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MASSIVE BOOST FOR METRO MINING'S BAUXITE HILLS PROJECT

In an announcement that will be seen as major boost for the mining industry in Far North Queensland, Metro Mining says a Pre-Feasibility Study of its Bauxite Hills flagship project has delivered an excellent Net Present Value (NPV 15%) of \$197 million.

Metro Mining's Bauxite Hills Project is located approximately 95 km north of Weipa on Western Cape York in North Queensland. Western Cape York is world-renowned for its deposits of high-quality, export-grade bauxite.

In an official announcement to the Australian Stock Exchange today, Metro Mining (ASX: MMI) says an independent Pre Feasibility Study conducted by MEC Mining Consultants estimated a 20 year + life for the mine at a mining rate of 2 million tonnes per annum of Direct Shipment Ore (DSO).

The Pre Feasibility Study supports the company's strategy to develop Bauxite Hills as soon as possible. Project approvals are expected by the first half of next year with production targeted for the third quarter of 2016.

Metro Mining CEO Simon Finnis says the low capital expenditure to establish the Project of \$27.4 million, combined with a simple operating strategy delivering low operating costs, means a long-term project, with excellent margins.

"We avoid costs associated with the beneficiation of the bauxite," Mr Finnis said.

"High quality bauxite available with minimal overburden means shallow, free-digging. Our projected costs have been reduced.

"International demand for bauxite, thanks to Indonesia's ban on raw material exports, is increasing and our proposed mine is located close to international shipping routes with low freight costs to China," Mr Finnis said.

In an official report Australian Federal Government agency Geoscience Australia says the bauxite market appears to be undergoing structural change.

The agency says Australia has had an integrated bauxite-alumina-aluminium industry but the rise of Chinese alumina refineries and aluminium smelters, along with industry changes in Indonesia, has created new market opportunities for direct export of the raw commodity.

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