



ACN 117 763 443

ASX ANNOUNCEMENT

25th November 2014

2014 CHAIRMAN'S ADDRESS TO ANNUAL GENERAL MEETING

Good Morning Shareholders,

I am extremely pleased to stand here and report to shareholders that this year Metro has successfully repositioned itself in the bauxite market as well as retained our coal assets.

As you know Metro has spent the last couple of months managing a seamless merger with Cape Alumina; as we firmly believed this would benefit ALL shareholders – old and new.

I can report that as we enter the compulsory acquisition stage of the takeover, Metro now has 764 new shareholders.

In the Board's view the Cape merger was not only strategically important it was also commercially and economically prudent.

Merging with Cape made Metro a considerably more attractive investment vehicle as we are now a diversified bulk commodities company.

Having commodity diversification, through the merger with Cape, provides options to Metro.

- We will have greater resilience through commodity cycles;
- It strengthens our balance sheet;
- It increases our trading liquidity, and;
- Enhances our access to capital markets.

Metro already has one of Australia's largest thermal coal resources and now with the newly acquired bauxite resources we're in position to benefit from the strength of the current bauxite market and the future turnaround in coal.

It was only last year that the Board identified bauxite as a commodity that could provide the near term demand and price outlook that Metro was seeking along with the longer term outlook.

We had been observing the strong bauxite demand coming from China. Our assessment was enhanced further, when earlier this year, Indonesia (China's principle supplier) announced it was banning bauxite exports.

Cape had experienced an 'eventful' year particularly when mining in the Steve Irwin Wildlife Reserve, where their Pisolite Hills project was located, was banned and made that project unviable.

However, Metro saw an alternative attractive investment opportunity in Cape's Bauxite Hills Project which could be developed quickly and at a low capital cost.

Over the recent months Metro has worked enthusiastically with Cape in progressing the Bauxite Hills Project.

Our internal project review gave us sufficient confidence to finance the start of preliminary environmental approvals and to complete technical studies before commitment to feasibility studies. Additional cash will be needed to fund these feasibility studies and MetroCoal's strong cash balance will be able to provide these funds over the short term.

We see a bright future and are very excited by the merger of these two companies who have a lot to offer each other.

At this point I'd like to commend the extreme hard work of the Directors and personnel of both companies as it is only through the commitment to a shared vision that a merger of this type can succeed.

With the merger, Metro is pleased to announce a new CEO and a new name. The Company welcomes our new CEO, Mr Simon Finnis. Given Mr Finnis' recent experience through feasibility, construction and commissioning of both new and brown fields' operations he has ideal experience to bring Bauxite Hills on-line in the shortest time frame possible and in the most cost effective manner.

I would also like to thank Mike O'Brien for his leadership and dedication with the Company since its listing in 2009.

Regarding the name change the Board is proposing the new company be called "Metro Mining Limited". The new name reflects the new direction; it allows for a diversified portfolio and yet still retains a link to our origins.

In addition to our merger with Cape Alumina, this year MetroCoal has also explored other mineral opportunities in Australia and overseas. Again our focus has been on projects with low entry costs, in commodities and minerals, and positive price and demand outlooks.

Before closing I'd like to give an update on Metro's coal position – All our coal tenements are in very good standing as all expenditure commitments had been exceeded before the current downturn. As a result of this foresight, over the next four years, our significant coal resources can be retained with very low expenditure.

When I wrote to shareholders earlier this year I said the Board would focus on three core strategies.

1. Preserve the Company's Coal assets so that we can benefit when the market turns around;
2. Reduce Company administrative, corporate and tenement costs, and;
3. Investigate other opportunities in the Resources Industry that could give shareholders return value in the short to medium term.

As a Board we have delivered positive outcomes, as promised, in all these three areas.

At this point I'd like to thank my fellow Directors; Management and staff for their hard work, loyalty and commitment this year which has seen us emerge in a strong position from this challenging period. I'd like to thank our major shareholders DADI Engineering and our Coolumbola Joint Venture partner, SinoCoal Resources, for their support throughout the year.

I'd also like to welcome our new shareholders who have recently joined the company; especially Xinfu, Bondline and Balanced Property whose support made our takeover bid successful. We are looking forward to their continued support in the development of the Bauxite Hills Project.

Most of all I'd like to thank our shareholders, some of you have been with us from the beginning and some are just new however it is through your belief and commitment to our vision that MetroCoal has been able to enjoy the success it has had and weather the storm that invariably comes our way from time to time.

We have finished the 2014 financial year with \$6.5 Million cash and have ensured your Company remains financially healthy.

I said last year that MetroCoal will look very different at the end of this yearAnd it does!

I am personally very excited by the prospects and opportunities ahead with our bauxite and coal assets and I am looking forward to seeing the new Metro Mining Limited reach its full potential.

Stephen Everett

Chairman

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