



# CEO Presentation at EGM

# Compelling Investment Proposition

## Metro Provides a Compelling Investment Opportunity



- Positive fundamentals for bauxite
- Simple DSO project, well located in Cape York's world class bauxite province
- Production expected Q2 2018\*
- Low CAPEX (~A\$40m), high margins, excellent economics (IRR +150%) and generating average annual EBITDA of A\$133m for 13 years
- Proven, high quality team who have developed & operated mines globally
- Strategic financing from Greenstone
- Fully funded to decision to mine
- Attractive share price upside

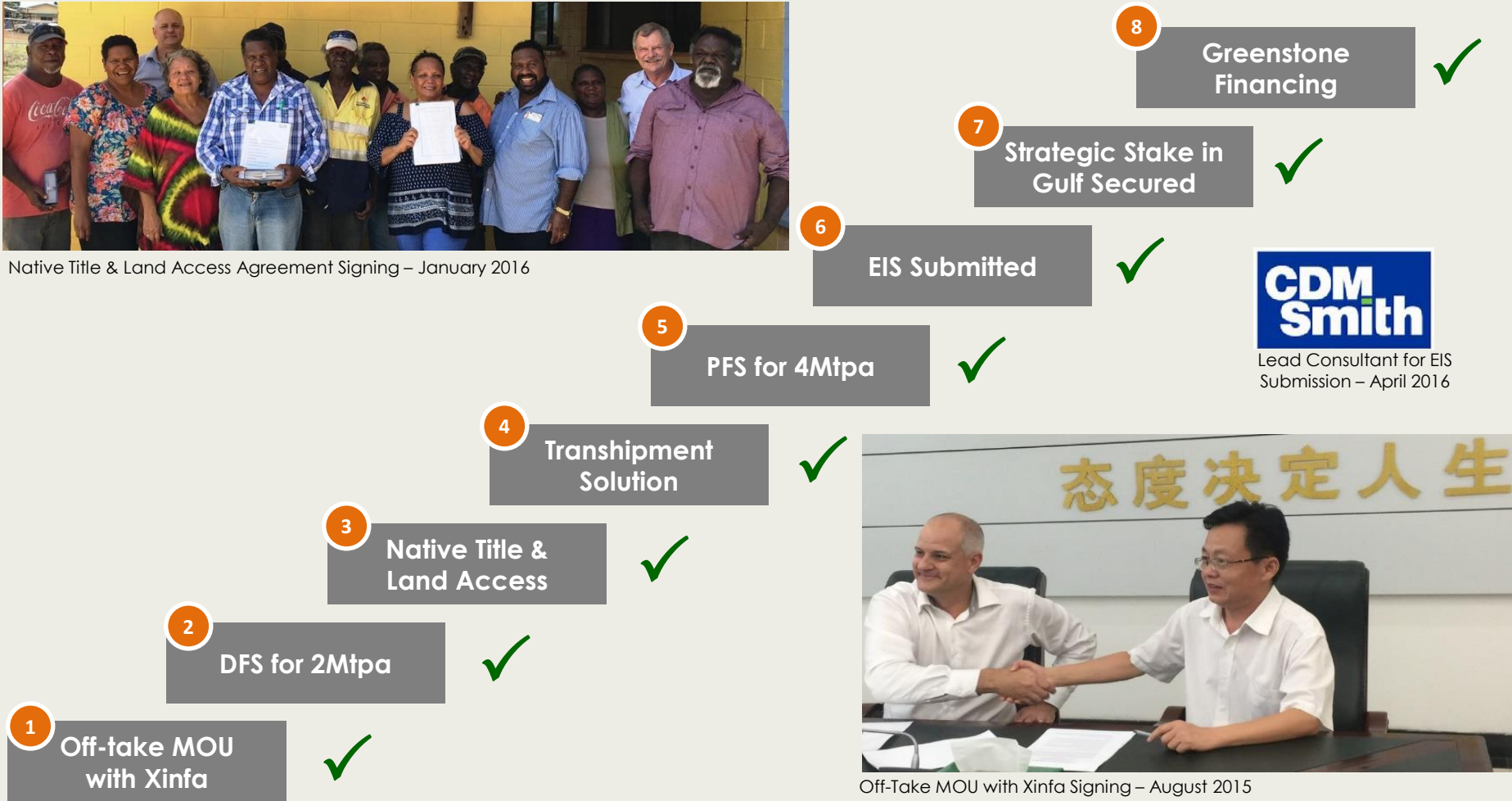
\*As a result of a possible delay to the Environmental Authority approval and to avoid the impact of the wet season the first shipment of bauxite from the Bauxite Hills Project is expected to be delayed approximately 6 months

# Achievements Over Past 12 Months

## Metro has been Rapidly Advancing Bauxite Hills



Native Title & Land Access Agreement Signing – January 2016



**CDM Smith**  
Lead Consultant for EIS Submission – April 2016



Off-Take MOU with Xinfa Signing – August 2015

# 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)



**GREENSTONE**  
RESOURCES

### 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 Now Fully Funded To Decision To Mine



# Proven Team

## Metro's Board & Management Team have Successfully Developed and 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**  
Chief Executive Officer

- 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

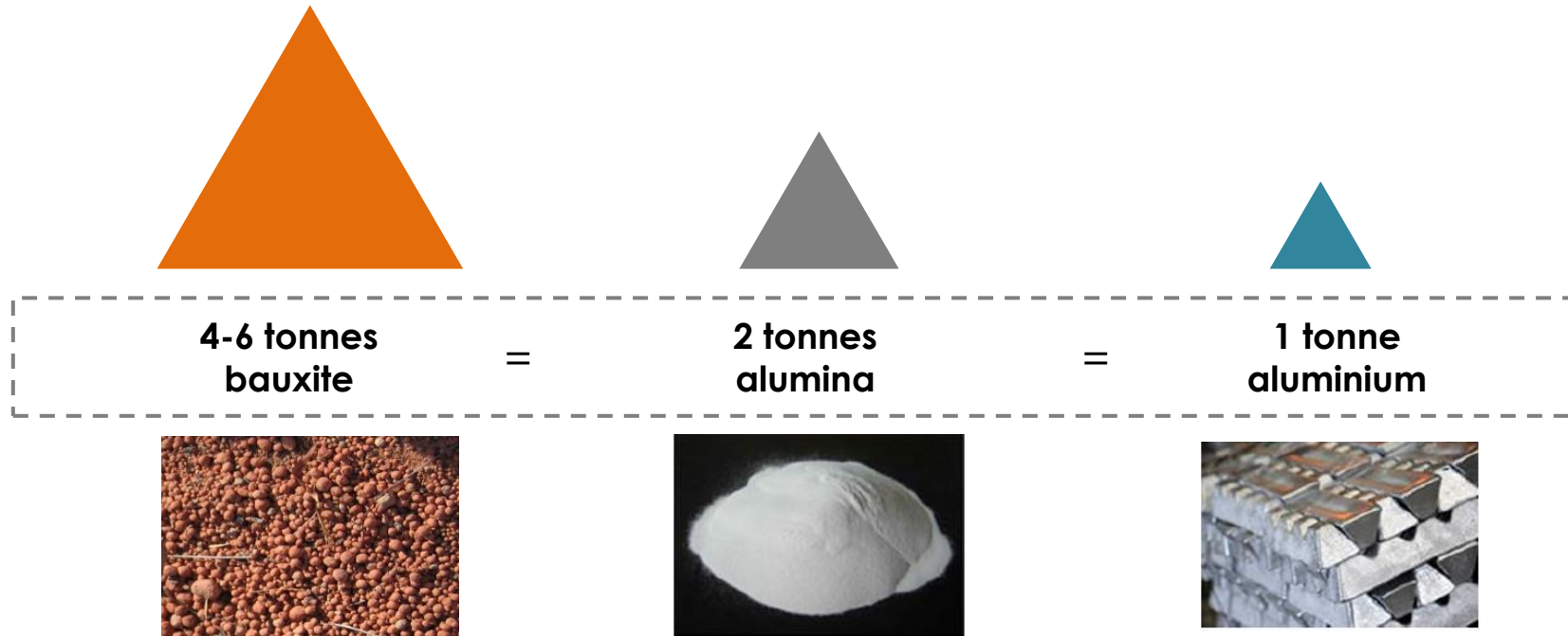
**Norman Ting**  
General Manager, Marketing

- 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%

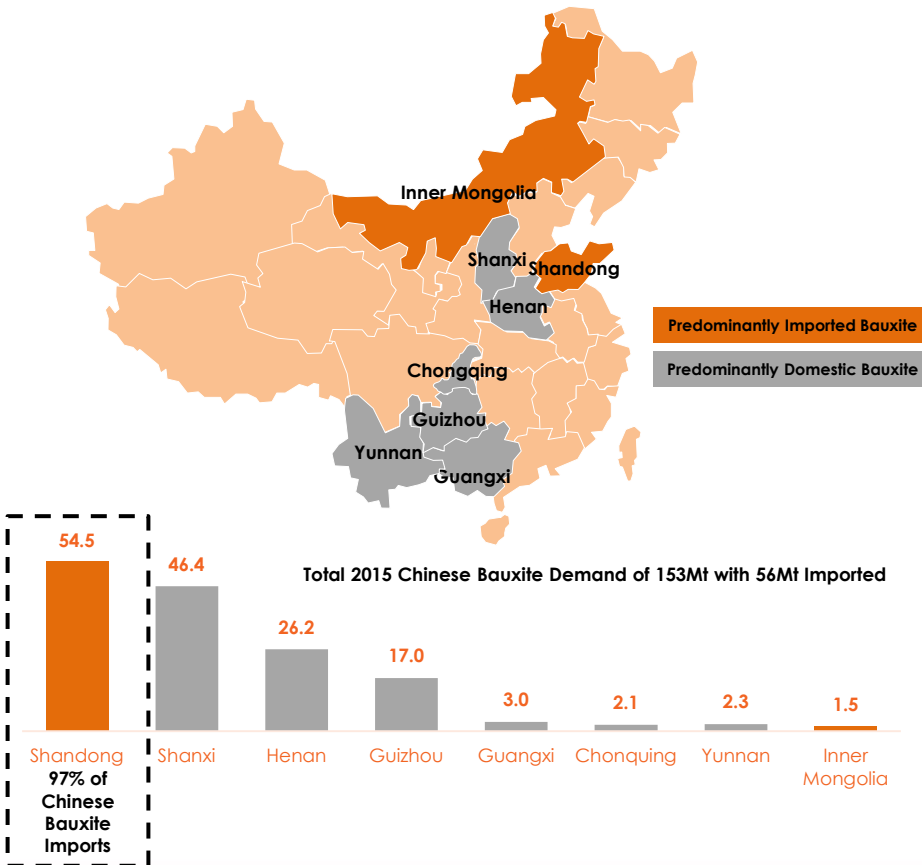
Close to Asia



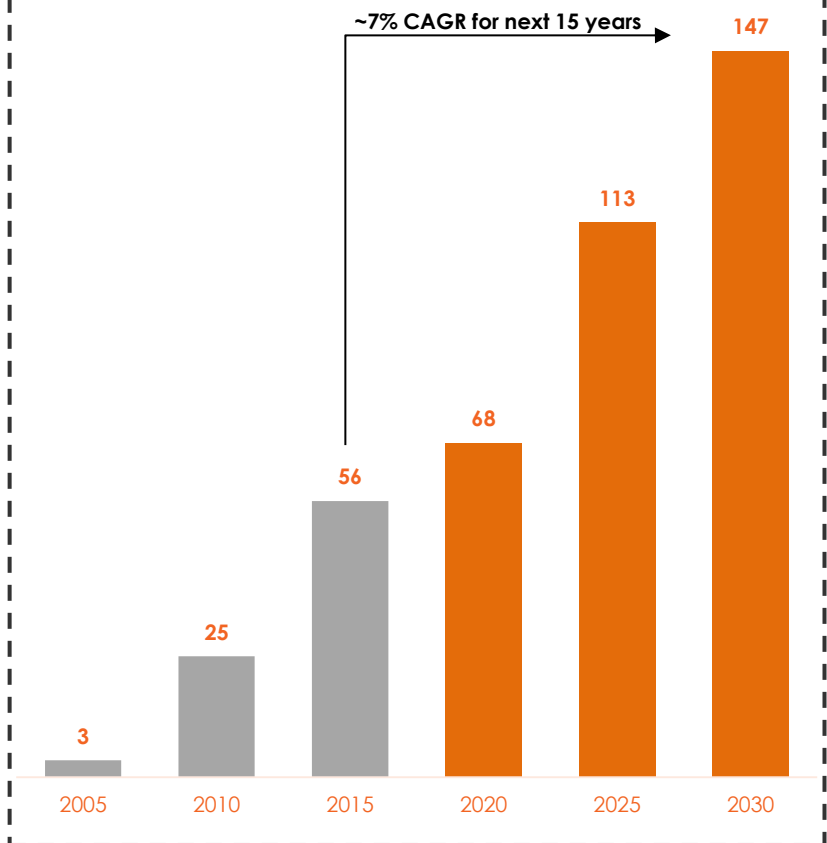
# China Seaborne Market Driving Demand

**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)**



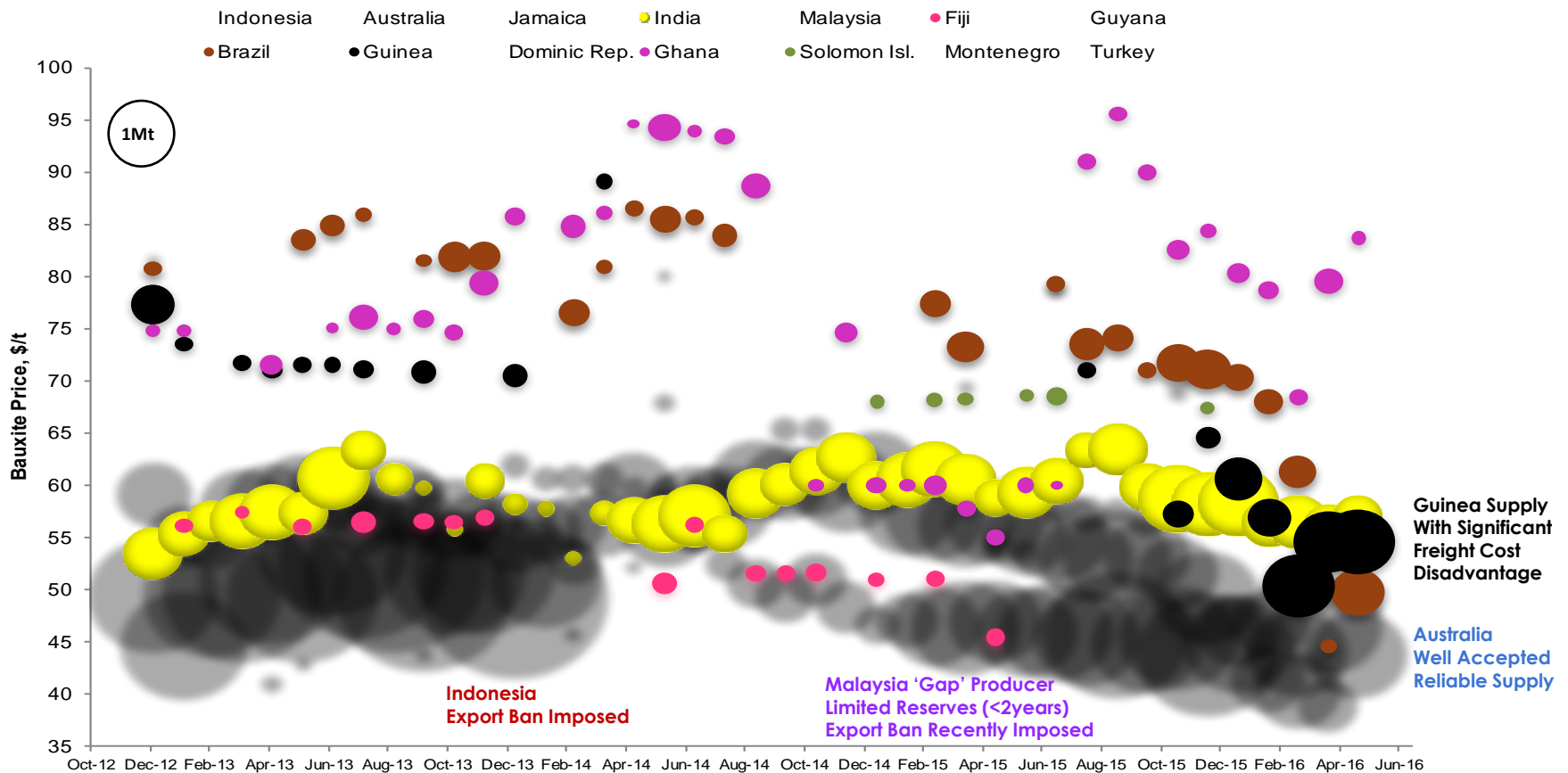
Source: CM Group



# Favourable Supply Dynamic

**Australia Ideally Placed To Meet Increased Chinese Demand With Proven, Well Accepted Product And Key Freight Advantage**

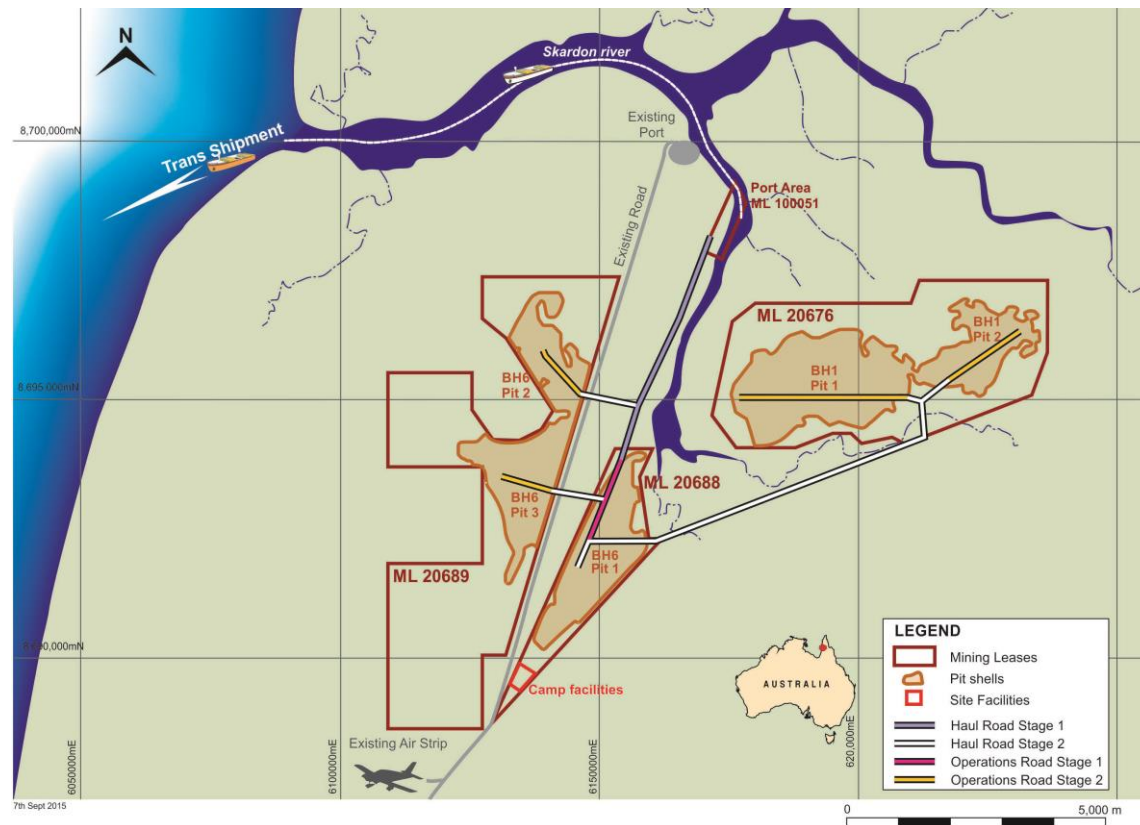
**China Bauxite Imports by Country, Volume & Price Last 4 Years**





# Location Provides Brand & Value Driver

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

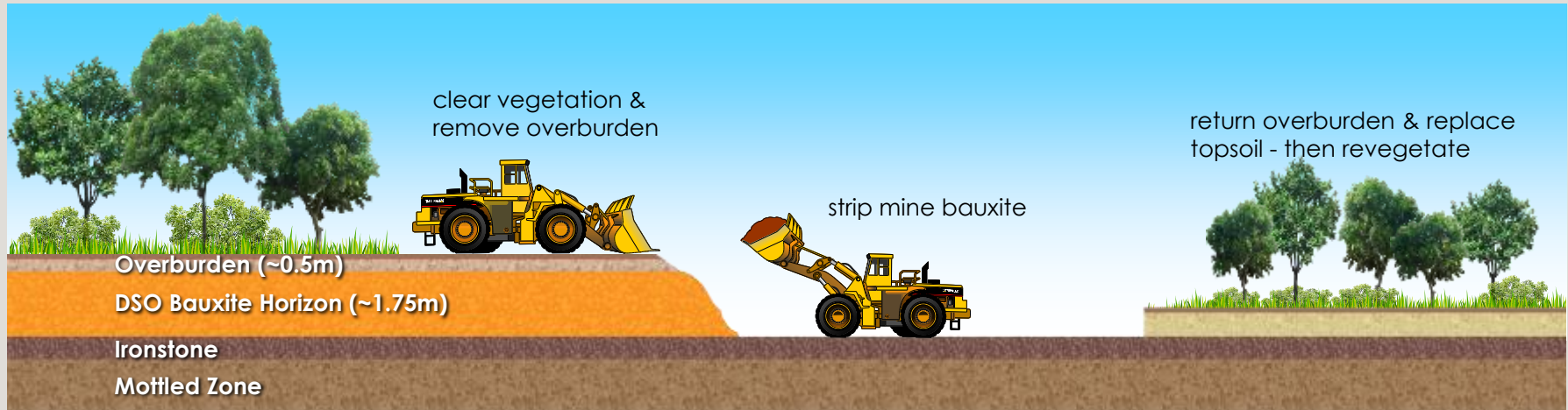


- Weipa is a world renowned and high quality bauxite province
- Adjacent to historic kaolin mining operation
- Compact site, undemanding terrain, easy access to ocean for bulk logistics solutions
- Advantageous proximity to key Chinese end market
- Strategic regional tenement position covering ~1,300km<sup>2</sup>

# 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 Recent 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 <sub>10</sub> (post-tax)	A\$582m
IRR	156%

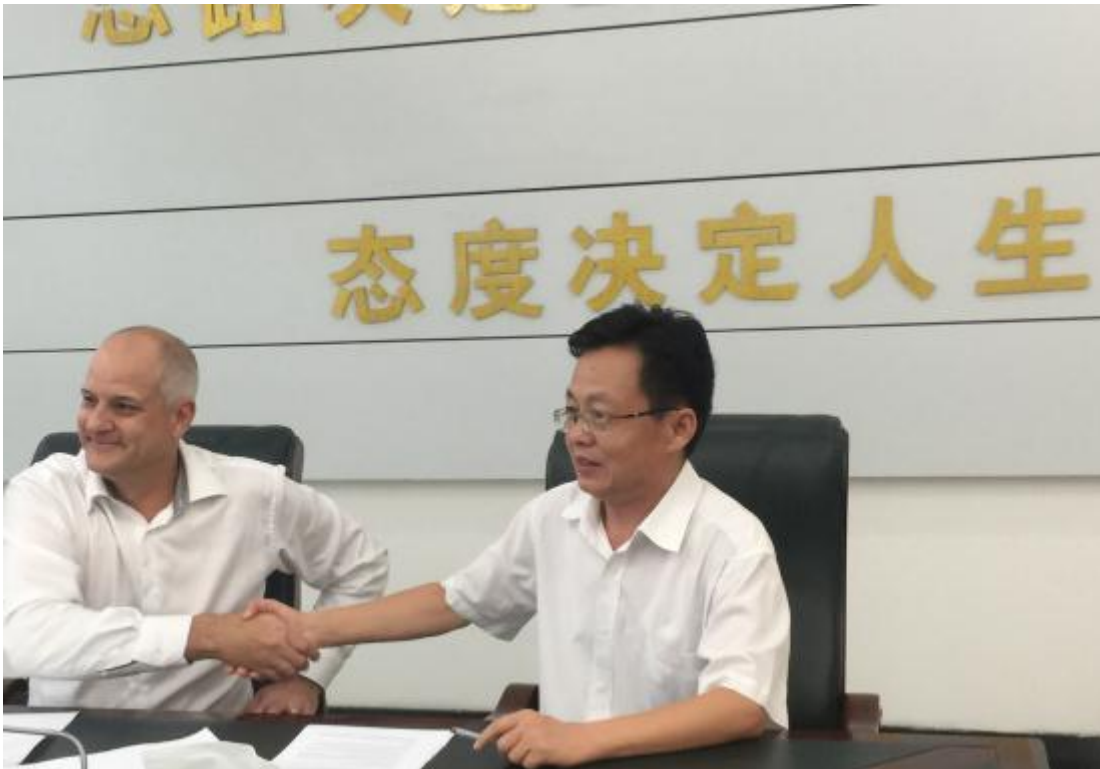
\*Metro confirms all material assumptions underpinning production target & corresponding financial information continue to apply & have not materially changed as per Listing Rule 5.19.2

\*\* Refer ASX Announcement 27 Jan 2016



# Off-Take Progress

## Product Quality Confirmed by Potential Customers with Initial Off-take MOU Secured & Discussions with other Possible Partners Progressing

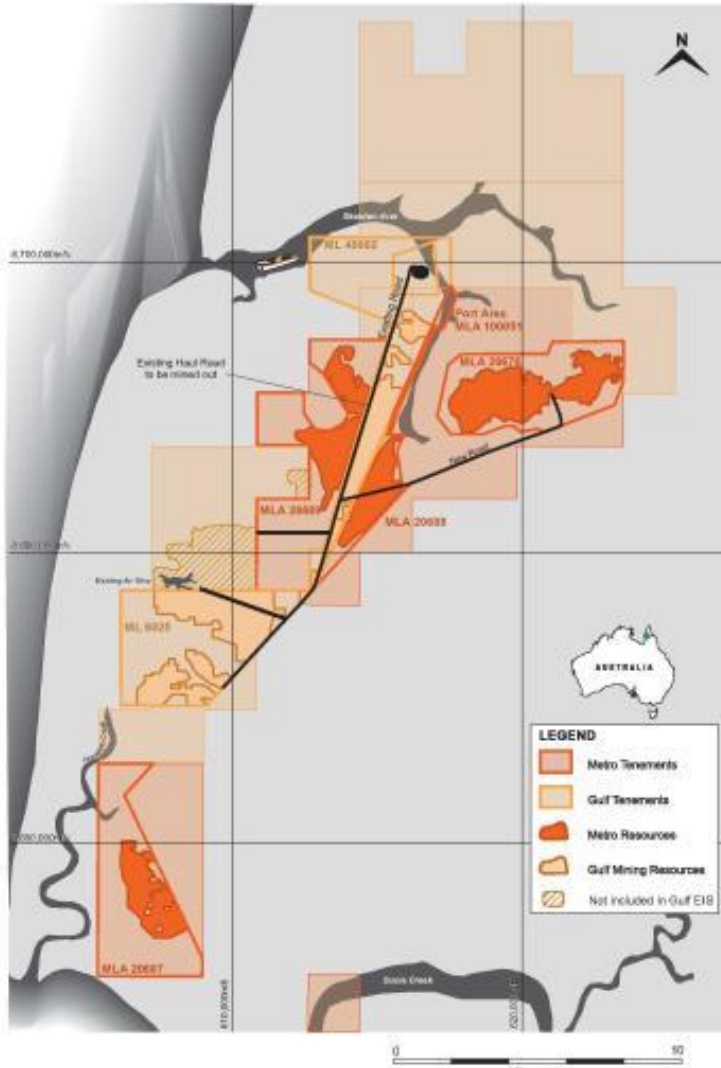


- **Off-take MOU secured with Xinfa**
  - ▶ Xinfa is one of the largest integrated aluminium companies in China
- **MOU secured in August 2015 based on previous 2Mtpa\* plan with following key terms:**
  - ▶ Initial term of 5 years
  - ▶ Minimum tonnage of 1Mtpa and up to a maximum of 1.2Mtpa
  - ▶ FOB pricing subject to market conditions and agreed quality parameters
  - ▶ Take or pay conditions with payment by irrevocable Letter of Credit
- **Strong levels of inquiry and interest**
- **Off-take discussions led by Metro's bauxite marketing expert Norman Ting**

\* Metro confirms all material assumptions underpinning production target & corresponding financial information continue to apply & have not materially changed as per Listing Rule 5.19.2

# Strategic Stake in Gulf

## 22% Stake In Neighbour Provides Multiple Benefits



### Key Points

- Off-market takeover offer closed in June
- Metro now Gulf's largest shareholder with 22% 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 and appeal
- Potential upside available from collaboration at either project or corporate level
  - ▶ Over \$200m of merger synergies identified by Gulf's independent experts Grant Thornton and Xtract

# Metro Share Price

## Current Share Price Provides Ground-floor Entry with Significant Upside





# CORPORATE & CONTACT DETAILS

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



## KEY CONTACT DETAILS

### Simon Finnis

Chief Executive Officer

Metro Mining Limited

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## REGISTERED OFFICE AND HEAD OFFICE

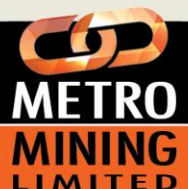
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## **Competent Person Statement**

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.