



121 Mining Investment – Hong Kong

Compelling Investment Proposition



- Positive fundamentals for bauxite
- Simple DSO project, well located in Cape York's world class bauxite province
- Production expected 2018
- Low CAPEX, high margins, excellent economics
- Binding Offtake with Xinfu Group signed - 7Mt* over 4 year term**
- Proven, high quality team who have developed & operated mines globally
- Strategic financing from Greenstone and fully funded to decision to mine

Achievements Over Past 12 Months

Metro has been Rapidly Advancing Bauxite Hills

1 Off-take MOU with Xinfu ✓

2 DFS for 2Mtpa* ✓

3 Native Title & Land Access ✓

4 PFS for 4Mtpa** ✓

5 Transhipment Solution ✓

6 Strategic Stake in Gulf Secured ✓

7 EIS Submitted ✓

8 Greenstone Financing ✓

9 Signed off Take Agreement with China Xinfu Group



Strategic Financing with Greenstone Resources

Cornerstone Equity Investment at Significant Premium to Market

About Greenstone

- Specialist metals & mining private equity fund
- Established by former senior JP Morgan and Xstrata executives in 2013
- Significant in-house technical expertise including bauxite and aluminium
- Long term investment horizon – 10 year fund
- Experienced ASX investment track record – Heron (ASX:HRR) and Avanco (ASX:AVB)

Strategic Financing

- \$8.9 Million for 19.98% equity interest in Metro
- Investment priced at \$0.085 per share, 27% premium to closing price prior to announcement
- Ability to maintain equity interest via customary anti-dilution provisions
- Additional US\$20 Million of follow-on equity support available for construction of Bauxite Hills

Strategic Relationship

- Representative on Metro board
- Representative on the Bauxite Hills Development Steering Committee
- Metro to have access strategic, technical and financing expertise and industry relationships

Metro Fully Funded To Decision To Mine



A Proven Team

Metro's Board & Management Team have Successfully Developed & Operated over 30 Projects Globally

Key Team Members

Stephen Everett
Chairman

- Chemical engineer with over 40 years experience in resources and construction
- Formerly Chairman of BeMaX Resources

Simon Finnis
CEO

- Over 28 years experience & global resource sector experience
- Former CEO of Grande Côte Minerals Sands Operations in Senegal with responsibility for successful \$650m project development

Mike O'Brien
Project Director

- Mining engineer with over 40 years mining and minerals experience
- 25 years extensive management experience with Shell and Anglo American

Colleen Fish
Environmental
Manager

- Environmental scientist with over 25 years experience in environmental management
- Former Manager Environment, for Peabody Queensland with responsibility for 7 mine sites
- Member of Queensland Resource Council Environment Committee

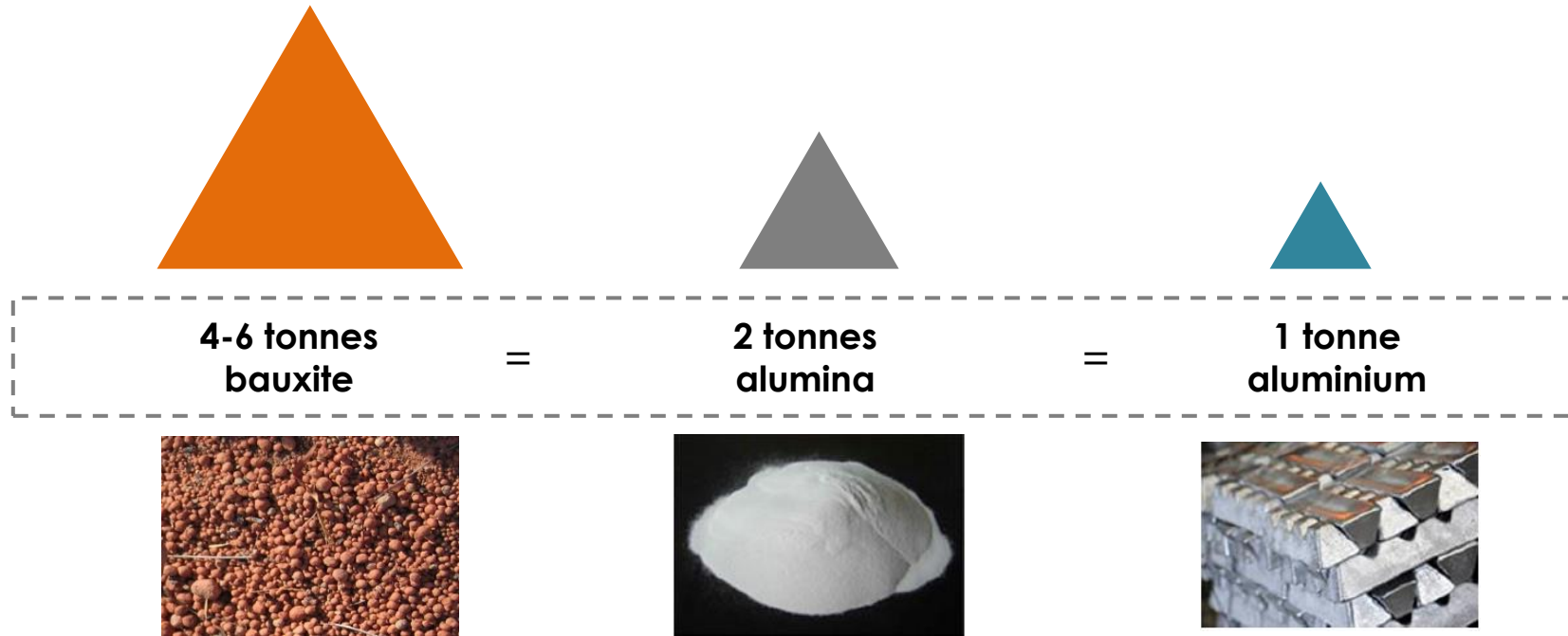
Norman Ting
GM, Marketing

- Over 30 years bauxite industry and marketing experience
- Former Chairman for Traxys China, former senior executive with WOGEN in UK, Hong Kong & China – which included representing Comalco (RTA) Bauxite and Alumina in Beijing



Bauxite is the Primary Ore of Aluminium

Key Ingredient for Manufacturing Aluminium



Key Bauxite Value Drivers

Grade	Alumina content ranges from 30% - 65% and silica ranges from 2% - 30%
Location	Proximity to buyer, supply reliability and sovereign risk

Metro Mining Ltd

Alumina 50-54 % Silica 6-9%

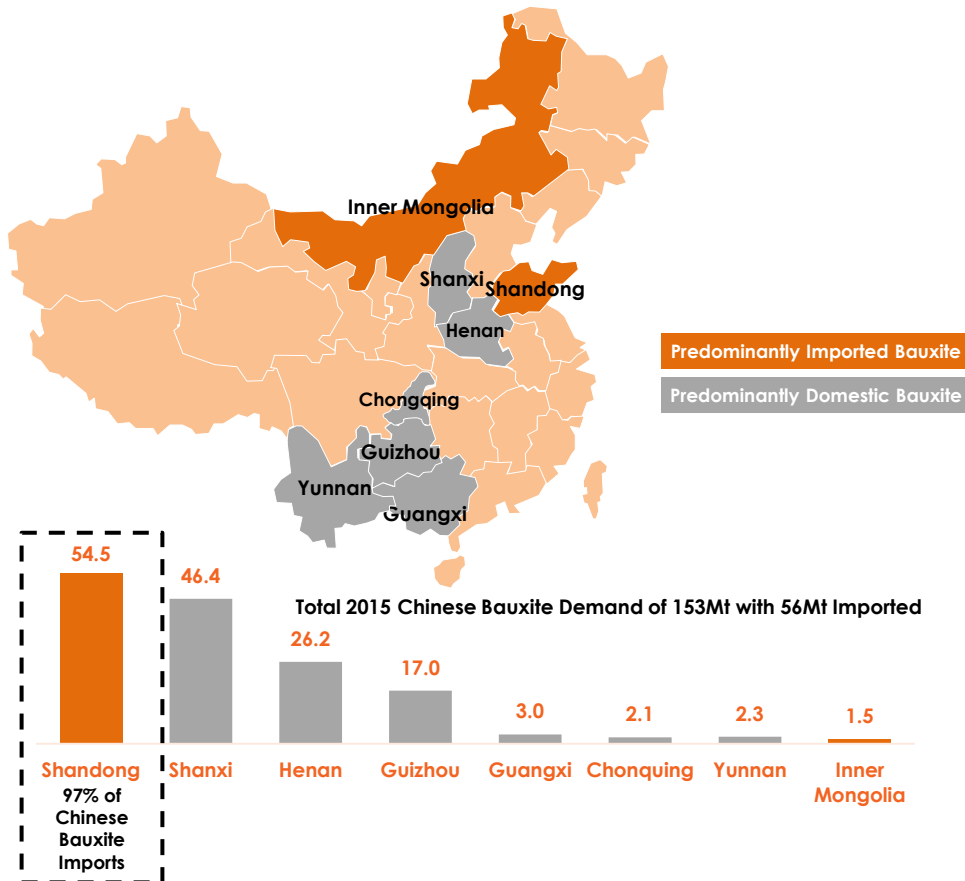
Close to market



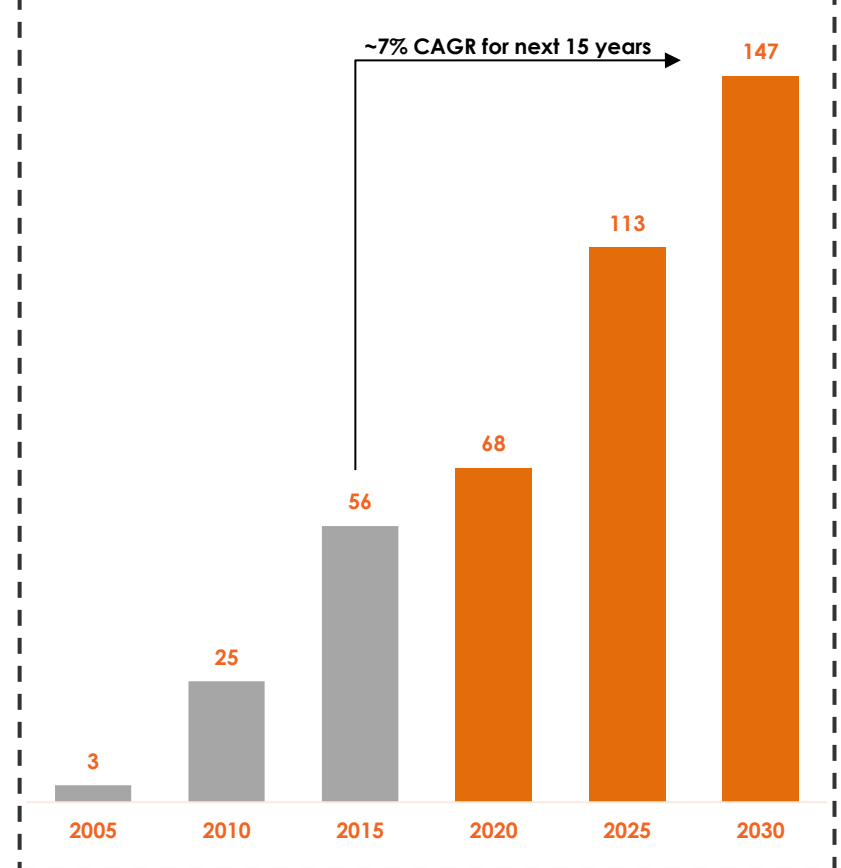
China Seaborne Market Driving Demand

**Structural Change due to Coastal Refining and Declining Reserves (<10 Years)
Driving Strong Chinese Demand for Imported Bauxite**

China Bauxite Demand (by 2015 Capacity Mtpa)

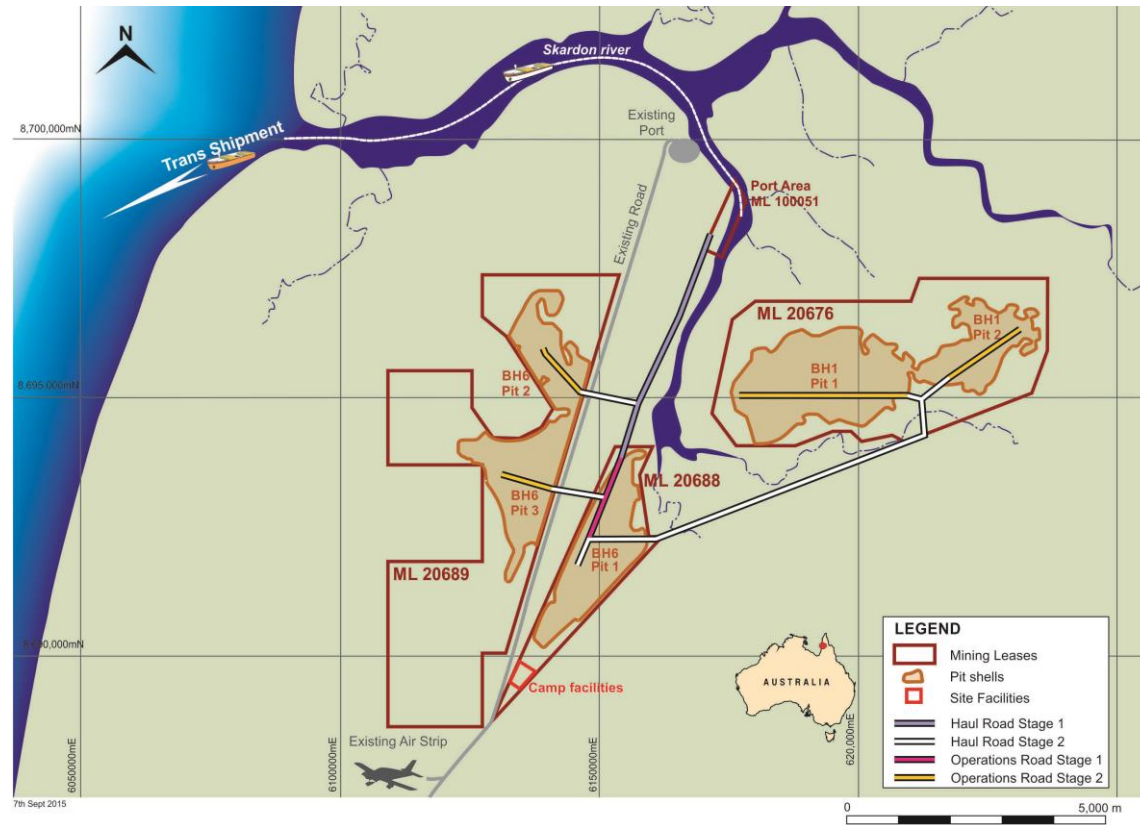


China Bauxite Imports (Mt)



Location Provides Brand & Value Driver

Located 95km North of Weipa with ready access via the Skardon River

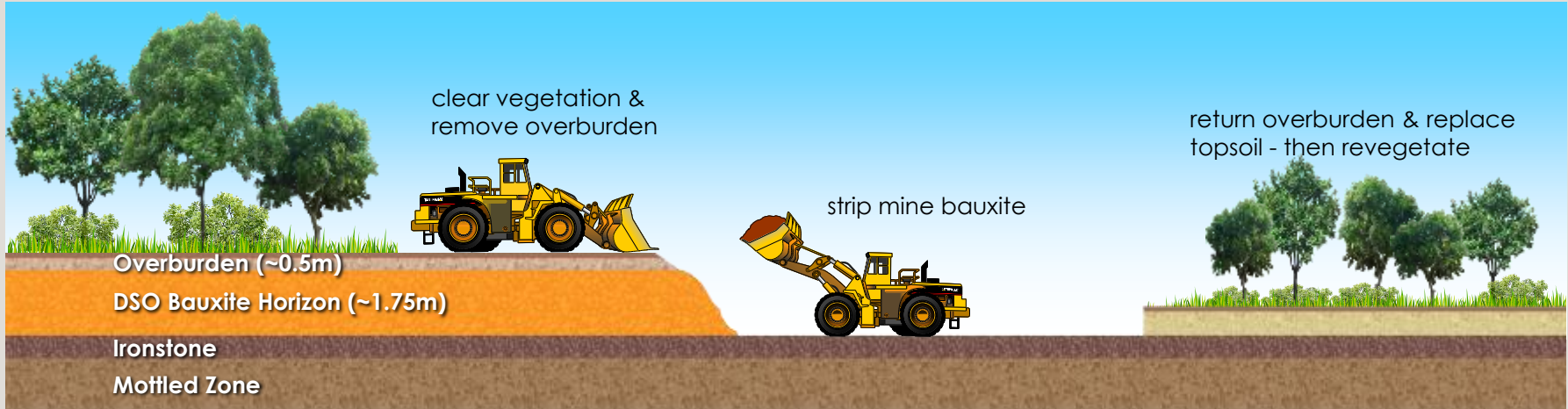


- Weipa is a world renowned and high quality bauxite province
- Adjacent to historic kaolin mining operation
- Compact site, undemanding terrain, easy access to ocean for bulk logistics solutions
- Advantageous proximity to key Chinese end market
- Strategic regional tenement position covering ~1,300km²

Operational Simplicity

Conventional Mining and Transportation Techniques

Mining



Haul ore 5-10km to stockpile & barge loading

Barge ore 10km down Skardon River

Tranship to bulk carrier, for export

Transportation



Transshipment Solution

Barging and Transshipment Solution to be Provided by Proven Operator

Barge Loading Facility (BLF)

Adequate water at low tide & accessible from tenements



Tugs & 'Dumb' Barges

Barge capacity of 2,500t - 3,800t depending on tide



Key Points

- TSA previously provided comparable tug and barge services for an iron ore producer operating out of Wyndham's, Cambridge Gulf in Western Australia
- TSA will provide and operate all tugs and barges required
- 24 hour barge loading, 17 hour per day transshipment
- No dredging or bed levelling required

Geared Ship Loading

(Panamax vessels loaded ~12km offshore)



Increased Production Scenario

Significant Scale Benefits Confirmed by PFS*



- **Detailed PFS completed by MEC Mining**
 - ▶ Based on DFS for 2Mtpa completed Nov 2015
- **4Mtpa steady state**
 - ▶ 2Mtpa for years 1 and 2
- **8 months of operation per year during dry season (April to November)**
 - ▶ 24 hour operation post ramp up with night shift to be added
- **+13 year mine life**
- **5 month construction period**
- **Low CAPEX and highly competitive cash costs**
- **Environmental footprint unchanged from 2Mtpa DFS**
- **DFS to consider benefit of 5Mtpa production scenario**

Key Results	
Steady State Production	4Mtpa
LOM Production	49.1Mt
Mine Life	13 years
Capex (inc 15% contingency)	A\$40.1m
Bauxite Price (FOB)	US\$38.6-45.4/t
Exchange Rate (AUD/USD)	0.75
LOM Average Total Operating Costs	A\$18.8/t
LOM Average Operating Margin	A\$33.6/t
LOM Average Annual EBITDA	A\$133.6m
Payback Period	1.2 years
NPV ₁₀ (post-tax)	A\$582m
IRR	156%

Signed Off-Take Agreement

Binding Bauxite Off-Take Agreement with China Xinha Group*

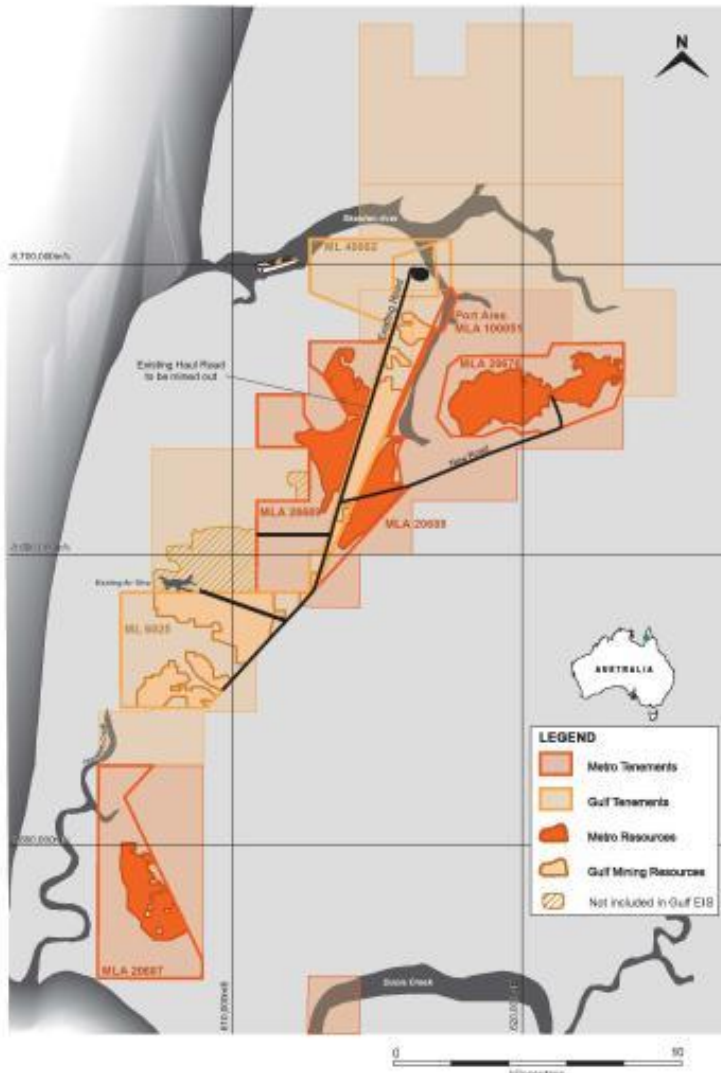


- Xinha is one China's largest integrated aluminium companies
- Four year fixed annual contract tonnage for a total of 7 million tonnes
- CIF pricing determined subject to agreed percentage of an established alumina index and bauxite quality
- Quality within defined parameters agreed with bonus/penalty arrangements in place
- Payment for each shipment to be made by irrevocable Letter of Credit
- Take or Pay provisions applicable to both parties through Liquidated Damages clauses

*Refer ASX Release 13 October 2016

Strategic Stake in Gulf

39% Stake In Neighbour Provides Multiple Benefits



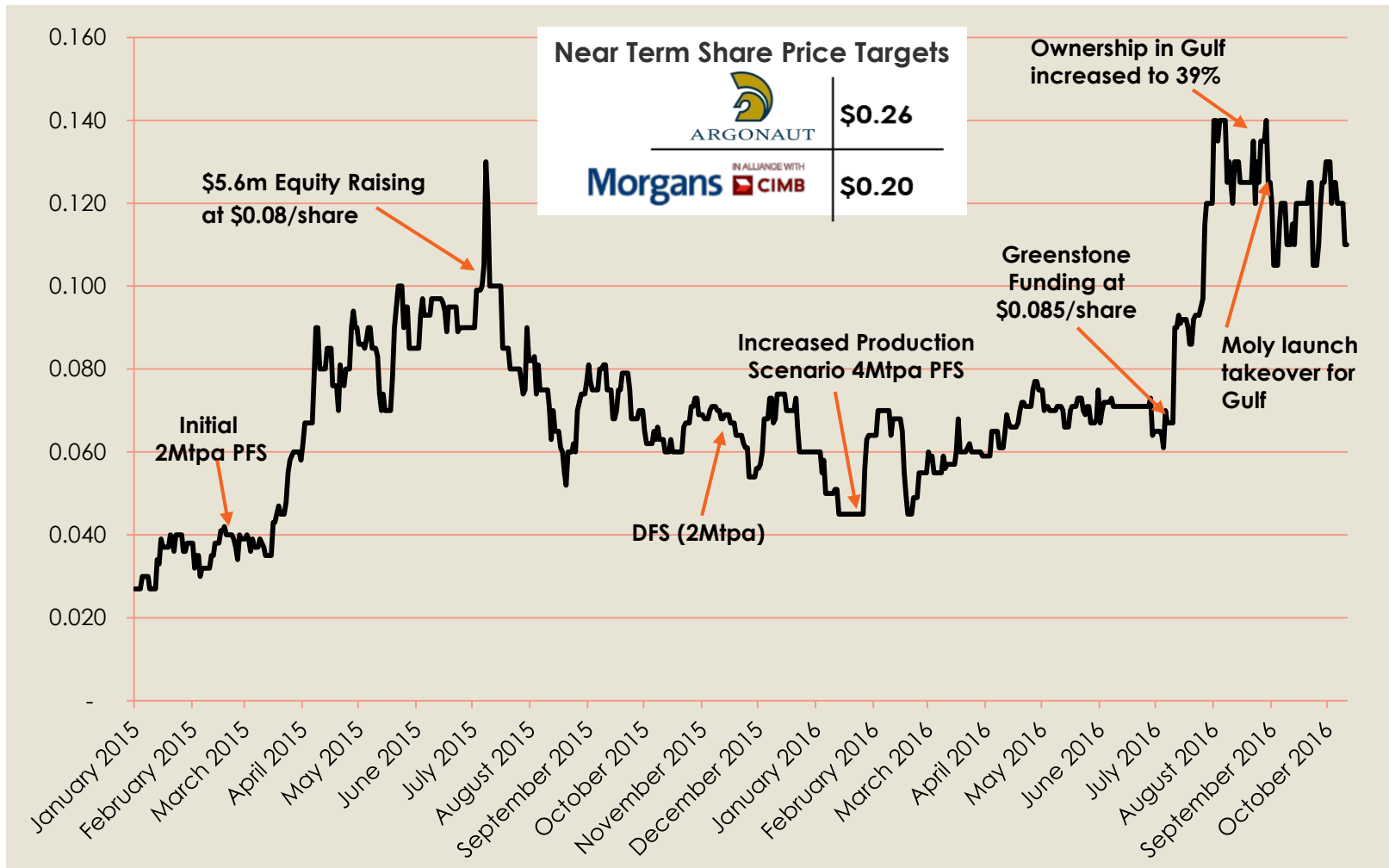
Key Points

- Off-market takeover offer closed June 2016.
- Metro is Gulf's largest shareholder with 39% stake.
- Gulf has similar reserves & resources to Metro and access to some legacy infrastructure associated with historic Kaolin mining but project is less advance in other areas .
- Enhances Metro's regional significance and strategic importance.
- Market relevance significantly increased.
- Potential upside available from collaboration at either project or corporate level.
 - ▶ Over \$200 Million of merger synergies identified by Gulf's independent expert Grant Thornton.
- Metro considering counter-offer after Moly launched a highly conditional offer with a nominal value of A\$0.46 plus 1.4 Moly Options per Gulf share



Metro Share Price

Current Share Price Provides Second-floor Entry with Significant Upside



CORPORATE & CONTACT DETAILS

Attractive Fundamentals, High Quality Project with Proven Team focused on Delivering Shareholder Value



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Competent Person Statement

The information in this report 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 Maclean 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.

The information in this report that relates to Mining and Reserves is based on information compiled by MEC Mining and reviewed by Maria Joyce, a Competent Person who is a Chartered Engineer of the Australasian Institute of Mining and Metallurgy. The information in this report to which this statement is attached that relates to the "Metro Mining – Bauxite Hills" Reserve Estimate based on information compiled by Maria Joyce, a consultant to Metro Mining and a Competent Person who is a Chartered Engineer of the Australasian Institute of Mining and Metallurgy. Maria Joyce is the head of the Technical Services division and full-time employee of MEC Mining Pty Ltd. Maria Joyce 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'. Maria Joyce consents to the inclusion in the report of the matters based on her information in the form and context in which it appears.