

Prospectus

Metro Mining Limited ACN 117 763 443 (**Company**)

A non-renounceable rights issue to Eligible Shareholders of 1 New Share for every 7 Shares held at an issue price of \$0.08 per New Share to raise approximately \$3,600,000 before costs

This document is important and it should be read in its entirety

The joint lead managers and joint underwriters of the Offer are Argonaut Capital Limited and GMP Securities Europe LLP

Your Entitlement and Acceptance Form must be received by the Share Registry with your payment no later than 5.00pm (AEST time) on the Closing Date. Please refer to the timetable set out in this Prospectus for the Important Dates.

If you are in any doubt as to the contents of this document, you should consult your stockbroker, solicitor, banker, financial advisor or accountant as soon as possible. The securities offered by this Prospectus are considered to be speculative.

Important information

Offer statistics

Number of New Shares to be issued: up to 44,816,857*

Issue Price: \$0.08

*Excludes any New Shares which may be issued in the event that any Existing Options are exercised prior to the Record Date.

Key dates for investors

Record Date for determining entitlements under the Issue: 24 July 2015

Offer opens: 31 July 2015

Offer expected to close: 28 August 2015

Commencement of trading of New Shares on ASX: 7 September 2015

Expected date for despatch of New Shareholding statements: 9 September 2015

Further details regarding the timetable for the Offer are set out in section 2.2. All dates are subject to change and accordingly are indicative only. In particular, the Company has the right to vary the dates of the Offer, without prior notice. Investors are encouraged to submit their Entitlement and Acceptance Forms as soon as possible after the Offer opens.

Important notice

This Prospectus is dated and was lodged with the ASIC on the same date. Neither the ASIC nor the ASX takes any responsibility as to the contents of this Prospectus. No securities will be issued on the basis of this Prospectus any later than 13 months after the date of issue of this Prospectus.

This Prospectus contains an offer to Eligible Shareholders of continuously quoted securities (as defined in the *Corporations Act*) and has been prepared in accordance with section 713 of the *Corporations Act*.

No person is authorised to give any information or to make any representation in connection with the Offer described in this document which is not contained in this document. Any information or representation not so contained may not be relied on as having been authorised by the Company in connection with the Issue.

Foreign shareholders

This document does not constitute an offer of New Shares in any jurisdiction in which it would be unlawful. New Shares may not be offered or sold in any country outside Australia except to the extent permitted below.

The Company has decided that it is unreasonable to make offers under the Issue to Shareholders with registered addresses outside of Australia, New Zealand, United Kingdom, Hong Kong and Cyprus having regard to the number of Shareholders in those places, the number and value of the New Shares they would be offered and the cost of complying with the legal and regulatory requirements in those places. Accordingly, the Offer is not being extended to, and does not qualify for distribution or sale by, and no New Shares will be issued to Shareholders having registered addresses outside of Australia, New Zealand, United Kingdom, Hong Kong and Cyprus.

The Company has not made any investigation as to the regulatory requirements that may prevail in the countries, outside of Australia, New Zealand, United Kingdom, Hong Kong and Cyprus, in which the Company's Shareholders may reside. It is the responsibility of overseas Applicants to ensure compliance with all laws of any country relevant to their Acceptance. The Offer may only be accepted by Eligible Shareholders and does not constitute an offer in any place in which or to any person to whom, it would be unlawful to make such an offer.

The distribution of this Prospectus in jurisdictions outside Australia, New Zealand, United Kingdom, Hong Kong and Cyprus may be restricted by law and persons who come into possession of this Prospectus should seek advice on and observe those restrictions. Any failure to comply with restrictions might constitute a violation of applicable securities laws.

See section 2.10 for further information on Offer restrictions with respect to Shareholders who do not have registered addresses in Australia.

New Zealand

The New Securities are not being offered to the public within New Zealand other than to existing Shareholders of the Company with registered addresses in New Zealand to whom the offer of these securities is being made in reliance on the *Securities Act (Overseas Companies) Exemption Notice 2013 (New Zealand)*.

This document has not been registered, filed with or approved by any New Zealand regulatory authority under the *Securities Act 1978 (New Zealand)*. This document is not an investment statement or prospectus under New Zealand law and is not required to, and may not, contain all the information that an investment statement or prospectus under New Zealand law is required to contain.

Hong Kong

WARNING: This document has not been, and will not be, registered as a prospectus under the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32) of Hong Kong, nor has it been authorised by the Securities and Futures Commission in Hong Kong pursuant to the Securities and Futures Ordinance (Cap. 571) of the Laws of Hong Kong (the "SFO"). No action has been taken in Hong Kong to authorise or register this document or to permit the distribution of this document or any documents issued in connection with it. Accordingly, the New Shares have not been and will not be offered or sold in Hong Kong other than to "professional investors" (as defined in the SFO).

No advertisement, invitation or document relating to the New Shares has been or will be issued, or has been or will be in the possession of any person for the purpose of issue, in Hong Kong or elsewhere that is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to New Shares that are or are intended to be disposed of only to persons outside Hong Kong or only to professional investors (as defined in the SFO and any rules made under that ordinance). No person allotted New Shares may sell, or offer to sell, such securities in circumstances that amount to an offer to the public in Hong Kong within six months following the date of issue of such securities.

The contents of this document have not been reviewed by any Hong Kong regulatory authority. You are advised to exercise caution in relation to the offer. If you are in doubt about any contents of this document, you should obtain independent professional advice.

United Kingdom

Neither the information in this document nor any other document relating to the offer has been delivered for approval to the Financial Services Authority in the United Kingdom and no prospectus (within the meaning of section 85 of the Financial Services and Markets Act 2000, as amended ("FSMA")) has been published or is intended to be published in respect of the New Shares. This document is issued on a confidential basis to fewer than 150 persons (other than "qualified investors" (within the meaning of section 86(7) of FSMA)) in the United Kingdom, and the New Shares may not be offered or sold in the United Kingdom by means of this document, any accompanying letter or any

other document, except in circumstances which do not require the publication of a prospectus pursuant to section 86(1) FSMA. This document should not be distributed, published or reproduced, in whole or in part, nor may its contents be disclosed by recipients to any other person in the United Kingdom.

Any invitation or inducement to engage in investment activity (within the meaning of section 21 FSMA) received in connection with the issue or sale of the New Shares has only been communicated or caused to be communicated and will only be communicated or caused to be communicated in the United Kingdom in circumstances in which section 21(1) FSMA does not apply to the Company.

European Economic Area – Cyprus

The information in this document has been prepared on the basis that all offers of New Shares will be made pursuant to an exemption under the Directive 2003/71/EC ("Prospectus Directive"), as amended and implemented in Member States of the European Economic Area (each, a "Relevant Member State"), from the requirement to produce a prospectus for offers of securities.

An offer to the public of New Shares has not been made, and may not be made, in a Relevant Member State except pursuant to one of the following exemptions under the Prospectus Directive as implemented in that Relevant Member State:

- to any legal entity that is authorized or regulated to operate in the financial markets or whose main business is to invest in financial instruments;
- to any legal entity that satisfies two of the following three criteria: (i) balance sheet total of at least €20,000,000; (ii) annual net turnover of at least €40,000,000 and (iii) own funds of at least €2,000,000 (as shown on its last annual unconsolidated or consolidated financial statements);
- to any person or entity who has requested to be treated as a professional client in accordance with the EU Markets in Financial Instruments Directive (Directive 2004/39/EC, "MiFID"); or
- to any person or entity who is recognised as an eligible counterparty in accordance with Article 24 of the MiFID.

United States

This document may not be released or distributed in the United States. This document does not constitute an offer to sell, or a solicitation of an offer to buy, securities in the United States. Any securities described in this document have not been, and will not be, registered under the US Securities Act of 1933 and may not be offered or sold in the United States except in transactions exempt from, or not subject to, registration under the US Securities Act and applicable US state securities laws.

How to accept Entitlement to New Shares

Entitlements to New Shares can be accepted in full or in part by completing and returning the Entitlement and Acceptance Form which is accompanying this Prospectus or making payment of Acceptance Money by BPAY® in accordance with the instructions set out in this Prospectus and on the Entitlement and Acceptance Form.

This Prospectus is available in electronic form on the internet at www.metromining.com.au. If you wish to obtain a free copy of this Prospectus, please contact the Share Registry on 1300 880 732 (or +61 1300 880 732 for overseas callers) or the Company on +61 7 3009 8000.

Enquiries

If you are an Eligible Shareholder and have any questions in relation to the Offer, please contact your stockbroker or professional adviser. If you have questions in relation to the Shares upon which your Entitlement has been calculated, or how to complete the Entitlement and Acceptance Form, take up your Entitlement, please call the Share Registry on:

- 1300 880 732 for callers within Australia; or
- +61 1300 880 732 for overseas callers.

Deciding to accept the Offer

No person named in this Prospectus, nor any other person, guarantees the performance of Metro Mining, the repayment of capital or the payment of a return on the New Shares.

Please read this Prospectus carefully before you make a decision to invest. An investment in the Company has a number of specific risks which you should consider before making a decision to invest. Some of these risks are summarised in section 1.5 of this Prospectus and set out in more detail in section 6 of this Prospectus. This Prospectus is an important document and you should read it in full before deciding whether to invest pursuant to the Offer. You should also have regard to other publicly available information about the Company, including ASX announcements, which can be found at the Company's website: www.metromining.com.au.

Terms used

A number of terms and abbreviations used in this Prospectus have defined meanings, which are explained in the definitions and glossary in section 8.

Money as expressed in this Prospectus is in Australian dollars unless otherwise indicated.

Forward looking statements

Some of the information contained in this Prospectus constitutes forward-looking statements that are subject to various risks and uncertainties. Forward-looking statements include those containing such words as 'anticipate', 'estimate', 'should', 'will', 'expects', 'plans' or similar expressions. These statements discuss future objectives or expectations concerning results of operations or financial conditions or provide other forward-looking information. The Company's actual results, performance or achievements could be significantly different from the results or objectives expressed in, or implied by, those forward-looking statements. This Prospectus details some important factors that could cause the Company's actual results to differ from the forward-looking statements made in this Prospectus.

No representations

No person is authorised to give any information or to make any representation in connection with the Offer which is not contained in this Prospectus. Any information or representation in connection with the Offer not contained in this Prospectus may not be relied on as having been authorised by the Company or its officers. This Prospectus does not provide investment advice or advice on the taxation consequences of accepting the Offer. The Offer and the information in this Prospectus, do not take into account your investment objectives, financial situation and particular needs (including financial and tax issues) as an investor.

Competent person statement

The information in this Prospectus 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 McLean 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 Maclean consents to the inclusion in this Prospectus of the matters based on information in the form and context in which it appears.

The information in this Prospectus that relates to Mineral Resources is based on information compiled by Ed Radley who is a consultant to Metro Mining and a Member of the Australasian Institute of Mining and Metallurgy (MAusIMM). Review of this information was carried out by Jeff Randell of Geos Mining, a consultancy group contracted by Metro Mining Limited. Mr Randell is a Member of the Australian Institute of Geoscientists (AIG), a Registered Professional Geoscientist (RPG) and 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 Randell consents to the inclusion in the report the matters based on information in the form and context in which it appears.

The information in this Prospectus 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 this Prospectus of the matters based on her information in the form and context in which it appears.

Chairman's letter

16 July 2015

Dear Shareholders,

It is my pleasure to introduce this Prospectus and invite you to take up your Entitlement of New Shares in Metro Mining Limited (**Offer** or **Issue**).

As announced on 16 July 2015 the Directors wish to provide the opportunity for Eligible Shareholders to invest in New Shares under the Offer. The Offer is a non-renounceable rights issue of 1 New Share for every 7 Shares held, at an issue price of \$0.08 per New Share, to raise approximately \$3,600,000 (before Offer costs). The Offer is fully underwritten.

The Offer follows completion of the Placement on 15 July 2015 under which 25,000,000 shares were issued at the same price as New Shares to be issued under the Offer to a group of sophisticated or otherwise exempt investors raising \$2,000,000 (before costs). Together the Placement and the Issue will raise \$5.6 million (before costs).

The Issue Price represents a 17.53% discount to 1 month volume-weighted average Share price (being \$0.097) as at 13 July 2015.

It is proposed that the funds raised from the Offer will be applied to complete the feasibility study and advance the regulatory approvals required for the Bauxite Hills Project, to provide additional working capital and to cover the costs of the Issue.

The Directors intend to take up their entitlement to New Shares. In addition, I am encouraged by the interest shown by the Company's substantial shareholders, namely Balanced Property Pty Ltd, Dadi Engineering and Netwealth Investments Limited to participate in the Offer. Each of these substantial shareholders, have agreed to maintain or increase their shareholding position under the Issue and the Placement.

A personalised Entitlement and Acceptance Form is attached to this Offer Document and sets out the number of New Shares you are entitled to subscribe for as an Eligible Shareholder (**Entitlement**) and the instructions for how you can pay for the Entitlements you may wish to apply for. Entitlements to New Shares can be accepted in full or in part, and there is the option for all Eligible Shareholders to apply for additional shares

The Offer is non-renounceable and therefore your Entitlements will not be tradeable on the ASX or otherwise transferable.

Argonaut Capital Limited and GMP Securities Europe LLP are the Joint Lead Managers and Joint Underwriters of the Offer. The Company will work with the Joint Lead Managers to place any shortfall to new investors of New Shares not subscribed for by Eligible Shareholders.

For shareholders with less than a marketable parcel of shares (\$500) we are offering the opportunity to "top up" to a marketable parcel. Following the completion of the Offer, the Company intends to carry out a Minimum Shareholding Buyback enabling the Company to buyback small shareholdings in the Company which are less than a marketable parcel pursuant to the relevant provisions of the Corporations Act and ASX Listing Rules.

On behalf of the Directors, I thank you for your continued support and I invite you to participate in this investment opportunity.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'Stephen Everett', with a stylized flourish at the end.

Stephen Everett
Chairman
Metro Mining Limited

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1. Investment summary

The information set out in this section is not intended to be comprehensive and should be read in conjunction with the full text of this Prospectus.

1.1 The Offer

This Prospectus is for the non-renounceable rights issue of 44,816,857 New Shares at an issue price of \$0.08 per New Share, on the basis of 1 New Share for every 7 Shares held by Eligible Shareholders as at the Record Date.

The Offer is an offer to Eligible Shareholders only.

The Offer is jointly underwritten by Argonaut Capital Limited and GMP Securities Europe LLP.

The issue price of \$0.08 per New Share represents a 17.53% discount to the 1 month volume-weighted average price for Shares (being \$0.097) as at 13 July 2015.

On the same date as announcing the Offer, the Company applied to the ASX for the New Shares to be granted Official Quotation on the ASX. Official Quotation of the New Shares is expected to occur on or about 7 September 2015.

The Directors may at any time decide to withdraw this Prospectus and the offer of New Shares made under this Prospectus, in which case the Company will return all applications moneys (without interest) within 28 days of giving notice of such withdrawal.

1.2 Minimum subscription

There is no minimum subscription to the Issue.

1.3 Purpose of the Offer

The Directors intend to apply the proceeds from the Offer together with the Placement with a focus to further advance the feasibility and development generally of the Company's Bauxite Hills Project in the following manner:

Proposed use of funds	Approximate Amount (\$)
Complete Bauxite Hills Project Feasibility	1,200,000
Complete Authorities and Licenses to Operate the Bauxite Hills Project (Environment Approvals, Native Title Agreements)	1,200,000
Further advance the Bauxite Hills Project including pre-commitments for mining and transshipment contractors	700,000
Exploration Activities, Resource Drilling and Definition and Business Development	800,000
Proposed buy-back of shareholders with un-marketable parcels*	150,000
Working capital and administration expenses	1,200,000
Costs of the Issue (and the Placement) including Underwriting Fee ** [See Section 7.10 for further details]	350,000
Total	5,600,000

** It is assumed that the Company will undertake a buy-back of shareholders with un-marketable parcels after the completion of the Offer. The estimated amount is based on 500 shareholders holding an average of \$300 of Company shares having their shares purchased by the Company at the Offer Price. This will be subject to change depending on the number of shareholders who increase their holding in the Company and other factors.*

*** Assumes that the Offer is fully subscribed, and does not take account of brokerage (if any) discussed at section 3.1 but includes any fees paid under the Underwriting Agreement discussed in section 7.10.*

However, in the event that circumstances change or other better opportunities arise the Directors reserve the right to vary the proposed uses to maximise the benefit to Shareholders.

1.4 Investment highlights

- Funds raised will be used to advance Metro Mining's Bauxite Hills Project north of Weipa;
- A pre-feasibility study on the Bauxite Hills Project shows that a 20+ year export bauxite mine can be established in the area. This is based on production of 2 million tonnes per annum of export-grade bauxite product (Refer to ASX Release on 2 June 2015, Metro Mining confirms all assumptions underpinning the production target and corresponding financial information continue to apply and have not materially changed as per Listing Rule 5.19.2);
- Metro Mining announced a significant increase in its Bauxite Hills Project Ore Reserve from 12.1 million tonnes to 48.2 million tonnes on 2 June 2015 and Metro Mining confirms all assumptions underpinning the production target and corresponding financial information continue to apply and have not materially changed as per Listing Rule 5.19.2;
- The Offer is fully underwritten by Argonaut Capital Limited and GMP Securities Europe LLP up to a value of \$3.6 million;
- Metro Mining has also placed additional shares to Balanced Property Pty Ltd to the value of \$1,000,000 under the Placement which was undertaken prior to the announcement of the Offer.

1.5 Risk factors

Investing in the Company involves risk. There are factors, both specific to the Company and of a general nature, which may affect the future operating and financial performance of the Company. Some of these factors can be mitigated by appropriate commercial action. However, many are outside the control of the Company, dependent on the policies adopted and approaches taken by regulatory authorities, or cannot otherwise be mitigated. If you are unsure about subscribing for New Shares, you should first seek advice from your stockbroker, accountant, financial or other professional adviser.

The following sets out a summary of some of the key risks relevant to the Company and its operations:

Risk	Details
Financing	The development of any of Metro Mining's projects, including the Bauxite Hills Project will require the Company to raise additional equity or debt capital in the future. There is no assurance that it will be able to raise capital when it is required or on satisfactory terms. Interest rates may change and have an effect on the cost of financing the Bauxite Hills Project.
Government policy and	Changes in relevant taxation as well as other legal, legislative and

Risk	Details
taxation	administrative regimes, and Government policies in Australia (at Federal and State levels), may have an adverse effect on the assets, operations and ultimately the financial performance of Metro Mining.
Commodity price	The future revenue of Metro Mining and its ability to procure additional funding to develop its projects, including the Bauxite Hills Project is dependent of the market price of bauxite. The price of bauxite is dependent on a number of macro-economic factors and the quality of bauxite proposed to be exploited by Metro Mining. Any changes in the assumptions regarding market price or quality of bauxite used in the Metro Mining feasibility study will affect the feasibility of the Bauxite Hills Project, any other bauxite projects of the Company and the financial position generally of the Company.
Land Access risks	Land access is critical for exploration and evaluation to succeed. Access to land for exploration purposes can be affected by factors such as land ownership and Native title claims.
Environmental risks	The Tenements are subject to laws and regulations regarding environmental matters, which mean there are potential liability risks.
Tenement risks	All mining licences and exploration permits in which Metro Mining has an interest will require renewal from time to time. If for any reason a licence or permit is not renewed then Metro Mining may suffer damage and as a result may be denied the opportunity to develop certain mineral resources.
Exploration and production	Tenements in which Metro Mining has an interest are at various stages of exploration. There can be no assurance that exploration of the project areas will result in the discovery of an economic reserve.

Further details regarding risks which may affect the Company in the future are set out in section 6.

The New Shares offered under this Prospectus carry no guarantee of profitability, dividends, return of capital or the price at which they may trade on ASX. The past performance of the Company should not necessarily be considered a guide to their future performance.

1.6 **New Share terms**

Upon issue, each New Share will rank equally with all existing Shares then on issue. A summary of the rights attaching to the New Shares is set out in section 7.3.

1.7 **Acceptance of Entitlement to New Shares**

The number of New Shares to which an Eligible Shareholder is entitled and the total amount an Eligible Shareholder would have to pay if they choose to take up all of their rights to subscribe for New Shares is shown on the Entitlement and Acceptance Form accompanying this Prospectus. This Prospectus is for the information of Eligible Shareholders who are entitled and may wish to apply for the New Shares. Fractional entitlements will be rounded up to the nearest whole number.

Entitlements to New Shares can be accepted in full or in part by completing and returning the Entitlement and Acceptance Form which accompanies this Prospectus or making payment of Acceptance Money by BPAY in accordance with the instructions set out below and on the

Entitlement and Acceptance Form. Acceptance Money should be rounded up to the nearest cent.

Subscription moneys for the New Shares must be received by the Company at its Share Registry by the Closing Date. Please refer to the timetable for the important dates of the Offer.

1.8 Directors intentions in respect of Entitlements

As at the date of this Prospectus, some of the Directors of Metro Mining have either a direct or indirect interest in Shares. Set out below is a table summarising the Entitlement of each Director and any alternate Director (based on their current holding) and how they intend to treat their Entitlement.

Director	Shares	Entitlement	Intentions
Stephen Everett	2,444,795	349,256	Take up full entitlement
Philip Hennessy	1,562,500	223,214	Take up full entitlement
Jijun Liu	Nil	Nil	N/A
Dongping Wang	Nil	Nil	N/A
Lindsay Ward	375,000	53,571	Take up full entitlement
George Lloyd	759,011	108,430	Take up full entitlement
Ken Xiao (alternate director to Jijun Liu)	45,052	6,432	Take up full entitlement

1.9 Joint Lead Managers and Joint Underwriters

Argonaut Capital Limited and GMP Securities Europe LLP have been appointed as the Joint Lead Managers and Joint Underwriters to the Offer. Further details of the terms of appointment of the Joint Lead Managers are set out in sections 7.9 and 7.10.

1.10 Additional Shares

Entitlements not taken up may become available as Additional Shares to:

- (a) Minimum Shareholders as a priority; and
- (b) any other Eligible Shareholder at the discretion of the Board in consultation with the Joint Lead Managers.

Please refer to Section 3.1 for details on how to apply for Additional Shares.

Minimum Shareholders (being those shareholders holding less than \$500 of Metro Mining Shares as at the Record Date) may, in addition to their Entitlements, apply for a further \$500 of New Shares over and above their Entitlement at the Offer Price (**Additional Shares**) regardless of the size of their present holding (**Top Up Right**).

It is an express term of the Offer that applicants for Additional Shares will be bound to accept a lesser number of Additional Shares allocated to them than applied for. If a lesser number is allocated to them, excess Acceptance Money will be refunded without interest. The Company, in consultation with the Joint Lead Managers, reserves the right to scale back any applications

for Additional Shares in their absolute discretion and to ensure that sub-underwriters receive their pre-allocated sub-underwriting commitment.

Following completion of the Issue, the Company is intending on carrying out a Minimum Shareholding Buy-Back under the Corporations Act. Those Minimum Shareholders that do not exercise their rights to take up the Additional Shares under the Top Up Right may be subject to the Minimum Shareholding Buy-Back. See section 2.12 for further details.

1.11 Shortfall and dilution of Shareholder's interests

The Offer is fully underwritten. If required, the Company intends to actively work with the Joint Lead Managers during and after the Offer in order to secure commitments to place and subsequently to place any Shortfall of New Shares not subscribed for by Eligible Shareholders or allocated to each sub-underwriter.

Shareholders should be aware that, to the extent that they do not accept their Entitlements in full, a Shortfall will arise and all or part of any Shortfall may be placed by the Company, in consultation with the Joint Lead Managers, to other parties in which case their interest in the Company may be significantly diluted (see section 5.2 for further details). Further, the Offer is not being extended to Shareholders with registered addresses outside of Australia, New Zealand, United Kingdom, Hong Kong and Cyprus and the holdings of those Shareholders in the Company will be diluted by the Offer. Given the terms of the Offer, the interests of a Shareholder in the Company may be diluted by up to 12.5% in the event that they are not eligible to participate or elect not to accept their Entitlement in full if the Offer is fully subscribed or alternatively, any Shortfall is fully placed.

Acceptance of Entitlements or the placement of any Shortfall may also result in existing Shareholders or new investors significantly increasing their interest in the Company or obtaining a substantial interest in the Company.

2. Details of the Offer

2.1 Offer to Eligible Shareholders

The Directors of Metro Mining have approved a non-renounceable rights issue of approximately 44,816,857 New Shares at \$.08 per New Share to raise approximately \$3,600,000. Eligible Shareholders of Metro Mining are entitled to subscribe for 1 New Share for every 7 Shares held. Only those Shareholders shown on the Share Register at 7.00pm (AEST time) on the Record Date with a registered address in Australia, New Zealand and United Kingdom, Hong Kong and Cyprus will be entitled to participate in the Offer.

There are currently 10,750,000 Existing Options on issue in the Company. If any of the Existing Options are exercised prior to the Record Date, additional New Shares will be offered under this Prospectus. If all Existing Options on issue at the date of this Prospectus were exercised prior to the Record Date, the Company's issued shares would increase by 10,750,000 Shares, resulting in a further 1,535,714 New Shares being offered pursuant to this Prospectus. This would increase the Company's total Shares on issue after completion of the Offer to 370,820,570 Shares.

2.2 Important dates

Enter into Trading Halt	Prior to commencement of trading on Tuesday 14 July 2015
Share placement commitments finalised during the trading halt period	Tuesday 14 July 2015 and Wednesday 15 July 2015
Announcement of results of Share placement and the Offer to be undertaken which will bring the Company out of trading halt Application for official quotation of Placement Shares and New Shares under the Offer Lodge Prospectus with ASX and ASIC	Prior to commencement of trading on Thursday 16 July 2015
Placement DvP Trade Date	Friday, 17 July 2015
Notice provided to Security Holders with Appendix 3B information	Tuesday 21 July 2015
Settlement of Placement Shares	Wednesday 22 July 2015
Commencement of trading of Placement Shares on ASX	Thursday 23 July 2015
Ex Date	Wednesday 22 July 2015
Record Date for the Issue	7.00pm (AEST time) on Friday 24 July 2015
Dispatch of Prospectus and Acceptance Form	Wednesday 29 July 2015
Opening Date of Offer	9.00am (AEST time) on Friday 31 July 2015
Last day to extend Closing Date	Tuesday 25 August 2015
Closing Date of Offer	5.00pm (AEST time) on Friday 28 August 2015
Notify ASX of any under-subscriptions	Wednesday 2 September 2015
Issue of New Shares	Friday 4 September 2015 (and confirm to ASX by 12pm)

Commencement of trading of New Shares on ASX	Monday 7 September 2015
Despatch of New Shares holding statements	Wednesday 9 September 2015

The dates set out in this table are subject to change and are indicative only. The Company, in consultation with the Joint Lead Managers, reserves the right to alter this timetable at any time.

The Directors, subject to the requirements of the Listing Rules and the *Corporations Act*, reserve the right to:

- (a) withdraw the Offer without prior notice; or
- (b) vary any of the important dates set out in this Offer, including extending the Offer.

2.3 Allotment and allocation policy

The Company will proceed to allocate New Shares as soon as possible after the Closing Date and receiving ASX permission for Official Quotation of the New Shares.

In the case that there is less than full subscription by Shareholders of their Entitlements under this Prospectus the Directors, in consultation with the Joint Lead managers, reserve the right, as contemplated within the ASX Listing Rules, to issue any Shortfall at their discretion (see section 5.2). Any Shortfall will be issued within three months after the Closing Date at an issue price being not less than the Offer Price (or as otherwise permitted by the ASX).

Successful Applicants will be notified in writing of the number of New Shares allocated to them as soon as possible following the allocation being made.

It is the responsibility of Applicants to confirm the number of New Shares allocated to them prior to trading in New Shares. Applicants who sell New Shares before they receive notice of the number of New Shares allocated to them do so at their own risk. No New Shares will be allotted or issued on the basis of this Prospectus later than 13 months after the date of issue of this Prospectus.

2.4 ASX listing

On the same date as announcing the Offer, the Company applied to the ASX for the New Shares to be issued pursuant to this Prospectus to be listed for Official Quotation by the ASX. If granted, Quotation of the New Shares will commence as soon as practicable after allotment of the New Shares to Applicants and is expected to occur on or about 7 September 2015. It is the responsibility of the Applicants to determine their allocation of New Shares prior to trading. ASX Participating Organisations (as defined in the ASX Business Rules) cannot deal in the New Shares either as principal or agent until Official Quotation is granted.

Should the New Shares not be granted Official Quotation on the ASX within three months after the date of this Prospectus, none of the New Shares offered under this Prospectus will be issued and all Acceptance Money will be refunded without interest to Applicants within the time prescribed by the *Corporations Act*.

2.5 CHES

The Company will apply to ASX Settlement for the New Shares to participate in the Securities Clearing House Electronic Subregister System known as CHES.

The Company will not issue certificates to Shareholders with respect to the New Shares. After allotment of the New Shares, issuer sponsored holders and CHES holders will receive transaction confirmation statements to confirm allotment.

The transaction confirmation statements, which are similar in style to bank account statements, will set out the number of New Shares allotted to each successful applicant pursuant to this Prospectus. The statement will also advise holders of their holder identification number. Further statements will be provided to holders which reflect any changes in their holding in the Company during a particular month.

2.6 **No rights trading**

Entitlements to New Shares pursuant to the Offer are non-renounceable and accordingly will not be traded on the ASX.

2.7 **Minimum subscription**

There is no minimum subscription to the Offer.

2.8 **Joint Lead Managers and Joint Underwriters**

Argonaut Capital Limited and GMP Securities Europe LLP have been appointed the Joint Lead Managers and Joint Underwriters to the Offer. Further details of the appointment of the Joint Lead Managers and Joint Underwriters are set out in sections 7.9 and 7.10.

2.9 **Option Holders**

Option Holders will not be entitled to participate in the Offer unless they:

- (a) have become entitled to exercise their Existing Options under the terms of their issue and do so prior to the Record Date; and
- (b) participate in the Offer as a result of being an Eligible Shareholder at 7.00pm AEST time) on the Record Date.

If all holders of Existing Options elect to exercise their Options prior to the Record Date, and are eligible to participate in the Offer, a further 1,535,714 (approximately) New Shares may be issued under this Prospectus. Details of the Existing Options are set out in section 5.2. However, having regard to the exercise price of the Existing Options and the Offer Price, the Directors believe that it is unlikely that any Existing Options will be exercised prior to the Record Date.

2.10 **Overseas shareholders**

The Company has not made investigations as to the regulatory requirements that may prevail in the countries outside of Australia, New Zealand and United Kingdom, Hong Kong and Cyprus in which the Company's Shareholders reside.

This Prospectus and accompanying forms do not, and are not intended to, constitute an offer of New Shares in any place outside of Australia, New Zealand and United Kingdom, Hong Kong and Cyprus in which, or to any person to whom, it would not be lawful to make such an offer or to issue this Offer or that Form.

The distribution of this Prospectus in places outside of United Kingdom, Hong Kong and Cyprus may be restricted by law and persons who come into possession of this Prospectus should seek advice on and observe those restrictions. Any failure to comply with those restrictions may violate applicable securities laws.

The Company has decided that it is unreasonable to make offers under this Prospectus to Shareholders with registered addresses outside of Australia, New Zealand and United Kingdom, Hong Kong and Cyprus (**Ineligible Shareholders**) having regard to the number of Shareholders in those places, the number and value of the New Shares they would be offered

and the legal and regulatory requirements in those places and costs of complying with those requirements. Accordingly, the Offer is not being extended to, and does not qualify for distribution or sale by Ineligible Shareholders and no New Shares will be issued to Ineligible Shareholders.

In particular this Offer is not made in the United States or to persons (including nominees or custodians) acting for the account or benefit of a person in the United States, or to any person who is ineligible under applicable securities laws in any country to receive an offer under the Prospectus without any requirement for a prospectus to be lodged or registered.

2.11 Notice to nominees and custodians

Nominees and custodians may not distribute any part of this document in the United States or in any other country outside of Australia and New Zealand, except to beneficial Shareholders in another country (other than the United States) where the Company may determine it is lawful and practical to make the Offer. Any person in the United States with a holding through a nominee may not participate in the Offer.

2.12 Less than marketable parcels

Following the completion of the Offer, the Company intends to carry out a Minimum Shareholding Buyback enabling the Company to buyback of small shareholdings in the Company which are less than a marketable parcel (\$500) pursuant to the relevant provisions of the Corporations Act and ASX Listing Rules. The Company considers the Minimum Shareholder Buyback will reduce the administrative costs required to retain those smaller holdings on its register, which will in turn reduce the Company's overall administrative cost burden to the benefit of shareholders

Those Minimum Shareholders that do not exercise their rights to take up the Additional Shares under the Top Up Right may be subject to the Minimum Shareholding Buy-Back

2.13 Electronic prospectus

An electronic version of this Prospectus is available on the Internet at www.metromining.com.au.

The Entitlement and Acceptance Form may only be distributed together with a complete and unaltered copy of the Prospectus. The Company will not accept a completed Entitlement and Acceptance Form if it has reason to believe that the investor has not received a complete paper copy or electronic copy of the Prospectus or if it has reason to believe that the Entitlement and Acceptance Form or electronic copy of the Prospectus has been altered or tampered with in any way.

While the Company believes that it is extremely unlikely that in the Offer period the electronic version of the Prospectus will be tampered with or altered in any way, the Company cannot give any absolute assurance that it will not be the case. Any investor in doubt concerning the validity or integrity of an electronic copy of the Prospectus should immediately request a paper copy of the Prospectus directly from the Company or the Share Registry.

3. How to apply

3.1 How to accept your entitlement

Eligible Shareholders may accept their Entitlement either in whole or in part. The number of New Shares which Eligible Shareholders are entitled to is shown on the Entitlement and Acceptance Form which accompanies this Prospectus.

Eligible Shareholders may participate in the Offer as follows:

Take up your Entitlement in full

If you are an Eligible Shareholder and wish to take up all of your Entitlement, please:

- (a) complete the Entitlement and Acceptance Form, which accompanies this Prospectus, in accordance with the instructions set out on the form; and
- (b) forward your completed Entitlement and Acceptance Form, together with your cheque or bank draft for the amount shown on your Entitlement and Acceptance Form, in the reply paid envelope to reach the Company's Share Registry,

so that it is received by no later than 5.00pm (AEST time) on the Closing Date or such later date as the Directors determine.

Cheques and bank drafts, in **Australian currency** should be made payable to Metro Mining Limited and crossed "not negotiable".

You should ensure that sufficient funds are held in the relevant accounts to cover the Acceptance Money. If the amount of your cheque for Acceptance Money is insufficient to pay in full for the number of whole New Shares you have applied for in your Entitlement and Acceptance Form, you will be taken to have applied for such lower number of New Shares as your cleared Acceptance Money will pay for (and to have that number of New Shares on your Entitlement and Acceptance Form). Alternatively, your Application will be rejected. If your cheque does not clear due to insufficient funds in your account, your Application will be rejected.

If you intend to pay for the New Shares by BPAY, there is no need to return the Entitlement and Acceptance Form (but you must ensure that your payment is received by no later than 5.00pm (AEST time) on the Closing Date or such later date as the Directors determine, keeping in mind that payments made by BPAY may take one or more Business Days to clear. Please refer to the information below regarding payment by BPAY.

Take up some of your Entitlement

If you are an Eligible Shareholder and wish to take up only some of your Entitlement, please:

- (a) complete the Entitlement and Acceptance Form, which accompanies this Prospectus, by inserting the number of New Shares for which you wish to accept the Offer under this Prospectus (being less than your Entitlement as specified on the Entitlement and Acceptance Form); and
- (b) forward the completed Entitlement and Acceptance Form together with your cheque or bank draft for the total amount payable to reach the Company's Share Registry,

so that it is received by no later than 5.00pm (AEST time) on the Closing Date or such later date as the Directors determine.

Cheques and bank drafts, in **Australian currency**, should be made payable to Metro Mining Limited and crossed "not negotiable".

If you intend to pay for the New Shares by BPAY, there is no need to return the Entitlement and Acceptance Form (but you must ensure that your payment is received by no later than 5.00pm (AEST time) on the Closing Date or such later date as the Directors determine, keeping in mind that payments made by BPAY may take one or more Business Days to clear. Please refer to the information below regarding payment by BPAY.

Apply for Additional Shares

You can apply for more New Shares than your Entitlement. Please enter the number of additional New Shares above your Entitlement for which you wish to apply into Box B. Your Application for additional New Shares may not be successful (wholly or partially). The decision of Metro Mining Limited on the number of New Shares to be allocated to you will be final. No interest will be paid on any Application Monies received or returned. Please refer to Section 1.10 for further details in relation to top up rights of Minimum Shareholders.

Do nothing

You may do nothing, in which case you will have no right to subscribe for New Shares and no New Shares will be issued to you. However, if you are an Eligible Shareholder and you do nothing, then New Shares representing your Entitlement may be issued to the Joint Underwriters or other third parties in placing any Shortfall.

You should also note that, if you do not take up your Entitlement, then although you will continue to own the same number of Shares, your percentage shareholding in the Company will decrease.

General

If you have any queries concerning your Entitlement, please contact the Share Registry on 1300 880 732 (within Australia) or +61 1300 880 732 (outside Australia) or contact your stockbroker or professional adviser.

Entitlement and Acceptance Forms and accompanying cheques or bank drafts may be lodged at any time before the Closing Date. Applications received after the Closing Date may not be accepted. The Company will not be responsible for postal or delivery delays.

The Offer Price of \$0.08 New Share is payable in full on acceptance of part or all of your Entitlement.

If an Eligible Shareholder elects to make payment using BPAY, they must contact their bank, credit union or building society to make payment of the Acceptance Money from their cheque or savings account. Refer to the Entitlement and Acceptance Form for the biller code and customer reference number. Eligible Shareholders who have multiple holdings will have multiple customer reference numbers.

Payment will only be accepted in Australian currency and cheques, bank drafts, money orders and BPAY payments must be drawn on an Australian bank.

No stamp duty, brokerage or handling fees are payable by the Applicant for the New Shares offered by this Prospectus. Completed Entitlement and Acceptance Forms and accompanying cheques should be forwarded to the following address:

Mailing Address	OR	Hand Delivery
Metro Mining Limited Offer		Metro Mining Limited Offer
C/- Link Market Services Limited GPO Box 3560 Sydney NSW 2001		C/- Link Market Services Limited 1A Homebush Bay Drive Rhodes NSW 2138 <i>(Please do not use this address for mailing purposes)</i>

The amount payable on acceptance will not vary during the period of the Offer and no further amount is payable on allotment. Acceptance Money will be held in trust in a subscription account until allotment of the New Shares. The subscription account will be established and kept by the Share Registry for the Company and on behalf of the Applicants in a non-interest bearing account.

3.2 **Binding effect of Entitlement and Acceptance Form**

A completed and lodged Entitlement and Acceptance Form, or a payment made through BPAY, constitutes a binding offer to acquire New Shares on the terms and conditions set out in this Prospectus and, once lodged or paid, cannot be withdrawn. If the Entitlement and Acceptance Form is not completed correctly it may still be treated as a valid application for New Shares. The Directors' decision whether to treat an acceptance as valid and how to construe, amend or complete the Entitlement and Acceptance Form is final.

By completing and returning your personalised Entitlement and Acceptance Form with the requisite Application Money or making a payment by BPAY, you will also be deemed to have acknowledged, represented and warranted on behalf of each person on whose account you are acting that:

- (a) you are an Eligible Shareholder and are not in the United States and are not a person (including nominees or custodians) acting for the account or benefit of a person in the United States and are not otherwise a person to whom it would be illegal to make an offer or issue New Shares under the Offer;
- (b) you acknowledge that the New Shares have not been, and will not be, registered under the US Securities Act or under the laws of any other jurisdiction outside of Australia, New Zealand and United Kingdom, Hong Kong and Cyprus; and
- (c) you have not and will not send any materials relating to the Offer to any person in the United States or to any person (including nominees or custodians) acting for the account or benefit of a person in the United States.

4. Company Information

4.1 Introduction

Metro Mining Limited (MMI) is an Australian exploration & mining company based in Brisbane, Queensland.

The company has an estimated 53.6 million tonne bauxite resource (Measured, Indicated and Inferred) on Cape York and one of Australia's largest thermal coal resources - 4.5 billion tonnes - in Queensland's Surat Basin.

Metro Mining believes commodity diversification delivers better shareholder value and a global search for mineral development opportunities is ongoing.

IMMEDIATE FOCUS - BAUXITE RESERVES

Metro Mining's immediate focus is on the Bauxite Hills Project, approximately 95 Kilometres north of Weipa on Western Cape York, where the company controls approximately 1,300 square kilometres of exploration tenements.

Final approvals for the Bauxite Hills Project are expected by the first half of 2016 with production targeted to commence in the third quarter of 2016. Highlights include low capital expenditure combined with simple mining and operating strategies. This is expected to deliver low operating costs, resulting in a long-term project with excellent margins.

As announced by the Company to the ASX on 17 February 2015, the Bauxite Hills Pre-feasibility Study results are:

- 48.2 million tonne Ore Reserve (of which 41.8 million tonnes is Proved);
- 27 year mine life, producing 2 million tonnes of Direct Shipping Ore (DSO) per annum;
- Low \$27.4 million Initial capital expenditure costs;
- Simple mining operations with minimal environmental impact;
- Shallow draught barges used to transport Direct Shipping Ore on the Skardon River before it is transhipped onto Handymax and Panamax vessels - 5 to 10 nautical miles offshore;
- \$28.60 per tonne cash operating margin after royalty ;
- \$37.9 million Average Annual Net Profit after tax ;
- Project approvals expected by the first half of next year (2016) with production targeted to commence in Q3 2016.

Refer to ASX release on 17 February 2015, Metro Mining confirms all assumptions underpinning the production target and corresponding financial information continue to apply and have not materially changed as per Listing Rule 5.19.2.

On 2 June 2015, the Company announced to the ASX the following increase in the Company's Ore Reserves:

- 48.2 million tonne Ore Reserve (of which 41.8 million tonnes is Proved);
- 27 year mine life, producing 2 million tonnes of Direct Shipping Ore (DSO) per annum;

Refer to ASX release on 2 June 2015, Metro Mining confirms all assumptions underpinning the production target and corresponding financial information continue to apply and have not materially changed.

COAL RESOURCE

The Company has successfully identified a 4.5 billion tonne* underground thermal coal resource in the Surat Basin. The coal is ideal as a feedstock for power stations due to its high quality and low sulphur content. The deposits would need to be mined using modern, large scale underground long wall operations. The company stopped work on its tenements in 2013 due to the depressed coal market and delays in the development of rail infrastructure to Queensland's Surat Basin.

Metro believes that the coal market could recover in the medium to long term. The coal tenements are being maintained in good standing with minimal expenditure.

*Refer to ASX Release dated 2 December 2014.

4.2 The Directors

The Directors of Metro Mining bring to the Board relevant expertise and skills, including industry and business knowledge, financial management and corporate governance experience.

Each Director has confirmed with Metro Mining that he anticipates being available to perform his duties as a Non-Executive Director or Executive Director, as the case may be, of Metro Mining, without undue constraints from other commitments.

The following persons are directors of the Company as at the date of this Prospectus:

Stephen Everett – Independent Non-Executive Chairman

A graduate of chemical engineering from UNSW Mr Everett has more than 40 years board and management experience in the resources and construction industries both in Australia and overseas. Mr Everett's vast management experience includes production and project management, marketing, corporate restructuring, debt/equity financing and government relations. His senior executive positions have included Managing Director and Chief Executive Officer of private and publicly listed companies. Mr Everett was formerly Chairman of BeMaX Resources NL, Australian Solomons Gold Limited, JMS Civil and Mining Pty Ltd and IronRidge Resources Limited and is currently Chairman of Agrimin Limited.

Philip Hennessy – Independent Non-Executive Director

Philip Hennessy has over 30 years' corporate experience, is a Chartered Accountant and holds a Bachelor of Business degree. Mr Hennessy has been involved with all aspects of corporate financing and company reconstruction across a variety of industries including construction, manufacturing, mining, professional services, agriculture and financial services. Mr Hennessy was KPMG Qld Chairman for 13 years prior to retiring in 2013. Mr Hennessy's knowledge and experience assists the Company in driving good governance, it's financial responsibilities, cohesive and effective collaboration, effective processes and communications with shareholders and stakeholders.

Lindsay Ward – Independent Non-Executive Director

Lindsay Ward has over 25 years broad industry experience holding executive positions in mining, exploration, mineral processing, ports, rail, power generation, gas transmission and logistics. Mr. Ward's previous mining experience includes Mine Manager of the Yallourn Energy open cut coal mine in Victoria and senior mining engineering positions with BHP

Australia Coal in Queensland and Camberwell Coal in the Hunter Valley. Mr. Ward is currently CEO of the Tasmanian Gas Pipeline, a gas transmission pipeline that links Victoria to Tasmania and transports gas throughout Tasmania. Mr Ward was previously Managing Director of Dart Mining a Melbourne based exploration company. Prior to this he was General Manager, Patrick Ports and Pacific National Bulk Rail – a business unit within Asciano Limited.

Jijun Liu - Non-Executive Director

Mr Jijun Liu is the Managing Director of the China Xinfra Group Corporation Limited which controls one of the largest alumina-aluminium enterprises in China. Mr Liu is also a member of various government committees. He studied thermal power plant engineering at Shandong Power Junior College.

Dongping Wang - Non-Executive Director

Mr Dongping Wang graduated from the China Mining University in 1981 with a Major in Coal Processing Technology. Mr Wang was Process Plant Manager and later Director of Operations at Pingshuo Antaibao coal mine for many years; a World Bank funded USA – China joint venture project. Mr Wang then worked for a time in the China Coal Ministry. He later became General Manager of Long-Airdox (Tianjin) where from 1997 he was instrumental in introducing modern coal process technology from Australia to China. Mr Wang was General Manager of Schenck (Tianjin) until 2007. He then helped establish the Dadi Engineering Group now China's largest coal industry engineering group and is now Chairman of Dadi Engineering Development Group. Mr Wang has worked at the highest level within the Chinese coal industry for 30 years and is a highly renowned coal processing expert and a prominent figure in the Chinese coal industry.

Xiaoming Yuan - Non-Executive Alternate Director to Dongping Wang

Mr Xiaoming is General Manager of International Business and Managing Director of Dadi Australia and Chairman of Aury Australia. As the representative of the Dadi Engineering Development Group Mr Xiaoming delivers support and assistance to the Board and company from the major shareholder. Mr Xiaoming Yuan is a graduate of Mining Engineering from China University of Mining & Technology (CUMT) with over 20 years experience in the roles of mining engineer, business development, project management and corporate management for mining, construction and equipment manufacturing companies both in China and internationally.

Ken Xiao - Non-Executive Alternate Director to Jijun Liu

Mr Ken Xiao has served as an alternate Director to Jijun Liu since June 8 2007 and is a member of the Remuneration Committee and Audit Committee.

He holds a Bachelor of Science majoring in Computing and a Bachelor of Engineering in Computer from the University of Newcastle. He is also holds a Master of Information Technology QUT.

George Lloyd - Independent Non-Executive Director

George Lloyd has over 30 years resource industry experience including senior executive and board member roles of listed and unlisted companies with interests in minerals, energy, industry services and corporate finance.

Mr Lloyd's extensive experience in resources includes five years as Chairman of Cape Alumina Limited. He currently serves as the Chairman of Ausenco Limited and Chairman of Pryme Energy Limited.

Prior to 2015 Mr Lloyd served as Chairman of AWR Lloyd, an Asian-based firm providing mergers and acquisitions, corporate strategy, industrial research, and investor relations advisory services to the mining and energy industries throughout Asia and Australia.

Mr Lloyd holds a Bachelor of Engineering Science Degree (Industrial Engineering) and a Master of Business Administration Degree, both from the University of NSW. He is also a graduate of the Stanford Executive Program. Mr Lloyd is a Fellow of the Australian Institute of Company Directors (AICD) and a Fellow of the Australasian Institute of Mining and Metallurgy (AusIMM).

The Board considers that Stephen Everett, Lindsay Ward, Philip Hennessy and George Lloyd are free from any business or other relationship that could materially interfere with, or reasonably be perceived to interfere with, the independent exercise of their judgment and are able to fulfil the roles of Independent Directors for the purposes of the Corporate Governance Principles and Recommendations.

Details of the current interests of the Directors in the Company and their intentions in respect of the Offer are set out in section 1.8.

4.3 **Senior Management**

The following persons form the senior management of the Company as at the date of this Prospectus:

Simon Finnis - Chief Executive Officer

Simon was previously CEO of Grand Cote Operations in Senegal.

In a mining industry career spanning over 28 years, Simon has worked throughout Australia in underground and open cut mining operations. His previous roles have included Operations Manager for the Pooncarie Mineral Sands Project, redevelopment of the Gold Ridge Mine in the Solomon Islands and Managing Director of Global Resources Corporation Limited.

Simon has considerable experience through feasibility, construction and commissioning of both new and brown fields' operations.

He has a Master of Business and Technology from the University of New South Wales.

Scott Waddell - Chief Financial Officer and Company Secretary

Prior to joining Metro Mining, Scott was CFO and Company Secretary for Cape Alumina Limited, where he started in 2010.

Scott's resources experience was gained over nine years with Anglo Coal (where he was also Head of Finance for the Monash Energy project in Victoria's La Trobe valley) and eight years with Rio Tinto Alcan (RTA) in a wide variety of senior roles across multiple sites. Scott has a deep understanding of the bauxite and resources sectors.

Scott holds a Bachelor of Business from the Queensland University of Technology and is a Fellow of the Certified Practising Accountants and an Associate Member of Governance Institute Australia. Scott has also completed numerous post graduate courses including a Graduate Diploma in Applied Corporate Governance, Company Directors Course with the Australian Institute of Company Directors (AICD), and Post Graduate Diploma of Purchasing and Materials Management with the RMIT.

Mike O'Brien - Project Director

Mike has a 35-year mining and minerals background including over 25 years extensive management experience with multinational companies Shell Coal and Anglo coal (subsidiary of Anglo American).

He has worked in operational roles as General Manager of a large underground longwall mine, General Manager of a very large opencast mine that included a coal seam gas (CSG) operation and held senior corporate positions such as General Manager of Shell Coal's technical group. This included responsibility for mining, geological and engineering development.

Mike has also held the role of CEO of a small listed company operating in the coal and gas industries in Australia and New Zealand. Offering broad coal-industry knowledge and an expertise in strategic planning underpinned by strong skills in operations management and technical evaluation, he holds a B.Sc. (Min)(Eng) from the University of Witwatersrand.

5. Effect of the Offer on the Company

5.1 Financial position

To illustrate the effect of the issue on the Company, the pro-forma consolidated Statement of Financial Position has been prepared based on the reviewed Statement of Financial Position as at 31 December 2014.

The pro-forma statement of financial position includes unaudited pro-forma adjustments that show the effect of the recent Placement and the Offer as an underwritten offer and as if the Offer (under this Prospectus) had been made on 31 December 2014. The pro-forma statement of financial position assumes that the Offer is fully subscribed. The pro-forma statement of financial position also includes unaudited pro-forma adjustments for material transactions subsequent to 31 December 2014 and up to 31 May 2015.

The adjustments account for material changes during the period only and do not represent all changes that will be included in the audited financial statement to 30 June 2015.

The accounting policies adopted in preparation of the pro-forma consolidated Statement of Financial Position are consistent with the policies adopted and as described in the Company's financial statements for the half-year ended 31 December 2014.

The significant effects of the recent Placement and the Offer (assuming the Offer is fully subscribed and no Existing Options are exercised) will be to:

- (a) increase cash reserves by approximately \$5,250,000 (after cash expenses of the Placement and the Offer which are estimated to be \$350,000) assuming a \$0.08 per share subscription price; and
- (b) increase the number of issued ordinary shares by 69,816,857 to 358,534,856.

If an Eligible Shareholder does not take up their Entitlement in full it will result in their percentage holding in the Company being diluted by the Offer.

	Reviewed 31-Dec-14 \$ (Note 1)	Pro-forma Adjust to 31-May-15 \$ (Note 2)	Pro-forma Un-audited 31-May-15 \$ (Note 3)	Pro-forma Adjustment Fund Raising \$ (Note 4)	Pro-forma Un-audited After Fund Raising \$
Current assets					
Cash and cash equivalents	5,502,901	-1,977,188	3,525,713	5,250,000	8,775,713
Trade and other receivables	372,455	0	372,455	0	372,455
Other assets	34,113	0	34,113	0	34,113
Total current assets	5,909,469	-1,977,188	3,932,281	5,250,000	9,182,281
Non-current assets					
Plant and equipment	41,700	0	41,700	0	41,700
Exploration and evaluation assets	10,134,919	2,039,659	12,174,578	0	12,174,578
Other assets	467,113	-377,000	90,113	0	90,113
Total non-current assets	10,643,732	1,662,659	12,306,391	0	12,306,391
TOTAL ASSETS	16,553,201	-314,529	16,238,672	5,250,000	21,488,672
Current liabilities					
Trade and other payables	476,996	0	476,996	0	476,996
Employee benefits	97,832	0	97,832	0	97,832
Total current liabilities	574,828	0	574,828	0	574,828
TOTAL LIABILITIES	574,828	0	574,828	0	574,828
NET ASSETS	15,978,373	-314,529	15,663,844	5,250,000	20,913,844
Equity					
Contributed equity	47,491,109	0	47,491,109	5,600,000	53,091,109
Reserves	3,541,108	128,919	3,670,027	0	3,670,027
Accumulated losses	-35,053,844	-443,448	-35,497,292	-350,000	-35,847,292
TOTAL EQUITY	15,978,373	-314,529	15,663,844	5,250,000	20,913,844

Note 1

The Metro Mining Statement of Financial Position at 31 December 2014 Reviewed has been extracted from the reviewed financial statements of Metro Mining for the half year ended 31 December 2014.

Note 2

The pro-forma adjustments for material changes subsequent to 31 December 2014 comprise:

- a) Decrease of Cash and cash equivalents by \$1,977,188 due to expenditure on Exploration and evaluation assets and other overhead expenditure.
- b) Release of a bank guarantee to the value of \$377,000.
- c) Increase in Reserves by \$128,919 due to the issue of options to employees.

Note 3

The Un-audited pro-forma Statement of Financial Position at 31 May 2015 is based on the Metro Mining Statement of Financial Position at 31 December 2014 adjusted for material changes subsequent to that date including the items in Note 2.

Note 4

The pro-forma adjustments fund raising comprise:

- a) Estimated transaction costs of \$350,000 to be paid in cash and offset against the Accumulated Losses account.

The issue of 25,000,000 new shares through the placement and 44,816,857 new shares through the rights issue resulted in a total contribution to equity of \$5,600,000 and increased the cash held by \$5,250,000.

Assumptions

The pro-forma consolidated Statement of Financial Position shown above is based on the assumption that the total funds raised under the Offer and Placement is approximately \$5.6 million, of which \$350,000 is used to pay for the costs associated with the Offer. The net amount of funds raised of \$5,250,000 is held in cash.

5.2 Capital structure – Effect of Offer

The share capital structure of Metro Mining immediately following the Offer, on the basis that the Offer is fully subscribed (excluding rounding of Entitlements), will be as follows:

	Shares	%
Ordinary Shares on issue at the date of this Prospectus ¹	313,717,999	87.50%
Maximum number of New Shares under Prospectus ²	44,816,857	12.50%
Total:	358,534,856	100%

Notes:

1. Includes Shares issued under the Placement.
2. If any of the Existing Options are exercised prior to the Record Date, additional New Shares will be issued under the Offer under this Prospectus. If all Existing Options on issue as at the date of this Prospectus were exercised prior to the Record Date, the Company's issued shares would increase by 10,750,000 resulting in a further 1,535,714 New Shares being issued pursuant to this Prospectus. This would increase the Company's total Shares on issue after completion of the Offer to 370,628,606 Shares.

As at the date of this Prospectus, the Company has the following Existing Options on issue:

No of options issued	No of options vested	Holder	Exercise price	Expiry date
10,750,000	Nil	Various employees and consultants	\$0.06	11 January 2017

The Offer is a pro-rata offer so that if all Eligible Shareholders take up their Entitlements and none of the Option Holders exercise their Existing Options and participate in the Offer, the voting power of all Eligible Shareholders will remain the same. In that event, there will be no actual or potential effect or consequences arising from the Offer on the control of the Company. If an Eligible Shareholder does not take up their Entitlement in full it will result in their percentage holding in the Company being diluted by the Offer. Given the terms of the Offer, the maximum possible dilution to an Eligible Shareholder's interest in the Company would be 14.3%. Additionally, the Offer is not being extended to Shareholders with registered addresses outside of Australia, New Zealand, United Kingdom, Hong Kong and Cyprus and the holdings of those Shareholders in the Company will be diluted by a maximum of 12.5% in the event that the Offer is fully subscribed.

While the final percentage interests held by Shareholders of the Company is entirely dependent on the extent to which they are Eligible Shareholders and to the extent to which the other Shareholders take up their Entitlements, the Company expects that the potential effect of the issue of Shares under the Offer on the control of the Company will be minimal.

In the unlikely event that no Eligible Shareholders take up their entitlements (and none of the Option Holders exercise their Existing Options and participate in the Offer) and the Joint Underwriters are the only parties to subscribe for New Shares, the Joint Underwriters will receive all of the New Shares under the Offer and the Joint Underwriters' total voting power will be 12.5%. However, the Company has been advised by the Joint Underwriters that they have or will have in place sub-underwriting arrangements with certain substantial shareholders of the Company. On this basis, the Joint Underwriters' total holding in the Company is likely to be significantly less than the maximum 12.5% and, in any event, less than 19.9% in compliance with the takeover provisions of the Corporations Act, which restrict a person and their associates from having a relevant interest in the Company of not more than 20.0%, subject to a number of exemptions.

In the event of a Shortfall, the Directors reserve the right to place the Shortfall at their sole discretion subject to the provisions of the Underwriting Agreement, sub-underwriting arrangements, the *Corporations Act* and the Listing Rules.

6. Risk factors

6.1 Introduction

There are risks which may impact on the operating and financial performance of the Group and, therefore, on the value of the New Shares offered under this Prospectus. Some of these risks can be mitigated by the Group's systems and internal controls, but many are outside of the control of the Group and the Board. There can be no guarantee that the Company will achieve its stated objectives or that any forward-looking statements will eventuate. An investment in a business with limited operating history, such as Metro Mining, is considered speculative and an investor could lose most or all of any investment. There are also general risks associated with any investment in shares.

More specifically, the risks are that:

- (a) the price at which the Applicant is able to sell the New Shares is less than the price paid due to changes in market circumstances;
- (b) the Applicant is unable to sell the New Shares;
- (c) the Company is placed in receivership or liquidation making it reasonably foreseeable that Shareholders could receive none, or only some of their initial investment; and
- (d) the Company fails to generate sufficient profit in order to pay dividends.

In the event of insolvency, the holders of fully paid ordinary shares would not normally be liable to pay money to any person. An exception could occur where a distribution, such as a dividend, has been made to Shareholders in circumstances where the Company was unable at that time to meet the solvency test set out in the *Corporations Act*. In that case, a liquidator may call for a return of such distributions.

Potential investors should therefore carefully consider all associated risks before applying for New Shares under this Prospectus and should consider their personal circumstances (including financial and taxation issues) and seek advice from their stockbroker, accountant, solicitor or other professional advisers before deciding whether to invest.

A number of material risk factors which may adversely affect the Group and the value of the New Shares offered under this Prospectus are set out in this section. This is not an exhaustive list and there may be other factors which have an adverse effect on the Group and the value of the Shares offered under this Prospectus.

6.2 General Risks

The New Shares that are to be issued pursuant to this Prospectus are speculative because of the nature of the business of the Company. The Company has interests in the resources industry which is highly speculative and no assurances can be made that the Company's particular interests or projects will be successful.

A summary of the major general risks are described below:

- (a) Dilution

Shareholders should be aware that to the extent that they do not accept their Entitlements in full, a Shortfall will arise and all or part of any Shortfall may be placed by the Company, in consultation with the Joint Lead Managers, to other parties in which case their interest in the Company may be significantly diluted (see section 5.2 for further details). Further the Offer is not being extended to Shareholders with registered addresses outside of Australia, New Zealand and United Kingdom, Hong

Kong and Cyprus and the holdings of those Shareholders in the Company will be diluted by the Offer. Given the terms of the Offer, the interests of a Shareholder in the Company may be diluted by up to 14.3% in the event that they are not eligible to participate or elect not to accept their Entitlement in full if the Offer is fully subscribed or alternatively, any Shortfall is fully placed.

Acceptance of Entitlements or the placement of any Shortfall may also result in existing Shareholders or new investors significantly increasing their interest in the Company or obtaining a substantial interest in the Company. However, the Shortfall will only be placed to the extent that such placement is in compliance with the takeover provisions of the *Corporations Act*, which restrict a person and their associates from having a relevant interest in the Company of not more than 20.0%, subject to a number of exemptions.

The Company intends to actively work with the Joint Lead Managers during, and after, the Offer in order to secure commitments to place, and subsequently to place, any Shortfall of New Shares not subscribed for by Eligible Shareholders.

(b) Share Market Risk

The market price of listed securities can be expected to rise and fall in accordance with general market conditions and factors specifically affecting the Australian resources sector and exploration companies in particular. The New Shares carry no guarantee in respect of profitability, dividends, return on capital, or the price at which they may trade on the ASX.

There are a number of factors (both national and international) that may affect the share market price and neither the Company nor its Directors have control of those factors.

(c) General Economic Conditions

Changes in the general economic climate in which the Company operates may adversely affect the financial performance of the Company. Factors that may contribute to that economic climate include the general level of economic activity, interest rates, inflation, supply and demand, industrial disruption and other economic factors. The price of commodities will also be of particular relevance to the Company. These factors are beyond the control of the Company and the Company cannot, with any degree of certainty, predict how they will impact on the Company.

(d) Share price fluctuations

The market price of the Company's securities will be subject to varied and often unpredictable influences in the share market. Both domestic and world economic conditions may affect the performance of the Company. Factors such as the level of industrial production, inflation and interest rates impact all commodity prices.

(e) Legislative change

Changes in government regulations and policies may adversely affect the financial performance or the current and proposed operations generally of the Company.

(f) Unforeseen expenses

While the Company is not aware of any expenses that may need to be incurred that have not been taken into account, if such expenses were subsequently incurred, the expenditure proposals of the Company may be adversely affected.

6.3 Risks specific to an investment in the Company

In addition to the general market and economic risks noted in section 6.2, Applicants should be aware of risks specific to an investment in the Company, which may include, but are not limited to those risk set out below. The Shares that are to be issued pursuant to this Prospectus are speculative because of the nature of the business of Metro Mining as a mineral exploration company. A summary of the risks Metro Mining is exposed to as a mineral exploration company are set out below. The risks listed below should not be taken as exhaustive of the risks faced by Metro Mining.

(a) Operational Risks

The operations of Metro Mining may be disrupted by a variety of risks and hazards which are beyond the control of the Company, including geological conditions, environmental hazards, technical and equipment failures, flooding and extended interruptions due to inclement or hazardous weather or other physical conditions, unavailability of drilling equipment, unexpected shortages of consumables or parts and equipment, fire, explosions and other incidents beyond control of Metro Mining.

(b) Land Access Risk

Land access is critical for exploration and evaluation to succeed. In all cases the acquisition of prospective tenements is a competitive business, in which proprietary knowledge or information is critical and the ability to negotiate satisfactory commercial arrangements with other parties is often essential.

Access to land for exploration purposes can be affected by land ownership, including private (freehold) land, pastoral lease and Native Title land or claims under the Native Title Act 1993 (Cth)(NTA) (or similar legislation in the jurisdiction where the Company operates). Rights to mineral tenements carry with them various obligations in regard to minimum expenditure levels and responsibilities in respect of the environment and safety. Failure to observe these requirements could prejudice the right to maintain title to a given area.

(c) The Impact of Native Title and Land Access to Tenements

Native title in Australia is governed by the NTA and by complementary state legislation. The NTA provides a regime that enables persons claiming to hold native title to lodge a claim to that effect for determination. The NTA also provides for the determination of native title rights, their extinguishment, and for processes to deal with those rights in accordance with specific categories of acts that have occurred including "past acts" (before 1 January 1994), "intermediate period acts" (occurring between 1 January 1994 and 23 December 1996), and "future acts." Under this regime, native title is extinguished by grants of private freehold title and exclusive possession tenures.

The effect on each tenement will depend on the nature of the tenement, the date of its grant or proposed grant, and the nature of the underlying land tenures.

The effect of the NTA is that existing and new tenements held by Metro Mining may be affected by native title claims and procedures. There is a potential risk that a determination could be made that native title exists in relation to land the subject of a tenement held by Metro Mining which may affect the operation of Metro Mining's business and development activities. In the event that it is determined that native title does exist or a native title claim has been registered, Metro Mining may need to comply with procedures under the NTA in order to carry out its operations or to be granted any additional rights required. Such procedures may take considerable time, involve the negotiation of significant agreements, may involve access rights, and require the payment of compensation to those persons holding or claiming native title

in the land the subject of a tenement. The involvement in the administration and determination of native title issues may have a material adverse impact on the position of Metro Mining in terms of cash flows, financial performance, business development, ability to pay dividends and the share price. Metro Mining is currently undertaking the native title agreement negotiating process proposing to utilise a portion of the funds raised under the Issue for that purpose.

(d) Aboriginal Sites of Significance

Commonwealth and State Legislation in Australia allow for the protection of sites of significance to Aboriginal custom and tradition. Metro Mining proposes to carry out "clearance surveys", also known as "heritage surveys", prior to conducting any exploration work that would cause a disturbance to the land surface. Tenements may contain some such sites of significance which would need to be avoided when carrying out field programmes. It is possible that such areas where sacred sites exist may contain mineralisation or an economic resource which would therefore remain unexploited.

(e) Environmental Regulation and Risks

Metro Mining operations and projects are subject to Australian State, Federal laws and regulations, regarding environmental compliance and relevant hazards. These laws and regulations set standards regulating certain aspects of health and environmental quality and provide for penalties and other liabilities for the violation of such standards. They also establish, in certain circumstances, obligations to rehabilitate current and former facilities and locations where operations are or were conducted.

Significant liability could be imposed on Metro Mining for damages, clean-up costs, or penalties in the event of certain discharges into the environment, environmental damage caused by previous owners of property acquired by Metro Mining, or non-compliance with environmental laws or regulations. Metro Mining proposes to minimise these risks by conducting its activities in an environmentally responsible manner, in accordance with applicable laws and regulations and where possible, by carrying appropriate insurance coverage. There is also a risk that the environmental laws and regulations may become more onerous, making Metro Mining operations more expensive. Metro Mining is currently in the process of applying for and meeting the conditions of the relevant environmental laws for the purposes of receiving the required environmental authority to advance the Bauxite Hills Project. Metro Mining is proposing to utilise a portion of the funds raised under the Issue for that purpose.

(f) Changes in commodity price

Metro Mining's possible future revenues will probably be derived mainly from bauxite and/or from royalties gained from potential joint ventures or from mineral projects sold. Consequently, Metro Mining's potential future earnings could be closely related to the price of bauxite.

The bauxite prices fluctuate and are affected by numerous industry factors including, the government policy of Indonesia (a major supplier in the bauxite market) which has recently banned the export of bauxite, forward selling by producers, production cost levels in major producing regions and macroeconomic factors, eg inflation, interest rates, currency exchange rates and global and regional demand for, and supply of, bauxite. In addition to these economic factors, the price of bauxite is dependent upon the quality of the bauxite. If the market price or assumed quality of bauxite or used by Metro Mining in the preparation of its prefeasibility study of the Bauxite Hills Project were to fall below the anticipated costs of production and remain at such a level for any

sustained period, the Company's Bauxite Hills Project and its related bauxite projects may be rendered uneconomic, resulting in the Company reducing or suspending some or all of its proposed mining activities. In such circumstances, Metro Mining would also have to assess the economic impact of any sustained lower commodity prices on recoverability.

(g) Government Policy and Taxation

Changes in relevant taxation and other legal, legislative and administrative regimes, and Government policies in Australia (at both Federal and State level), may have an adverse effect on the assets, operations and ultimately the financial performance of both Metro Mining and the entities in which it invests. These factors may ultimately affect the ability of Metro Mining to explore, develop its tenements and commercialise the underlying commodity. This, in turn, will affect the financial performance of Metro Mining and the market price of its securities.

In addition to the normal level of income tax imposed on all industries, Metro Mining may be required to pay government royalties, indirect taxes, GST and other imposts which generally relate to revenue or cash flows. Industry profitability can be affected by changes in government taxation policies.

(h) Reliance on Key Personnel

Whilst Metro Mining has a small senior management and technical team, its progress in pursuing its exploration and evaluation programmes within the time frames and within the costs structure as currently envisaged could be influenced by the loss of key personnel. The resulting impact from such loss would be dependent upon the quality and timing of the replacement of such personnel.

Although the key personnel of Metro Mining have a considerable amount of experience and have previously been successful in their pursuits of acquiring, exploring, evaluating and developing mineral prospects, there is no guarantee or assurance that they will be successful in their objectives pursuant to this Prospectus.

(i) Financing

In order to proceed with the development of any of its projects (including the Bauxite Hills Project), and (unless the Company elects to reduce its tenement portfolio) in order to comply with the minimum expenditure requirements in respect of its tenements, Metro Mining is likely to be required to raise additional equity or debt capital in the future. There is no assurance that it will be able to raise capital when it is required or that the terms associated with providing such capital will be satisfactory to Metro Mining, which may prejudice Metro Mining' ongoing ability to advance these projects.

Changes in interest rates may affect the cost and/or availability of financing for the project.

(j) Tenement Risks

All mining licences and exploration permits in which Metro Mining has an interest will require renewal from time to time. Given that the terms on which Metro Mining permits are granted or renewed (if at all) are generally at the discretion of the relevant governmental or administrative authority, there is a risk that any exploration permit held by Metro Mining may not be renewed in the future, or that any application for grant may be refused, and that Metro Mining may be unable to comply with legislative or regulatory requirements to retain title to its permits or applications. If for any reason a

licence or permit is not renewed then Metro Mining may suffer damage and as a result may be denied the opportunity to develop certain mineral resources.

Tenements carry with them various obligations in regard to minimum expenditure levels and responsibilities in respect of the environment and safety. Failure to observe these requirements could prejudice the right to maintain a permit for a given tenement. As a means of managing its expenditure obligations on its Tenements, the Company constantly reviews its exploration portfolio, ensuring that it keeps the most prospective areas having regard to its finances and plans. Part of this review may involve reducing its landholding over time.

The introduction of new legislation or amendments to existing legislation or a change in policy by Governments (both State and Federal) or the application of developments in the common law of Australia could impact adversely on the assets, operations and ultimately the financial performance of Metro Mining and its Shares.

(k) Exploration and Production

Tenements in which Metro Mining has an interest are at various stages of exploration and potential investors should understand that mineral exploration is a high risk undertaking. There can be no assurance that exploration of the project areas described in this Prospectus, or any other permits that Metro Mining may acquire an interest in, will result in the discovery of an economic mineral reserve. Even if an apparently viable reserve is identified, there is no guarantee that it can be commercially exploited.

Even if Metro Mining recovers potentially commercial minerals, there is no guarantee that Metro Mining will be able to successfully transport the minerals to commercially viable markets or sell the minerals to customers to achieve a commercial return. Metro Mining is planning on using the transshipment process to load ocean going vessels. Transshipment has not been previously used for bauxite exports in Australia and involves a number of risks that the Company is working to mitigate.

In addition, with respect to operations, Metro Mining operates in some remote locations within Australia and challenging geographical conditions. Therefore some exploration and development costs maybe higher in such areas due to a number of factors including limitations on the number of available suppliers of services required by Metro Mining, climatic and geographical conditions. Metro Mining has an internal review process for all exploration and drilling programs. Metro Mining also has a transparent review and auditing process for all tenders received. However, no assurances can be given that Metro Mining will be successful in mitigating all of these risks and there is a risk that exploration costs may escalate beyond budget anticipations.

(l) Mineral Resource and Ore Reserve Estimates

Mineral Resource estimates are inherently imprecise as they are expressions of judgement at a particular time based on available information, interpreted using experience and resource modelling techniques. The estimates, while made by qualified professionals, may change over time as other information becomes available which differs from information known or predicted by past drilling, sampling and geological interpretation. Mineral Resource and Ore Reserve estimates remain subject to change and no assurance can be given that the cost estimates used in Ore Reserve estimates and the underlying assumptions will be realised in practice, which may materially and adversely affect the Company's viability.

(m) Joint Venture Parties and Contractors

The Directors are unable to predict the risk of the financial failure or default by a participant in any joint venture to which the Company may become a party or insolvency or other managerial failure by any of the contractors used by the Company in its exploration activities.

(n) Speculative Nature of Investment

The above list of risk factors should not to be taken as exhaustive of the risks faced by Metro Mining or by investors in Metro Mining. Shareholders should consider that the investment in Metro Mining is speculative and should consult their professional advisers before deciding whether to apply for the New Shares.

Whether or not future income will result from projects undergoing exploration, programmes are dependent on the successful results of that exploration and on the subsequent establishment of development and production operations or sale of the projects. Factors including costs, equipment availability, and mineral prices affect successful project development as does the design and construction of efficient exploration facilities, competent operation and management and prudent financial administration, including the availability and reliability of appropriately skilled and experienced consultants. In particular, changes in global economic conditions (including changes in interest rates, inflation, foreign exchange rates and labour costs) as well as general trends in the Australian and overseas equity markets may affect Metro Mining' operations and particularly the trading price of the Shares on the ASX.

Shareholders should consider that the investment in the Company is speculative and should consult their professional advisers before deciding whether to apply for New Shares.

7. Additional information

7.1 Transaction specific prospectus

Metro Mining is a disclosing entity and therefore subject to regular reporting and disclosure obligations under the *Corporations Act*. Under those obligations, the Company is obliged to comply with all applicable continuous disclosure and reporting requirements in the ASX Listing Rules.

This Prospectus is issued under section 713 of the *Corporations Act*. This section enables disclosing entities to issue a prospectus in relation to securities in a class of securities which has been quoted by ASX at all times during the three months before the date of the Prospectus or options to acquire such securities. Apart from formal matters this Prospectus need only contain information relating to the terms and conditions of the Offer, the effect of the Offer on the Company and the rights and liabilities attaching to the New Shares.

Copies of the documents lodged by the Company with ASIC may be obtained from, or inspected at an office of ASIC.

The Company will provide a copy of any of the following documents, free of charge, to any person who asks for a copy of the document before the Closing Date in relation to this Prospectus:

- (1) annual financial report for the period ending 30 June 2014;
- (2) half-yearly financial statements for the Company for the period ending 31 December 2014; and
- (3) any other financial statements lodged in relation to the Company with ASIC and any continuous disclosure notices given by the Company to ASX, in the period starting immediately after lodgement of the annual financial report for the Company for the period ended 30 June 2014 and ending on the date of lodgement of this Prospectus with ASIC.

7.2 ASX Information and Share information

The ASX Announcements that the Company has made since 30 June 2014 are set out in Appendix A of this Prospectus. Copies of ASX announcements made by the Company may be obtained on the ASX website or the Company's website at www.metromining.com.au.

The highest and lowest prices of shares in the Company on the ASX in the six month period before the date of this Prospectus and the respective dates of those sales are set out below.

	High (\$)	Low (\$)	Volume weighted average (\$)
One month	0.130	0.089	0.097
Three months	0.130	0.065	0.088
Six months	0.130	0.030	0.060

The last market sale price of Shares as at 13 July 2015 was \$0.10.

The issue price of \$0.08 represents a discount of 20% to the last market price of Shares being \$0.10 on 13 July 2015, being the last trading day before lodgement of this Prospectus.

7.3 Rights and liabilities attaching to New Shares

The rights attaching to ownership of the New Shares are set out in the Company's Constitution, a copy of which is available for inspection at the registered office of the Company during business hours. The following is a summary of the principal rights of holders of the New Shares, subject to any special rights attaching to any class of share at a future time. This summary is not exhaustive nor does it constitute a definitive statement of the rights and liabilities of the Company's Shareholders.

(a) Voting

At a general meeting of the Company on a show of hands, every member present in person, or by proxy, attorney or representative has one vote and upon a poll, every member present in person, or by proxy, attorney or representative has one vote for every Share held by them.

(b) Dividends

The New Shares will rank equally with all other issued shares in the capital of the Company and will participate in dividend out of profits earned by the Company from time to time. Subject to the rights of holders of shares with any special preferential or qualified rights attaching to them, the profits of the Company are divisible amongst the holders of Shares paid proportionately to the amounts paid on the Shares. The Directors may from time to time pay to Shareholders such interim dividends as in their judgment the position of the Company justifies.

(c) Transfer of the Shares

(1) Uncertificated system

Transfer of Shares may be effected by an instrument of transfer in accordance with any system recognised by the ASX Listing Rules and effected in accordance with the ASX Settlement Operating Rules approved under the *Corporations Act* or by an instrument of transfer in any usual form or by another form approved by the Directors or recognised by the *Corporations Act* or the ASX Listing Rules.

(2) Certificated system

Subject to the Constitution and the *Corporations Act*, a Shareholder's share may be transferred by instrument in writing in any form authorised by the *Corporations Act* and the ASX Listing Rules or in any other form authorised by the *Corporations Act* and the ASX Listing Rules or in any other form that the Directors approve. No fee shall be charged by the Company on the transfer of any Shares.

(3) Refusal to register

The Directors, may, in their absolute discretion, refuse to register any transfer of Share or other securities where permitted to do so by the *Corporations Act*, the ASX Listing Rules or the ASX Settlement Operating Rules. The Directors must refuse to register any transfer of Shares or other securities when required to do so by the *Corporations Act* or the ASX Listing Rules. If the Directors decline to register a transfer, the Company must within five business days after the date of lodgement of such transfer give to the lodging party written notice of the refusal and the reasons for it.

(d) Winding up

Upon accepting the Entitlement to New Shares and paying the Acceptance Money, Shareholders will have no further liability to make payments to the Company in the event of the Company being wound up pursuant to the provisions of the *Corporations Act*.

(e) Future increases in capital

The allotment and issue of any New Shares is under the control of the Directors. Subject to the Listing Rules, the Company's Constitution and the *Corporations Act*, the Directors may allot or otherwise dispose of New Shares on such terms and conditions as they see fit.

(f) Variation of Rights

At present, the Company has only ordinary shares on issue. If the shares of another class were issued, the rights and privileges attaching to ordinary shares could only be altered with the approval of a resolution passed at a separate general meeting of the holders of ordinary shares by a three quarter majority of such holders or the written consent of the holders of at least three quarters of the ordinary shares.

(g) General Meeting

Each holder of Shares will be entitled to receive notice of and to attend and vote at general meetings of the Company and to receive notices, accounts and other documents required to be furnished to Shareholders under the Company's Constitution, the *Corporations Act* and the Listing Rules.

For more particular details of the rights attaching to ordinary shares in the Company, investors should refer to the Constitution of the Company.

7.4 **Corporate Governance**

The Company has adopted a Corporate Governance Charter which can be obtained from the Company's registered office and is also available on the Company's website: www.metromining.com.au.

The Company reports on its compliance with the recommendations made by the Corporate Governance Principles and Recommendations in its annual report. Where the Company's corporate governance practices do not correlate with the practices recommended by the ASX Corporate Governance Council, the Company is working towards compliance however it does not consider that all practices are appropriate for the Company due to the size and scale of the Company operations.

7.5 **Directors' interests**

The nature and extent of the interest (if any) that any of the Directors of the Company holds, or held at any time during the last two years in:

- (a) the formation or promotion of the Company;
- (b) property acquired or to be acquired by the company in connection with:
 - (1) its formation or promotion;
 - (2) the Offer; or

(c) the Offer,

is set out below or elsewhere in this Prospectus.

Other than as set out below or elsewhere in this Prospectus, no one has paid or agreed to pay any amount, and no one has given or agreed to give any benefit to any director or proposed director:

(a) to induce them to become, or to qualify as, a Director of the Company; or

(b) for services provided by a director in connection with:

(1) the formation or promotion of the Company; or

(2) the Offer.

Set out below are details of the interest of the Directors in the securities of the Company immediately prior to lodgement of the Prospectus with the ASIC. Interest includes those securities held directly and indirectly. The table does not take into account any New Shares the directors may acquire under the Offer.

Director	No of Shares	No of Options
Stephen Everett	2,444,795	Nil
Philip Hennessy	1,562,500	Nil
Jijun Liu	Nil	Nil
Dongping Wang	Nil	Nil
Lindsay Ward	375,000	Nil
George Lloyd	759,011	Nil
Ken Xiao (alternate to Jijun Liu)	45,052	Nil
Xiaoming Yuan (alternate to Dongping Wang)	Nil	Nil

7.6 Directors Fees

Set out below is the remuneration paid to the current Directors of the Company and their associated entities for the past two years based on audited financial statements. The tables below relate to the financial years ending on 30 June 2014 and 30 June 2013 and accordingly do not include those directors of the Company who have been appointed after 30 June 2014. Additionally, the tables below do not include those directors whom have resigned as directors of the Company.

Directors' remuneration for the financial year ended 30 June 2014:

2014	Short Term Benefits			Post Employment Benefits	Long Term Benefits	Share Based Payments	Total
	Cash and Salary Fees	Bonus	Non-monetary				
Name	\$	\$	\$	\$	\$	\$	\$
Non-Executive Directors							
Mr S Everett	90,000	-	-	-	-	-	90,400
Mr L Ward	50,869	-	-	4,705	-	-	55,574
Mr D Wang	22,500	-	-	-	-	-	22,500
	163,769	-	-	4,705	-	-	168,474

Directors' remuneration for the financial year ended 30 June 2013:

2013	Short Term Benefits			Post Employment Benefits	Long Term Benefits	Share Based Payments	Total
	Cash and Salary Fees	Bonus	Non-monetary				
Name	\$	\$	\$	\$	\$	\$	\$
Non-Executive Directors							
Mr S Everett	90,000	-	-	-	-	44,296	134,296
Mr L Ward	50,459	-	-	4,541	-	-	55,000
Mr D Wang	22,500	-	-	-	-	22,148	44,648
	162,959	-	-	4,541	-	66,444	233,944

The Board considers that these fees are reasonable remuneration pursuant to section 211 of the *Corporations Act* and accordingly, member approval is not required.

Details of the intention of Directors to participate in the Offer is set out in section 1.8.

7.7 Substantial Holders

The following are details of those Shareholders who hold more than 5% of the Shares prior to the date of this Prospectus:

Substantial Holder	Number of Shares	%
BALANCED PROPERTY PTY LTD	41,567,849	14.4%
DADI ENGINEERING DEVELOPMENT	28,800,000	10.0%
CHINA XINFA GROUP CORPORATION	20,327,883	7.0%
MR GREGORY IAN WILLIMS	18,819,863	6.5%
DADI ENGINEERING DEVELOPMENT	18,450,000	6.4%
BONDLINE LIMITED	16,050,223	5.6%

Please note that the information set out above in respect of the holdings of substantial holders may change depending on whether any of the substantial shareholders above participate in the Placement which will take place prior to the announcement of the Offer. Such changes will be notified to the ASX in accordance with the requirements of the Corporations Act.

7.8 Related party transactions

From time to time the Company may be party to transactions with related parties including:

- (a) employment and service arrangements; and
- (b) payment of Directors fees.

The Company believes that it has made appropriate disclosure of past related party transactions and other than any further disclosure specifically set out below or made elsewhere in this Prospectus does not intend to make any further disclosure of such transactions which transactions will have either proceeded on an "arms length" basis, reasonable remuneration basis or been approved by shareholders in general meeting.

The Company discloses the following transactions with related parties which have either proceeded on an "arms length" or reasonable remuneration basis or have been approved by Shareholders in general meeting. The transactions are:

- (c) Non-executive Director agreements with the Non-executive Directors;
- (d) issue of Options to Directors; and
- (e) issue of Shares and Options to Directors pursuant to offers made available to the public or existing shareholders.

The Board considers that the remuneration and benefits are reasonable remuneration pursuant to section 211 of the *Corporations Act* and accordingly, member approval is not required.

Payment of Non-Executive Director fees

The Chairman of the Company is entitled to be paid directors' fees in the amount of \$75,000 per annum. Each of the remaining Non-Executive Directors of the Company (excluding the Chairman) are entitled to be paid directors' fees in the amount of \$45,000 per annum.

The Chairman of the Audit, Risk and Nominations Committee is entitled to be paid additional fees in the amount of \$10,000 per annum. Each of the members of the Audit, Risk and Nominations Committee of the Company (excluding the Chairman) are entitled to be paid additional fees in the amount of \$5,000 (respectively) per annum.

The Board considers that these fees are reasonable remuneration pursuant to section 211 of the *Corporations Act* and accordingly, member approval is not required.

7.9 **Mandate Agreement**

The Company has entered an exclusive mandate with Argonaut Capital Limited and GMP Securities Europe LLP pursuant to which Argonaut Capital Limited and GMP Securities Europe LLP has been appointed as Joint Lead Managers to the Offer (**Mandate Agreement**). The Joint Lead Managers will provide a number of services to the Company in respect of the Offer and has the right (but not the obligation) to allocate any Shortfall in consultation with and subject to the agreement of the Company.

The mandate will terminate (unless extended by mutual agreement of the parties) on the earlier of the

- (a) completion of the Offer;
- (b) 12 months from the commencement of the mandate; and
- (c) Seven days from the date on which a party receives written notice from the party terminating the mandate.

7.10 **Underwriting Agreement**

The Company has engaged Argonaut Capital Limited and GMP Securities Europe LLP as the Joint Underwriters for the Offer under the underwriting agreement dated 15 July 2015 (**Underwriting Agreement**).

The Underwriting Agreement is subject to standard terms and conditions.

The key terms of the Underwriting Agreement are set out below.

The Company must pay the Joint Underwriters an underwriting fee of 6% of the underwritten amount, and this amount will be reduced to 3% where the funds raised are from substantial shareholders of the Company;

The Company has agreed to the following obligations and warranties pursuant to the Underwriting Agreement:

- (a) Carry on its business and the business of its Subsidiaries from the date of the Underwriting Agreement until 120 days after the Closing Date in the ordinary course and not to enter into any agreement or commitment which is material in the context of the Company, the Rights Issue or the Placement, without the prior written consent of the Underwriters, which consent shall not be unreasonably withheld or delayed;
- (b) The Company and its Subsidiaries must not, at any time after the date of this document and before the expiration of six months after the Closing Date:
 - (1) allot or issue or agree any equity securities or any securities that are convertible or exchangeable into such equity securities, without the prior written consent of the Underwriters (such consent not to be unreasonably withheld) other than:

- (A) an issue of securities by the Company pursuant to the Placement or the Rights Issue of an employee incentive scheme adopted by the Company prior to the date of the Underwriting Agreement; or
 - (B) the conversion of any convertible securities which are on issue at the date of the Underwriting Agreement
- (2) reduce its capital or otherwise alter its capital structure or effect any repurchase of shares;
 - (3) amend its constitution or any other constituent documents;
 - (4) pass or take any steps to offer financial assistance to purchase shares in the Company pursuant to section 260A of the Corporations Act;
 - (5) change or dispose or agree to change or dispose of the whole or substantial part of its business or property.

The Company has agreed to indemnify the Underwriters, in respect of all costs of and incidental to the Rights Issue, and further indemnify the Underwriters and related parties against all losses, liabilities and claims in respect of the Prospectus, the Rights Issue and associated documents to the Rights Issue.

The Underwriting Agreement makes provisions (inter alia) for certain covenants to be observed by the Company and also circumstances in which the Underwriter may terminate the Underwriting Agreement. Some of those provisions which allow termination of the Underwriting Agreement are summarised as following:

- (a) If the ASX S&P 200 Index, the ASX Metals and Mining Index, or the ASX Small Resources Index is, at any time after the date of the Underwriting Agreement, 10% or more below its respective level as at the close of business on the Business Day immediately before the date of the Underwriting Agreement;
- (b) If the Company is prevented from issuing the Underwritten or Placement Shares within the time required by the Underwriting Agreement;
- (c) If the Company's Shares finish trading on the ASX on any five consecutive days with a closing price that is less than the Price;
- (d) If the Prospectus does not contained all the information that investors and their professional advisers would reasonably require to make an informed assessment of the assets and liabilities, financial position and performance, profits and losses and prospects of the Company, and the rights and liabilities attaching to the Underwritten Shares;
- (e) If the Company or any of its Subsidiaries is or becomes unable to pay its debts when they are due or is or becomes unable to pay its debts within the meaning of the Corporations Act 2001 (Cth) or is presumed to be insolvent under the Corporations Act 2001 (Cth);
- (f) If:
 - (1) there is a material statement in the Prospectus that is or becomes false or misleading (including by way of omission);
 - (2) the Prospectus does not comply with the Corporations Act, the Listing Rules or any other applicable laws,

- (g) If there has been a significant change or new circumstance as referred to in section 719(1) of the Corporations Act that is materially adverse from the point of view of an investor
- (h) If the Company or any of its Subsidiaries alters its capital structure in a manner not contemplated by the Prospectus; or
- (i) If any change occurs in the financial position of the Company or any of its Subsidiaries which, in the opinion of the Underwriter, may have a Material Adverse Effect which could result in a material adverse change in the financial position or prospects of the Company from that which exists at the date of the Underwriting Agreement

7.11 **Sub-Underwriting**

The Joint Underwriters have executed agreements with substantial shareholders of the Company (**Sub-underwriters**) to sub-underwrite the Offer to a maximum amount of \$2,823,514.72 (**Sub-Underwriting Agreements**). The Joint Underwriters will pay the Sub-underwriters a fee out of the underwriting fee that is payable under the Underwriting Agreement.

7.12 **Interests of experts and advisers**

This section applies to persons named in this Prospectus as performing a function in a professional, advisory or other capacity in connection with the preparation or distribution of this Prospectus, promoters of the Company and stockbrokers or arrangers (but not sub-underwriters) to the Offer (collectively **Prescribed Persons**).

Other than as set out below or elsewhere in this Prospectus, no Prescribed Person has, or has had in the last two years, any interest in:

- (a) the formation or promotion of the Company;
- (b) any property acquired or proposed to be acquired in connection with the formation or promotion of the Company or the Offer; or
- (c) the Offer of New Shares under this Prospectus.

Other than that as set out below or elsewhere in this Prospectus, no benefit has been given or agreed to be given to any Prescribed Person for services provided by a Prescribed Person in connection with the:

- (a) formation or promotion of the Company; or
- (b) offer of New Shares under this Prospectus.

Argonaut Capital Limited and GMP Securities Europe LLP are the Joint Lead Managers and Joint Underwriters to the Offer, in respect of which it is entitled to receive fees and commission under the Mandate Agreement and Underwriting Agreement as set out in sections 7.9 and 7.10 above.

HopgoodGanim Lawyers are acting as solicitors to the Offer and have performed work in relation to the Prospectus. In doing so, HopgoodGanim Lawyers have placed reasonable reliance upon information provided to them by the Company. HopgoodGanim Lawyers does not make any statement in this Prospectus. In respect of this work, the Company estimates that it will pay approximately \$35,000 (excluding disbursements and GST) to HopgoodGanim Lawyers. HopgoodGanim Lawyers are the Company's Australian lawyers and are engaged

from time to time by the Company on a variety of matters. Further amounts may be paid to HopgoodGanim Lawyers in accordance with its normal time based charges.

7.13 **Limitation on foreign ownership**

The Foreign Acquisitions and Takeovers Act (**FATA**) sets limitations on the ability of foreign persons to hold shares or other securities convertible into shares (such as options) in an Australian company. Foreign persons whom are controlled by a foreign government may also be subject to further requirements under Australia's Foreign Investment Policy as published by the Foreign Investment Review Board from time to time.

The FATA regulates acquisitions giving rise to ownership of substantial amounts of a company's shares.

The FATA prohibits:

- (a) any natural person not ordinarily resident in Australia; or
- (b) any corporation in which either a natural person not ordinarily resident in Australia or a foreign corporation (as defined in the FATA) holds a controlling interest; or
- (c) two or more such persons or corporations,

from acquiring or entering into an agreement to acquire an interests in an existing Australian corporation if after the acquisition such person or corporation would hold a substantial interest in a corporation, or where two or more persons or corporations would hold an aggregate substantial interest (defined below), without first applying in the prescribed form for approval by the Australian Treasurer and receiving such approval or receiving no response in the 40 days after such application was made.

A foreign shareholder will not be required to seek approval by the Australian Treasurer where they are acquiring their entitlement under a pro-rata entitlement offer.

Acquisitions of interests may include the acquisition of shares, options or any other instrument which may be converted to shares, as well as any other type of arrangement which results in control of the corporation.

A holder will be deemed to hold a substantial interest in a corporation if the holder alone or together with any associates (as defined in the FATA) is in a position to control not less than 15% of the voting power in the corporation or holds interests in not less than 15% of the issued shares in that corporation. Two or more holders hold an aggregate substantial interest in a corporation if they, together with any associates (as so defined), are in a position to control not less than 40% of the voting power in that corporation or hold not less than 40% of the issued Shares in that corporation. The Constitution of the Company contains no limitations on a non resident's right to hold or vote the Company's Shares.

7.14 **Subsequent events**

There has not arisen, at the date of this Prospectus any item, transaction or event of a material or unusual nature not already disclosed in this Prospectus which is likely, in the opinion of the Directors of the Company to affect substantially:

- (a) the operations of the Company,
- (b) the results of those operations; or
- (c) the state of affairs of the Company.

7.15 **Litigation**

The Company is not engaged in any other litigation which has or would be likely to have a material adverse effect on either the Company or its business.

7.16 **Privacy**

By submitting an Entitlement and Acceptance Form for shares you are providing to the Company personal information about yourself. If you do not provide complete and accurate personal information, your application may not be able to be processed.

The Company maintains the register of members of the Company through Link Market Services Limited an external service provider. The Company requires Link Market Services Limited to comply with the National Privacy Principles with performing these services. The Company's register is required under the *Corporations Act* to contain certain personal information about you such as your name and address and number of shares and options held. In addition the Company collects personal information from members such as, but not limited to, contact details, bank accounts and membership details and tax file numbers.

This information is used to carry out registry functions such as payment of dividends, sending annual and half yearly reports, notices of meetings, newsletters and notifications to the Australian Taxation Office. In addition, contact information will be used from time to time to inform members of new initiatives concerning the Company.

The Company understands how important it is to keep your personal information private. The Company will only disclose personal information we have about you:

- (a) when you agree to the disclosure;
- (b) when used for the purposes for which it was collected;
- (c) when disclosure is required or authorised by law;
- (d) to other members in the Metro Mining group of companies;
- (e) to your broker;
- (f) to external service suppliers who supply services in connection with the administration of the Company's register such as mailing houses and printers, Australia Post and financial institutions.

You have the right to access, update and correct your personal information held by the Company and Link Market Services Limited, except in limited circumstances. If you wish to access, update or correct your personal information held by Link Market Services Limited or by the Company please contact our respective offices.

If you have any questions concerning how the Company handles your personal information please contact the Company.

7.17 **Expenses of the Offer**

All expenses connected with the Offer are being borne by the Company. Total expenses of the Offer are estimated to be in the order of \$350,000.

7.18 Consents and disclaimers

Written consents to the issue of this Prospectus have been given and at the time of this Prospectus have not been withdrawn by the following parties:

Argonaut Capital Limited has given and has not withdrawn its consent to be named in this Prospectus as a Joint Lead Managers and Joint Underwriters in the form and context in which it is named. It takes no responsibility for any part of the Prospectus other than references to its name.

GMP Securities Europe LLP has given and has not withdrawn its consent to be named in this Prospectus as a Joint Lead Managers and Joint Underwriters in the form and context in which it is named. It takes no responsibility for any part of the Prospectus other than references to its name.

HopgoodGanim Lawyers has given and has not withdrawn its consent to be named in this Prospectus as lawyers to the Offer in the form and context in which it is named. It takes no responsibility for any part of the Prospectus other than references to its name.

Link Market Services Limited has given and, at the date of this Prospectus, has not withdrawn, its written consent to be named as Share Registrar in the form and context in which it is named. It has had no involvement in the preparation of any part of the Prospectus other than being named as Share Registrar to the Company and has not authorised or caused the issue of, and expressly disclaims and takes no responsibility for, any part of the Prospectus.

Neil McLean has given and has not withdrawn his consent to be named in this Prospectus as a Competent Person in the form and context in which he is named. Mr McLean takes no responsibility for any part of the Prospectus other than references to his name.

Jeff Randell has given and has not withdrawn his consent to be named in this Prospectus as a Competent Person in the form and context in which he is named. Mr Randell takes no responsibility for any part of the Prospectus other than references to his name.

Maria Joyce has given and has not withdrawn her consent to be named in this Prospectus as a Competent Person in the form and context in which she is named. Ms Joyce takes no responsibility for any part of the Prospectus other than references to her name.

7.19 **Directors' statement**

This Prospectus is issued by Metro Mining Limited. Each director has consented to the lodgement of the Prospectus with ASIC.

Signed on the date of this Prospectus on behalf of Metro Mining Limited by



.....
Stephen Everett
Director

8. Definitions and glossary

Terms and abbreviations used in this Prospectus have the following meaning:

Acceptance	An acceptance of Entitlements
Acceptance Money	The Offer Price multiplied by the number of New Shares applied for
Applicant	A person who submits an Entitlement and Acceptance Form
ASIC	Australian Securities and Investments Commission
ASX	ASX Limited and the Australian Securities Exchange
ASX Listing Rules	The official listing rules of the ASX
ASX Settlement	ASX Settlement Pty Ltd
ASX Settlement Operating Rules	The operating rules of ASX Settlement
Business Day	A day, other than a Saturday, Sunday or public holiday, on which banks are open for general banking business in Sydney
Closing Date	The date by which valid acceptances must be received by the Share Registry being 5.00pm (AEST time) on Friday 28 August 2015 or such other date determined by the Board and the Joint Lead Managers
Company or Metro Mining	Metro Mining Limited ACN 117 763 443
Constitution	The Constitution of the Company
Corporate Governance Principles and Recommendation	Corporate Governance Principles and Recommendation 3rd Edition initially released by the ASX Corporate Governance Council in March 2014
Corporations Act	<i>Corporations Act</i> 2001 (Cth)
Directors or Board	The Board of directors of Metro Mining from time to time
Eligible Shareholder	A shareholder of the Company that holds Shares in the Company on the Record Date
Entitlement and Acceptance Form or Form	An entitlement and acceptance form in the form accompanying this Prospectus
Entitlements	The entitlement to accept New Shares under this Prospectus
Existing Options	All existing options to subscribe for Shares currently on issue as at the date of this Prospectus
Group	The Company and each of its wholly owned subsidiaries
Ineligible Shareholders	Shareholders as at the Record Date who are not Eligible Shareholders
Joint Lead Managers	Argonaut Capital Limited and GMP Securities Europe LLP
Joint Underwriters or Underwriters	Argonaut Capital Limited and GMP Securities Europe LLP
Law	The <i>Corporations Act</i> or any relevant and applicable law in Australia

Major Shareholders	Those Shareholders who hold at least 5% of the Shares
Minimum Shareholder	A Shareholder as at the Record Date holding less than \$500 worth of Shares based on the (volume weighted average Share price for the preceding 5 trading days)
Minimum Shareholding Buy-Back	A buy-back of all of a Shareholders Shares if the Shares are less than a marketable parcel as defined under the ASX Listing Rules
New Shares	The Shares offered under this Prospectus
Offer or Issue	The offer and issue of New Shares in accordance with this Prospectus
Offer Price	\$0.08 for each New Share applied for
Official List	The official list of entities that ASX has admitted and not removed
Official Quotation	Quotation on the Official List
Opening Date	9.00am (AEST time) on Friday 31 July 2015
Option Holders	The holders of the Existing Options
Options	Options on issue in the Company from time to time
Placement	The placement on 15 July 2015 under which 25,000,000 Shares were issued to a group of sophisticated or otherwise exempt investors raising \$2,000,000 (before costs).
Prospectus	This Prospectus dated 16 July 2015 as modified or varied by any supplementary prospectus made by the Company and lodged with the ASIC from time to time and any electronic copy of this prospectus and supplementary prospectus
Record Date	7.00pm (AEST time) on Friday 24 July 2015
Register	Company Register of Metro Mining
Securities	Has the same meaning as in section 92 of the <i>Corporations Act</i>
Share Registry	Link Market Services Limited
Shares	The ordinary shares on issue in Metro Mining from time to time
Shareholders	The holders of Shares from time to time
Shortfall	Those New Shares for which the Entitlement lapses
US Securities Act	The US Securities Act of 1933, as amended.

Appendix A

(ASX Announcements)

Date	Title of Announcement
13/07/2015	Trading Halt
18/06/2015	Metro Mining Amends GCR Agreement
10/06/2015	Metro Mining Investor Update – June 2015
02/06/2015	Revised Fourfold Increase in Bauxite Hills Ore Reserve
02/06/2015	Fourfold Increase in Bauxite Hills Ore Reserve
02/06/2015	Focus on Quality Produces Significant Measured Resource
01/06/2015	Trading Halt
21/05/2015	CEO Presents at 6th World Aluminium Summit in Qingdao China
13/05/2015	Metro Mining Appoints China Marketing Expert
07/05/2015	MMI CEO Presents to Mining & Energy Services Council
29/04/2015	MMI Chairman Presents to QEC
21/04/2015	March Quarter 2015 - Quarterly and Cash Flow Report
08/04/2015	Appendix 3X for appointment of Mr George Lloyd as Director
24/03/2015	Hong Kong Mines & Money Presentation - 24 Mar 2015
26/02/2015	Half Year Financial Report and Accounts to 31 Dec 2014
24/02/2015	RIU Investor Presentation
17/02/2015	Presentation for Symposium Investor Roadshow 17 February 2
17/02/2015	Bauxite Hills Pre-Feasibility Study - NPV of \$197M
17/02/2015	Bauxite Hills Project Maiden Ore Reserve
17/02/2015	Trading Halt
16/02/2015	Bauxite Hills Resource Upgrade
04/02/2015	Metro Mining Investor Presentation - 4 Feb 2015
27/01/2015	Appendix 3Y - Change of Directors Interest
22/01/2015	Quarterly Cashflow Report
22/01/2015	Quarterly Activities Report
15/01/2015	Appendix 3B
15/01/2015	New Director - Appendix 3X
13/01/2015	DSO Inferred Resource More than Doubled to 47Mt
15/12/2014	Appendix 3B

Date	Title of Announcement
08/12/2014	Metro Mining new ticker code MMI
02/12/2014	Presentation to Gold Coast Investor Showcase
01/12/2014	Initial Director's Interest Notice
01/12/2014	Final Director's Interest Notice
28/11/2014	Terms of Contract for new CEO
27/11/2014	Results of 2014 AGM Meeting
25/11/2014	Chief Executive Officer's 2014 AGM Address
25/11/2014	2014 Chairman's Address to Shareholders
24/11/2014	CBX:Metrocoal Announces Management Restructure
18/11/2014	Distribution Schedule & Top 20 shareholders
18/11/2014	Appendix 3B
13/11/2014	Notice of Compulsory Acquisition
11/11/2014	Change in substantial holding for CBX
10/11/2014	Metrocoal Offer for Cape Alumina Succeeds
07/11/2014	Change in substantial holding for CBX
03/11/2014	Supplementary Target's Statement
31/10/2014	Annual Report to shareholders
31/10/2014	Quarterly Activities Report
27/10/2014	Third Supplementary Bidder's Statement
27/10/2014	Extension of Offer Period
27/10/2014	MTE:Cape Alumina increases unsecured debt financing to \$500k
27/10/2014	Quarterly Cashflow Report
22/10/2014	Appendix 3B
22/10/2014	Notice of Annual General Meeting/Proxy Form
21/10/2014	Change in substantial holding for CBX
17/10/2014	Extension of Offer Period
16/10/2014	Change in substantial holding for CBX
10/10/2014	MetroCoal bid for Cape Alumina declared unconditional
10/10/2014	Becoming a substantial holder
10/10/2014	Becoming a substantial holder
10/10/2014	Notice under section 630(3)
10/10/2014	Section 650F Notice from CBX
09/10/2014	Change in substantial holding for CBX

Date	Title of Announcement
06/10/2014	CBX:Independent Directors recommend acceptance MetroCoal bid
02/10/2014	Final Director's Interest Notice - Appendix 3Z
02/10/2014	Final Director's Interest Notice
02/10/2014	Change of Director's Interest Notice
02/10/2014	Initial Director's Interest Notice - Appendix 3X
02/10/2014	Board Changes Following Metallica Sale of MetroCoal Shares
01/10/2014	Change in substantial holding for CBX
30/09/2014	Ceasing to be a substantial holder from MLM
30/09/2014	Supplementary Bidders Statement
29/09/2014	MLM: \$2 million plus sale of shareholding in MetroCoal
29/09/2014	Change in substantial holding for CBX
26/09/2014	Full Year Statutory Accounts and Corporate Governance
26/09/2014	Variation of Takeover Bid
25/09/2014	Change of Company Address
23/09/2014	Change in substantial holding for CBX
22/09/2014	Change in substantial holding for CBX
15/09/2014	Cape Alumina's Non Associate Directors Statement re Takeover
15/09/2014	CBX: Target's Statement in relation to the MetroCoal offer
15/09/2014	Change in substantial holding for CBX
02/09/2014	Despatch of Bidder's/Supplementary Bidder's Statement forCBX
27/08/2014	CBX: Supplementary Bidders Statement - Off-market bid
27/08/2014	MetroCoal to provide interim loan funding to Cape Alumina
27/08/2014	CBX: Cape Alumina arranges \$250k unsecured debt financing
26/08/2014	Appendix 3B
19/08/2014	Bidders Statement - Off-market bid for CBX
19/08/2014	Notification of Register Date
19/08/2014	Change in substantial holding for CBX
12/08/2014	Letter to Shareholders
05/08/2014	CBX: Response to MetroCoal announcement
04/08/2014	Intention to make a scrip offer for remaining shares in CBX
04/08/2014	Trading Halt
30/07/2014	Quarterly Activities Report
24/07/2014	Quarterly Cashflow Report

Corporate Directory

Directors	Solicitors to the Offer
<p>Mr Stephen Everett - Non-executive Chairman Mr Philip Hennessy – Non-executive, Independent director Mr Jijun Liu – Non-executive director Mr Dongping Wang – Non-executive director Mr Lindsay Ward – Non-executive director, Independent director Mr George Lloyd – Non-executive, Independent director Mr Ken Xiao – Alternate to Jijun Liu Mr Xiaoming Yuan – Alternate to Dongping Wang</p>	<p>HopgoodGanim Lawyers Level 8 Waterfront Place 1 Eagle Street Brisbane QLD 4000 Tel: + 61 7 3024 0000 www.hopgoodganim.com.au</p>
Administration and Registered Office	Joint Lead Managers and Joint Underwriters
<p>Level 8, 300 Adelaide Street, Brisbane QLD 4000 Tel: +61 7 3009 8000 Fax: +61 7 3221 4811 www.metromining.com.au</p>	<p>Argonaut Capital Limited Level 30, 77 St Georges Terrace, Perth WA 6000 Tel: +61 8 9224 688 Fax: +61 8 9225 5511 www.argonaut.com</p> <p>GMP Securities Europe LLP Stratton House, 5 Stratton Street, First Floor, London, England W1J 8LA Tel: +44 (0) 207 647 2800 www.gmpsecurities.com</p>
Share Registry	
<p>Link Market Services Limited Level 15, 324 Queen Street, Brisbane QLD 4000 Tel: 1300 554 474 (within Australia) +61 1300 554 474 (outside Australia)</p>	