIVE YEARS.



Source: ABX Quarterly Report June 2014

# BAUXITE HILLS – THE NEXT SUBSTANTIAL MINING OPERATION IN CAPE YORK



## The Right Location

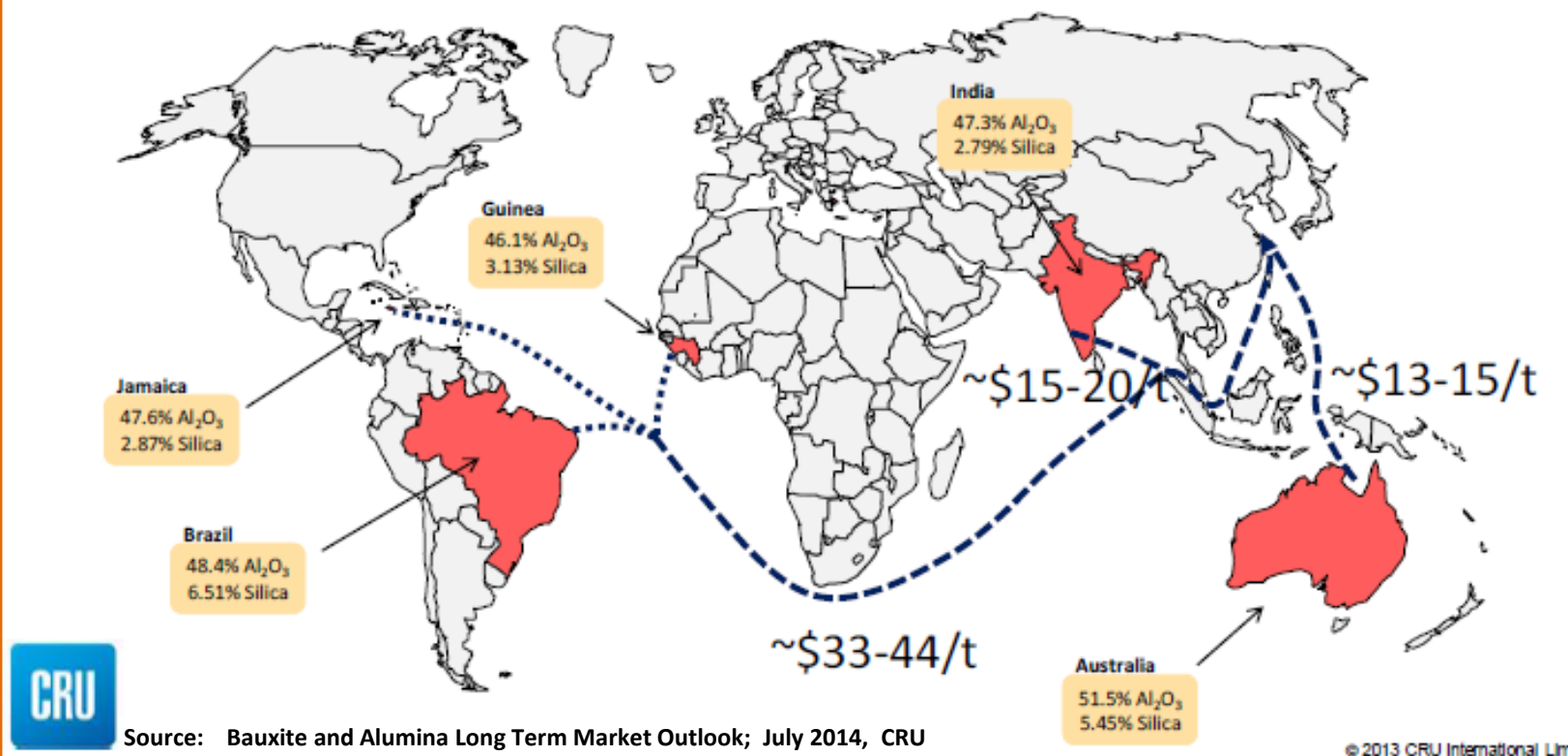
- Western Cape York has high-quality, export-grade bauxite with a high alumina content when compared to other Australian bauxite provinces.
- China has imported over 10Mtpa of bauxite from Rio's Weipa mine.
- Cape York bauxite quality and characteristics are well known to Chinese and other international alumina refineries.
- The proposed mine at Bauxite Hills is located close to international shipping routes with low freight costs to China.

# CAPE YORK BAUXITE HAS A FREIGHT ADVANTAGE



- Bauxite is available from West Africa & South America however ocean freight costs are high.
- Ocean freight rates from Cape York to China are much lower.

Average bauxite specifications and freight rates from different regions to China



# BAUXITE HILLS RESOURCE

Area	Resource Category	Dry <i>In-situ</i> DSO <sup>2</sup> Tonnes (Mt) <sup>1</sup>	DSO Bauxite Qualities			
			Total SiO <sub>2</sub> (%)	Total Al <sub>2</sub> O <sub>3</sub> (%)	THA <sup>3</sup> (%)	RxSi <sup>4</sup> (%)
BH1	Inferred	24.9	9	51.7	40.7	5.9
BH6	Inferred	22.1	12.2	51.2	39.3	6.7
TOTAL		47	10.5	51.5	40	6.3

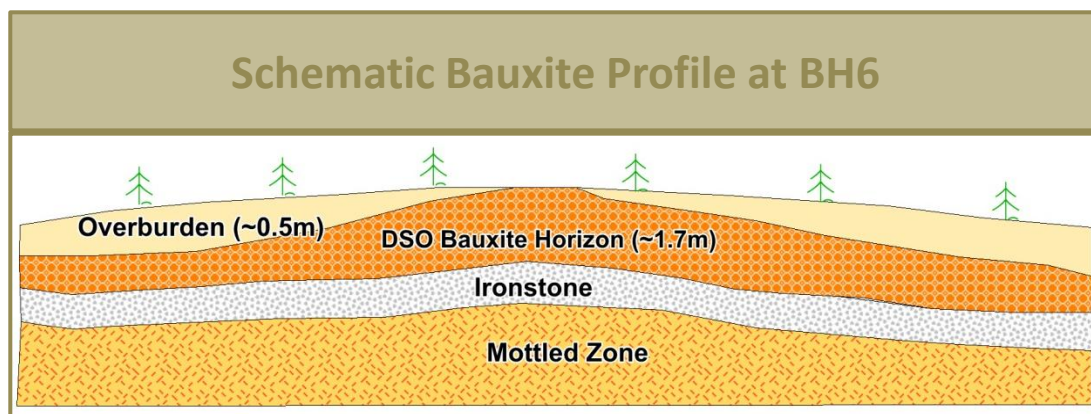
- ❖ <sup>1</sup> For BH1 and BH6 the tonnages are calculated using the following bulk densities determined from a program of sonic drilling; 1.6g/cm<sup>3</sup> for BH1 and 2g/cm<sup>3</sup> for BH6.
- ❖ <sup>2</sup> DSO or “Direct shipping ore” is defined as bauxite that can be exported directly with minimal processing and beneficiation.
- ❖ <sup>3</sup> THA is trihydrate available alumina (gibbsite alumina + kaolinite alumina – low temperature desilication product (DSP) alumina) at 150°C.
- ❖ <sup>4</sup> RxSi is reactive silica at 150°C



# MINING IS SHALLOW OPEN CUT TRADITIONAL EARTH MOVING EQUIPMENT



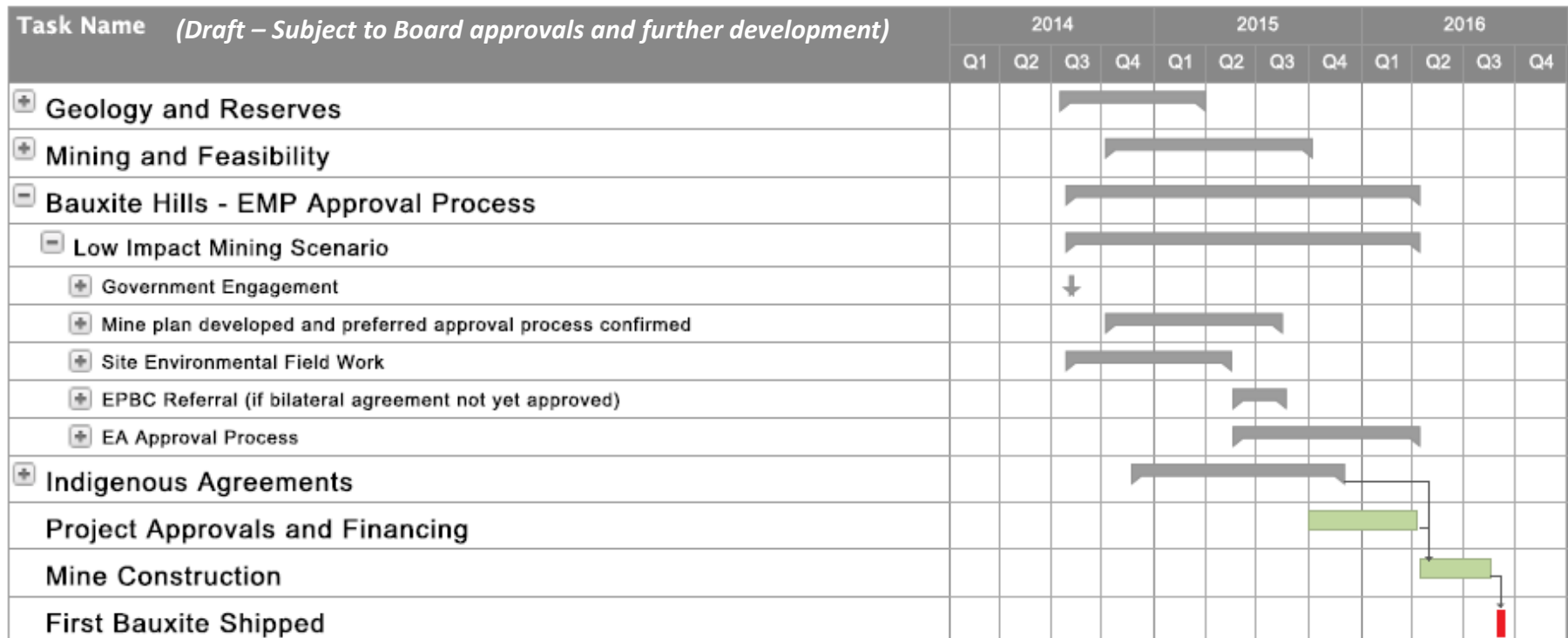
- ❑ Average bauxite thickness at BH6 is 1.7m and the average overburden thickness is 0.5m
- ❑ Average bauxite thickness at BH1 is 2.4m and the average overburden thickness is 0.4m



# BAUXITE HILLS PROPOSED DEVELOPMENT PATH



- ☐ Environmental Approvals on-track to meet the planned schedule
- ☐ Right to Negotiate Process underway with Traditional Owners
- ☐ Pre-Feasibility due February 2015





# THE METRO MINING INVESTMENT OPPORTUNITY



## AN OPPORTUNITY TO INVEST IN EARLY STAGE DEVELOPMENT OF A BAUXITE PROJECT

### □ Right Commodity

- Global growth in Aluminium consumption
- Increased demand for Bauxite in China
- DSO Quality Bauxite

### □ Right Location

- Western Cape York known for high-quality Export Grade Bauxite
- Proposed mine located close to international shipping routes
- Low freight costs to China

### □ Right Project

- Near term Production
- Simple DSO Project
- Long Mine Life
- Low CAPEX and OPEX
- Xinfu and Metro Mining investigating Offtake opportunities

**Metro Mining Limited**

**300 Adelaide St, Brisbane Q 4000**

**P: +61 7 3009 8000 | W: [metromining.com.au](http://metromining.com.au)**