



**METRO**  
**MINING**  
**LIMITED**

Metro Mining Limited (ASX:MMI)

Quarterly Activities Report | June 2015

## Highlights

-  Significant increase in Bauxite Hills Project Ore Reserve
-  Focus on Bauxite Hills quality has upgraded resource classification
-  Bauxite Hills Native Title negotiations and Environmental Approvals process well advanced
-  Bauxite Hills Definitive Feasibility Study underway and on schedule to be released by end Q3 2015
-  China marketing expert, Norman Ting, appointed as General Manager Marketing, Asia
-  Amended agreement for Hey Point Sale and updated payment arrangements
-  Placement and Underwritten Rights Issue to Raise A\$5.6 million



## Metro Mining raises \$5.6 million with mining approvals in sight

*\*Refer MMI 16 July 2015 ASX Announcement*

Metro Mining announced a Capital Raising of \$5.6 million comprising a successful Placement which raised \$2 million and a fully underwritten Rights Issue to raise \$3.6 million.

Argonaut and GMP Securities are Joint Lead Managers to the Capital Raising. As a result of the strong support, the Rights Issue has been fully underwritten by the Joint Lead Managers.

The proceeds of the Offer will be used to further the development of Metro Mining's Bauxite Hills Project, through to a decision to mine, and for general working capital purposes.

Focus continues on completion of the Definitive Feasibility Study (DFS), permitting approvals, and pre-development work including potential pre-commitments for mining and trans-shipment contractors.

**The funds raised will strengthen Metro's balance sheet and fund Bauxite Hills' through permitting to a decision to mine.**

**Metro Mining remains on track with the overall schedule released to Shareholders at the Annual General Meeting in December 2014. The Company aims to commence mining operations in Q3 2016.**

In addition to Bauxite Hills, Metro Mining controls 1,300sq. kilometres of exploration tenements in the Weipa region.

## Bauxite Hills Project

### Significant increase in Bauxite Hills Project Ore Reserve

**\*Refer MMI 2 June 2015 ASX Announcement**

Metro Mining announced a significant increase in the Bauxite Hills Project Ore Reserve – from 12.1 million tonnes to 48.2 million tonnes.

- 41.8 million tonnes\* Proved Ore Reserve (50.7% total  $\text{Al}_2\text{O}_3$ , 38.6% THA, 6.3% RxSi)
- 6.4 million tonnes\* Probable Ore Reserve (49.3% total  $\text{Al}_2\text{O}_3$ , 36.8% THA, 6.9% RxSi)
- Mine life extended from 21 to 27 years\*\*
- Production of up to 2 million tonnes\*\* of Direct Shipping Ore (DSO) per year\*

### Focus on Bauxite Hills Quality Produces Good Results

**\*Refer MMI 2 June 2015 ASX Announcement**

Additional borehole analyses also allowed a significant upgrade in resource classification.

- Total DSO Resource 53.6 million tonnes\* (Measured, Indicated and Inferred) at an average grade of 50.6% total  $\text{Al}_2\text{O}_3$ , 11.7% total  $\text{SiO}_2$ , 6.3% reactive  $\text{SiO}_2$
- 41.8 million tonnes\* Direct Shipping Ore (DSO) Maiden Measured Resource at BH1 and BH6\* comprising:
  - 24.5 million tonnes\* DSO Measured Resource for BHI Deposit (51.8% total  $\text{Al}_2\text{O}_3$ , 9.3% total  $\text{SiO}_2$ , 5.8% reactive  $\text{SiO}_2$ )\*
  - 17.3 million tonnes\* DSO Measured Resource for BH6 Deposit (50.0% total  $\text{Al}_2\text{O}_3$ , 13.4% total  $\text{SiO}_2$ , 6.6% reactive  $\text{SiO}_2$ \*)
- Bauxite Grade confirms DSO Product suitable for export

### Native Title Negotiations and Environmental Approvals

Discussions with Native Title Parties for the Bauxite Hills Project are ongoing and progressing well.

Notice was given under section 29 of the Commonwealth Native Title Act, 1993 as of 14 January 2015 and the company is progressing towards finalisation via the 'Right to Negotiate' (RTN) process.

An Environmental Impact Assessment (EIA) is being undertaken for the Bauxite Hills Project to meet State and Commonwealth environmental approval processes.

### Definitive Feasibility Study

Having completed the Pre-Feasibility Study in February 2015 work on the Definitive Feasibility Study (DFS) is well underway.

The Bauxite Hills Project Team is on schedule to announce the DFS results to be announced by end Q3 2015.



### Research Reports

During the Quarter the following Broker Reports were received:

- 17 June 2015 GMP Securities – **"Metro Mining - High-Margin Weipa Bauxite DSO"** | Target Price \$0.20
- 11 June 2015 Argonaut Research – **"Metro Mining Low Complexity, High Margin Bauxite"** | Target Price \$0.25
- 10 June 2015 Morgans – **"Metro Mining A Bauxite Beauty"** | Target \$0.18

Full details of the reports are available at the metro Mining website [metromining.com.au](http://metromining.com.au)

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

## Hey Point Agreement Amended

*Refer MMI 18 June 2015 ASX Announcement*

Updated payment arrangements were announced for the sale of the Hey Point bauxite tenements to Green Coast Resources Pty Ltd.

- \$250,000 received 18 June 2015
- Outstanding sum of \$750,000 increased to \$825,000 to be paid in two instalments
  - \$275,000 in September 2015 and
  - \$550,000 in December 2015
- Royalties now 3% - 4% of gross sales on bauxite sold from Hey Point Tenements

## Bauxite Price Outlook

The demand for bauxite continues and strong market growth is still forecast.

- The global growth in aluminium consumption, led by China, is forecast to drive bauxite prices
- **Metro Mining's bauxite price forecasts have been based on independent research by the CM Group**



## China Marketing Expert Appointed

*Refer MMI 13 May 2015 ASX Announcement*

In May Metro Mining appointed Hong Kong based mining executive Mr Norman Ting to the position of General Manager Marketing, Asia.

An industry veteran with over thirty years experience, Mr Ting previously served as Chairman of Traxys China where he traded a range of products including bauxite. Mr Ting has also held a senior executive position with Ausenco, China.

Previously Mr Ting served in several executive positions with WOGEN plc in the United Kingdom, Hong Kong & China – including as a representative Comalco (Rio Tinto Alcan) Bauxite and Alumina in Beijing. During his tenure at Comalco Mr Ting also served as Technical Marketing Manager, Bauxite and Alumina, and was based in Brisbane.

**Mr Ting's appointment represents a significant milestone in introducing the company's Bauxite Hills Project to the Asian market.**

**Mr Ting is responsible for advancing all Off-take Agreements and is in discussion with several major customers.**

Mr Norman Ting (left) and Metro Mining CEO Simon Finnis





# Investor Relations



During the quarter CEO Simon Finnis presented to a number of high profile forums to inform the national & international investment community about the company's Bauxite Hills Project.

Early in the quarter presentations on the Bauxite Hills Project were made at **Hong Kong Mines & Money** and the Chairman presented to **Queensland Exploration Council** in April. During May presentations to industry were made at the **Mining & Energy Services Council** and to the **Sydney investment sector**.

Late in May, CEO Simon Finnis, and GM Marketing Asia, Mr Norman Ting presented at the **World Aluminium Raw Materials Conference in China** which was followed in early June by presentations to the **London investment sector**.

In July, Metro Mining was well received when it presented the Bauxite Hills Project at the **Noosa Mining and Exploration Conference**.

All Metro Mining Investor and Industry Presentations are available for download and can be found on our website: [www.metromining.com.au](http://www.metromining.com.au)



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**COMPETENT PERSON'S STATEMENT** The information in this report that relates to Exploration Results is based on information compiled by Neil McLean who is a consultant to Metro Mining and a Fellow of the Australian Institute of Mining and Metallurgy (F.AusImm). Mr 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 McLean consents to the inclusion in the report of the matters based on information in the form and context in which it appears.

The information in this report that relates to Mineral Resources is based on information compiled by Ed Radley who is a consultant to Metro Mining and a Member of the Austral 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 (RPGeo) 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 report to which this statement is attached that relates to the "Metro Mining – Bauxite Hills" Reserve Estimate based on information compiled by Maria Joyce, a consultant to Metro Mining and a Competent Person who is a Chartered Engineer of the Australasian Institute of Mining and Metallurgy. Maria Joyce is the head of the Technical Services division and full-time employee of MEC Mining Pty Ltd. Maria Joyce has sufficient experience that is relevant to the style of mineralization, type of deposit under consideration and to the activity being undertaken to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Maria Joyce consents to the inclusion in the report of the matters based on her information in the form and context in which it appears.