



**Metro Mining Limited  
and controlled entities**

**(formerly MetroCoal Limited)**

**ABN 45 117 763 443**

**Financial Statements for the year ended  
30 June 2015**

**Metro Mining Limited**  
**Corporate directory**  
**30 June 2015**

Directors	Mr Stephen Everett – Independent Chairman Mr Philip Hennessy - Independent Non-Executive Director, appointed 30 September 2014 Mr George Lloyd - Independent Non-Executive Director, appointed 8 April 2015 Mr Lindsay Ward – Independent Non-Executive Director Mr Dongping Wang – Non-Executive Director Mr Jijun Liu – Non-Executive Director, appointed 12 January 2015 Mr Xiaoming Yuan - Alternate Director for Dongping Wang, appointed 1 December 2014 Mr Ken Xiao - Alternate Director for Jijun Liu, appointed 12 January 2015 Mr Andrew L Gillies - Non-Executive Director, resigned 30 September 2014 Mr John K Haley - Alternate director for Mr Gillies, resigned 30 September 2014 Mr Robert Finch - Alternate Director for Dongping Wang, resigned 1 December 2014
Company Secretary	Mr S Waddell
Notice of annual general meeting	The annual general meeting of Metro Mining Limited: will be held at Offices of BDO Level 10, 12 Creek Street Brisbane QLD 4000 time 11:00 AM date Tuesday 24 November 2015
Registered office	Level 8, 300 Adelaide Street Brisbane, Queensland 4000 T +61 7 3009 8000 F +61 7 3221 4811
Principal place of business	Level 8, 300 Adelaide Street Brisbane, Queensland 4000
Share register	Link Market Services Limited Level 15, 324 Queen Street Brisbane QLD 4000
Auditor	BDO Audit Pty Ltd Level 10, 12Creek Street Brisbane QLD 4000
Stock exchange listing	Metro Mining Limited shares are listed on the Australian Securities Exchange (ASX code: MMI)
Website address	<a href="http://www.metromining.com.au">www.metromining.com.au</a>

**Metro Mining Limited**  
**Directors Report**  
**30 June 2015**

The directors present their report, together with the financial statements, on the consolidated entity (referred to hereafter as the 'consolidated entity') consisting of Metro Mining Limited (referred to hereafter as the 'Company' or 'parent entity') and the entities it controlled for the year ended 30 June 2015.

**Directors**

The following persons were directors of Metro Mining Limited during the whole of the financial year and up to the date of this report, unless otherwise stated:

Mr S Everett	Mr X Yuan (Alternate) (appointed 1 December 2014)
Mr P Hennessy (appointed 30 September 2014)	Mr K Xiao (Alternate) (appointed 12 January 2015)
Mr G Lloyd (appointed 8 April 2015)	Mr A Gillies (resigned 30 September 2014)
Mr L Ward	Mr J Haley (Alternate) (resigned 30 September 2014)
Mr D Wang	Mr R Finch (Alternate) (resigned 1 December 2014)
Mr J Liu (appointed 12 January 2015)	

**Operating and financial review**

***Overview of the consolidated entity***

During the financial year the principal activities of the consolidated entity consisted of demonstrating the feasibility of the Bauxite Hills Project, acquiring the remainder of Cape Alumina Ltd, and maintaining coal tenements. This was as a result of depressed coal prices and strong Bauxite prices. Other than those noted in this report, there were no other significant changes in the principal activities during the year.

During the year:

- The Company made a scrip offer for the remaining shares in Cape Alumina Limited (name now changed to Cape Alumina Pty Ltd) ("Cape Alumina"), offering existing Cape Alumina shareholders 1 Metro Mining share for every 1.3 shares held in Cape Alumina. The Company achieved 90% shareholding in Cape Alumina in November 2014 before completing the compulsory acquisition of all remaining shares in December 2014.
- The Company issued 79,834,336 shares as part of the acquisition of Cape Alumina.
- The Company changed its name from MetroCoal Limited to Metro Mining Limited to better reflect the broader operations of the consolidated entity following the takeover of Cape Alumina.
- Cape Alumina was delisted from the Australian Securities Exchange following the takeover by Metro Mining.
- Invested \$2.49 million in continuing its tenement exploration activities This expenditure included the following:-
  - Completing the concept and pre-feasibility studies on the Bauxite Hills project;
  - Upgrading the Bauxite Hills resource to a Proven Reserve status;
  - Continuing work on the environmental approvals
  - Commencing the Right to Negotiate process with the Native Title participants;
  - Undertaking activities towards the Definitive Feasibility Study.
- Appointed Simon Finnis as Chief Executive Officer; and
- Appointed Mr Philip Hennessy, Mr George Lloyd and Mr Jijun Liu as Directors.
- The Company received a further \$250,000 consideration for the sale of the Hey Point tenements and deferred the remainder of \$750,000, which has now increased to \$825,000 and will be paid in two instalments being \$275,000 in September 2015 and \$550,000 in December 2015.
- In February 2015, the Company released the Bauxite Hills Pre-feasibility Study (PFS) which included plans for a bauxite mine producing just under 2 million tonnes per annum and showed a Real NPV (15%) of \$197 Million and 88% return on capital (refer ASX release dated 17 February 2015).
- In June 2015, the Company increased the Ore Reserve at the Bauxite Hills project from 12.1 million tonnes to 48.2 million tonnes and increased the mine life to 27 years (refer ASX release dated 2 June 2015). Metro confirms all material 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 Company is continuing development of the Bauxite Hills project, with first production targeted for the third quarter of 2016. To meet this target, work is progressing on environmental approvals, native title negotiations under the Right to Negotiation process, and the definitive feasibility study.

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The consolidated entity's strategy for future years is to focus on the development and then operation of the Bauxite Hills project. This includes but is not limited to the following:

- Completion of the Definitive Feasibility Study,
- Obtaining environmental approvals and completing the Right to Negotiate process.
- Obtaining finance for project construction.

The consolidated entity will also continue the exploration, evaluation and development of its other projects. The consolidated entity believes its strategy is achievable.

### **Dividends**

The directors do not recommend the payment of a dividend and no amount has been declared or paid by way of a dividend since 30 June 2015 and to the date of this report.

### **Review of financial condition**

The loss for the consolidated entity after providing for income tax was \$2,773,292 (30 June 2014: \$15,694,963) including impairment of nil (30 June 2014: \$13,701,736) in relation to the consolidated entity's exploration and evaluation expenditures.

As at 30 June 2015, the consolidated entity had cash and cash equivalents and term deposits of \$3.1 million (2014: \$7.9 million), total current liabilities of approximately \$0.8 million (2014: \$0.4 million) and net assets of \$15.1 million (2014: \$17.2 million).

The consolidated entity used \$2.49 million (2014: \$2.43 million) in its investing activities during the year. In addition, a research and development tax offset of \$0.5 million were received during the year (2014: \$0.6 million).

### **Significant changes in the state of affairs**

Except as noted in this report, there were no significant changes in the state of affairs of the consolidated entity during the financial year.

### **Matters subsequent to the end of the financial year**

On 16 July 2015, the consolidated entity completed a share placement to sophisticated investors. The consolidated entity issued 25,000,000 new shares at an issue price of 8 cents per share. The total amount raised, before costs, was \$2.0 million.

On 16 July 2015, the consolidated entity announced a fully underwritten non-renounceable rights issue. The total amount to be raised, before costs, is approximately \$3.60 million.

Except as noted above, no matter or circumstance has arisen since 30 June 2015 that has significantly affected, or may significantly affect the consolidated entity's operations, the results of those operations, or the consolidated entity's state of affairs in future financial years.

### **Likely developments and expected results of operations**

The Consolidated Entity plans to continue the Bauxite Hills project work program, with a target of first production by the third quarter of 2016. The Company also intends to continue its evaluation of additional potential bauxite projects in areas other than Cape York.

The consolidated entity has completed further stages of evaluation of its two key projects in the Surat Basin. The consolidated entity will continue to evaluate these projects and all other tenements. However, further evaluation of the progress of the development of these assets will be reliant on future thermal coal market conditions and the planned development of key rail and port infrastructure.

The consolidated entity is also assessing investment opportunities in other projects, including in the country of Myanmar.

### **Environmental regulation**

The consolidated entity is subject to environmental regulations under laws of Queensland where it holds mining tenements. The directors have put in place strategies and procedures to ensure that the consolidated entity manages its compliance with environmental regulations. The directors are not aware of any breaches of any applicable environmental regulations.

**Information on directors**

<b>Name:</b>	<b>Stephen Everett</b>
Title:	Independent non-executive Chairman
Age:	62
Qualifications:	Bachelor of Engineering (Chem Eng. Honours), MAICD
Experience and expertise:	Mr Everett has forty years management and board experience in the resources and construction industries and has held Chairman and non-executive director positions in Government Development Boards, Private, ASX listed and TSX listed companies.  Mr Everett has also held senior executive positions included Managing Director and Chief Executive Officer of private and publicly listed companies.
Other current directorships:	<ul style="list-style-type: none"><li>Chairman of Agrimin Limited (formerly Global Resources Corporation Limited), appointed April 2009.</li></ul>
Former directorships (in the last 3 years):	<ul style="list-style-type: none"><li>Chairman of IronRidge Resources Limited, appointed May 2011, resigned October 2012;</li><li>Chairman of Cape Alumina Limited, appointed May 2015, resigned February 2015.</li></ul>
Special responsibilities:	Member of the Audit , Risk and Remuneration committee.
Interests in shares:	2,444,795 ordinary shares.
Interests in options:	1,000,000 options
<b>Name:</b>	<b>Philip Hennessy</b> (appointed 30 September 2014)
Title:	Independent non-executive director
Age:	62
Qualifications:	Bachelor of Business
Experience and expertise:	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, its' financial responsibilities, cohesive and effective collaboration, effective processes and communications with shareholders and stakeholders.
Other current directorships:	<ul style="list-style-type: none"><li>Blue Sky Alternatives Access Fund Limited, appointed 15 April 2014</li><li>Collection House Limited, appointed 28 August 2013</li></ul>
Former directorships (in the last 3 years):	None.
Special responsibilities:	Chairman of the Audit, Risk and Remuneration committee.
Interests in shares:	1,562,500 ordinary shares.
Interests in options:	None.

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**Directors Report**  
**30 June 2015**

**Name:** **George Lloyd** (appointed 8 April 2015)  
**Title:** Independent non-executive director  
**Age:** 66  
**Qualifications:** Bachelor of Engineering Science (Industrial Engineering), Master of Business Administration  
**Experience and expertise:** Mr 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.  
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 (Industrial Engineering) and a Master of Business Administration, 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).  
**Other current directorships:**

- Ausenco Limited, appointed 13 May 2005
- Pryme Energy Limited, appointed 29 January 2008
- Cape Alumina Limited, resigned December 2014

**Former directorships (in the last 3 years):** None.  
**Special responsibilities:** None.  
**Interests in shares:** 759,011 ordinary shares.  
**Interests in options:** None.

**Name:** **Lindsay Ward**  
**Title:** Independent non-executive director  
**Age:** 48  
**Qualifications:** Bachelor of Applied Science (Geology), GAICD  
**Experience and expertise:** Mr Ward is an experienced senior executive having worked for over 25 years in a broad range of industries including ports, mining, mineral processing, rail haulage, electricity generation, gas transmission, alternative waste treatment, transport and logistics at general manager, CEO, managing director, non-executive director and chairman level.  
Mr Ward is currently CEO of Palisade Asset Management with responsibility for a range of infrastructure assets including gas transmission pipelines, a power station, a wind farm, bulk liquid and gas storage facilities and alternative waste treatment plants.  
Prior to this, Mr Ward was Managing Director of Dart Mining NL (ASX:DTM) a Victorian based exploration and development company.  
Mr Ward holds a Bachelor of Applied Science (Geology) Honours and the Institute Medal, a Graduate Diploma of Business Management and a Diploma of Mining. Mr Ward is a Graduate member of the Australian Institute of Company Directors (GAICD) .  
**Other current directorships:** None.  
**Former directorships (in the last 3 years):**

- Dart Mining NL, appointed May 2011, resigned December 2013;
- Cape Alumina Limited, appointed May 2014, resigned February 2015.

**Special responsibilities:** Member of Audit, Risk and Remuneration committee.  
**Interests in shares:** 375,000 ordinary shares.  
**Interests in options:** None.

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**Name:** **Dongping Wang**  
**Title:** Non-executive director  
**Age:** 54  
**Qualifications:** Bachelor of Coal Preparation  
**Experience and expertise:** Mr Wang Dongping 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 funder USA – China joint venture project. Mr Wang then worked for a time in the China Coal Ministry. He later became General Manager of Long-Airbox (Tianjin), where from 1997 he was instrumental in introducing modern coal process technology from Australia to China. Mr Wang became General Manager of Schenck (Tianjin) and worked there until 2007.

He then helped establish the Dadi Engineering Group, now China's largest coal industry engineering group. Mr Wang is now Chairman of Dadi Engineering Development Group. Mr Wang Dongping 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. Mr Wang brings extensive Management experience and an intimate knowledge of modern coal process technology to Metro Mining.

**Other current directorships:**

- Dadi Engineering Development Group, appointed January 2010.

**Former directorships (in the last 3 years):** None.

**Special responsibilities:** None.

**Interests in shares:** None.

**Interests in options:** 500,000 options

**Name:** **Jijun Liu** (appointed 12 January 2015)  
**Title:** Non-executive director  
**Age:** 50  
**Qualifications:**  
**Experience and expertise:** Mr Jijun Liu is the Managing Director of the China Xinha 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.

Mr Jijun Liu is an employee of China Xinha Group Corporation Limited which (together with associated entities) holds 22,571,507 Ordinary Shares in Metro Mining Limited.

**Other current directorships:** None.

**Former directorships (in the last 3 years):** Cape Alumina Limited, resigned January 2015.

**Special responsibilities:** None.

**Interests in shares:** None.

**Interests in options:** None.

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**Name:** **Xiaoming Yuan** (appointed 1 December 2014)  
**Title:** Alternate director for Dongping Wang  
**Age:** 43  
**Qualifications:** Bachelor of Mining Engineering  
**Experience and expertise:** 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.  
  
**Other current directorships:** None.  
**Former directorships (in the last 3 years):** None.  
**Special responsibilities:** None.  
**Interests in shares:** None.  
**Interests in options:** None.

**Name:** **Ken Xiao** (appointed 12 January 2015)  
**Title:** Alternate director for Jijun Liu  
**Age:** 46  
**Qualifications:** Bachelor of Science, Bachelor of Engineering, Master of Information Technology  
**Experience and expertise:** Mr Xiao 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 from QUT.  
  
Mr Xiao is consultant to China Xinfra Group Corporation Limited which (together with associated entities) holds 22,571,507 Ordinary Shares in Metro Mining Limited.  
  
**Other current directorships:** None.  
**Former directorships (in the last 3 years):** Cape Alumina Limited Alternate Director, resigned January 2015.  
**Special responsibilities:** None.  
**Interests in shares:** None.  
**Interests in options:** None.



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**Name:** **Andrew Gillies** (resigned 30 September 2014)  
**Title:** Non-executive director  
**Age:** 52  
**Qualifications:** Bachelor of Science (Geology), MAusIMM.  
**Experience and expertise:** Mr Gillies is a founding director of Metro Mining Limited. He has been instrumental in the selection and acquisition of all the mineral assets now held by the Metallica group, Cape Alumina Limited and Metro Mining Limited. Mr Gillies' key strength is mineral resource management and strategic planning specialising in project generation, selection and acquisition. He has acquired a considerable database and significant knowledge of mineral deposits in Queensland.  
  
Since 1985 he has worked continuously as a geologist in the mining and exploration industry, accruing over 27 years experience across a range of commodities.. Over the last 27 years he gained valuable experience in the exploration, feasibility, development, open pit and underground mining of mineral deposits.

**Other current directorships:**

- Metallica Minerals Limited, appointed 15 January 1997.

**Former directorships (in the last 3 years):**

- Cape Alumina Limited, appointed February 2004, resigned November 2011;
- Planet Metals Limited, appointed June 2009, resigned July 2012; and
- Orion Metals Limited, appointed November 2009, resigned August 2012.

**Special responsibilities:** None.  
**Interests in shares:** None.  
**Interests in options:** None.

**Name:** **John Haley** (resigned 30 September 2014)  
**Title:** Alternate director for Andrew Gillies  
**Age:** 52  
**Qualifications:** Bachelor of Commerce, MBA, GradCert (Marketing), Grad Dip CSP, FCA, FTIA.  
**Experience and expertise:** Mr Haley brings over thirty years of senior corporate experience from positions in Canada and Australia to the board of Metro Mining. He has a diverse career in a range of industries including mineral exploration and has participated as a seed capitalist in a number of mineral exploration companies.  
  
With extensive experience in the preparation of prospectuses, he has had significant involvement in the listing of companies in Australia and Canada. He has previously worked with Coopers & Lybrand and Arthur Andersen & Co and in Australia in general management, financial reporting and company secretarial positions.

**Other current directorships:** None.

**Former directorships (in the last 3 years):**

- Cape Alumina Limited, appointed February 2012 as the alternate director for Andrew Gillies, retired November 2011; and
- Metallica Minerals Limited, appointed December 2003, resigned November 2013.

**Special responsibilities:** None.  
**Interests in shares:** None.  
**Interests in options:** None.

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<b>Name:</b>	<b>Robert Finch</b> (resigned 1 December 2014)
Title:	Alternate director for Dongping Wang
Age:	60
Qualifications:	N/A
Experience and expertise:	Mr Robert Finch brings more than 25 years of Management experience to Metro Mining, including over 18 years in the Australian and Chinese coal industries. He has worked in Australia and throughout Asia for over 23 years. Robert has a strong association and sound knowledge of Chinese business culture, and both the Australian and Chinese Coal industries. Robert was instrumental in pioneering modern coal process technology into China and he worked in China for 4 years up to mid 2006 as Managing Director of Schenck Tianjin, a major process equipment manufacturing company.  In 2008 he established and is Managing Director of Aury Australia, a coal process equipment manufacturing company based in Queensland, which supplies process equipment to the Australian and overseas coal and minerals industries. Robert offers both Australian and Chinese coal industry experience and Management skills to Metro Mining.
Other current directorships:	None.
Former directorships (in the last 3 years):	None.
Special responsibilities:	None.
Interests in shares:	None.
Interests in options:	None.

'Other current directorships' quoted above are current directorships for listed entities only and excludes directorships in all other types of entities, unless otherwise stated.

'Former directorships (in the last 3 years)' quoted above are directorships held in the last 3 years for listed entities only and excludes directorships in all other types of entities, unless otherwise stated.

**Company Secretary**

Mt Scott Waddell was appointed as Company Secretary on 19 May 2014.

Prior to joining Metro Mining, Scott was Head of Finance for the Monash Energy project in Victoria's La Trobe valley.

Scott's resources experience was gained over nine years with Anglo Coal 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 global bauxite, alumina and resources sectors.

Scott holds a Bachelor of Business from the Queensland University of Technology and is a Fellow of the Certified Practicing Accountants and an Associate Member of the Governance Institute of 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.

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**Meetings of directors**

The number of meetings of the Company's board of directors and of each board committee held during the year ended 30 June 2015, and the number of meetings attended by each director were:

	Full Board		Audit and Risk And Remuneration Committee (vii)	
	Attended	Held	Attended	Held
Mr S Everett	16	17	1	1
Mr P Hennessy (i)	12	12	1	1
Mr G Lloyd (ii)	2	3	-	-
Mr L Ward	16	17	1	1
Mr D Wang	-	17	-	-
Mr J Liu (iii)	-	6	-	-
Mr X Yuan (alternate) (iv)	7	7	-	-
Mr K Xiao (alternate) (iii)	3	6	-	-
Mr A Gillies (v)	4	5	-	-
Mr J Haley (alternate) (v)	1	1	-	-
Mr R Finch (alternate) (vi)	9	10	-	-

(i) Appointed 30 September 2014

(ii) Appointed 8 April 2015

(iii) Appointed 12 January 2015

(iv) Appointed 1 December 2014

(v) Resigned 30 September 2014

(vi) Resigned 1 December 2014

(vii) The Audit, Risk and Remuneration Committee was established in April 2015.

Held: represents the number of meetings held during the time the director held office or was a member of the relevant committee.

**Remuneration report (audited)**

The remuneration report, which has been audited, outlines the director and executive remuneration arrangements for the consolidated entity and the Company, in accordance with the requirements of the Corporations Act 2001 and its Regulations.

The remuneration report is set out under the following main headings:

- A Principles used to determine the nature and amount of remuneration
- B Details of remuneration
- C Service agreements
- D Share-based compensation
- E Cash bonuses
- F Additional information

**A Principles used to determine the nature and amount of remuneration**

The Company's policy for determining the nature and amount of emoluments of key management personnel, including board members and other key management personnel of the Company is set out below.

The remuneration structure for key management personnel, excluding non-executive directors, is set by the board of Directors and is based on a number of factors including, market remuneration for comparable companies, particular experience of the individual concerned and overall performance of the Company. The contracts for service between the Company and key management personnel are on a continuing basis the terms of which are not expected to change in the immediate future. The consolidated entity retains the right to terminate contracts immediately by making payment as allowed under the termination provisions provided in their contract of employment. Upon retirement or termination key management personnel, excluding non-executives, are paid employee benefits accrued to date of retirement or termination. No other termination benefits are payable under service contracts. Any options issued which are not exercised on or before the date of termination lapse 3 months after termination. Unless otherwise stated, service agreements do not provide for pre-determined compensation values or the manner of payment. Compensation is determined in accordance with the general remuneration policy. The manner of payment is determined on a case by case basis and is generally a mix of cash and non-cash benefits as considered appropriate by the board of directors.

The objective of the consolidated entity's and Company's executive reward framework is to ensure reward for performance is competitive and appropriate for the results delivered. The framework aligns executive reward with the achievement of strategic objectives and the creation of value for shareholders, and conforms with the market best practice for delivery of reward. The board of directors ('the board') ensures that executive reward satisfies the following key criteria for good reward governance practices:

- competitiveness and reasonableness;
- acceptability to shareholders; and
- transparency.

The board is responsible for determining and reviewing remuneration arrangements for its directors and executives. The performance of the consolidated entity and Company depends on the quality of its directors and executives. The remuneration philosophy is to attract, motivate and retain high performance and high quality personnel.

The board has structured an executive remuneration framework that is market competitive and complementary to the reward strategy of the organisation.

Alignment to shareholders' interests:

- focuses on sustained growth in shareholder wealth, consisting of dividends and growth in share price, and delivering constant or increasing return on assets as well as focusing the executive on key non-financial drivers of value; and
- attracts and retains high calibre executives.

Alignment to program participants' interests:

- rewards capability and experience;
- reflects competitive rates of remuneration in respect of skills and responsibility;
- provides a clear structure for earning rewards; and
- providing recognition for contribution.

In accordance with best practice corporate governance, the structure of non-executive directors and executive remunerations are separate.

*Non-executive directors remuneration*

Fees and payments to non-executive directors reflect the demands which are made on, and the responsibilities of, the directors. Non-executive directors' fees and payments are reviewed annually by the board. The board has also agreed where necessary to the advice of independent remuneration consultants to ensure non-executive directors' fees and payments are appropriate and in line with the market. The Chairman's fees are determined independently to the fees of other non-executive directors based on comparative roles in the external market.

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ASX listing rules requires that the aggregate non-executive directors' remuneration shall be determined periodically by a general meeting. The most recent determination was at the Annual General Meeting held on 18 November 2010, where the shareholders approved an aggregate remuneration of \$350,000.

*Executive remuneration*

The consolidated entity and Company aims to reward executives with a level and mix of remuneration based on their position and responsibility, which is both fixed and variable.

The executive remuneration and reward framework has four components:

- base pay and non-monetary benefits;
- share-based payments;
- cash bonuses; and
- other remuneration such as superannuation and long service leave.

The combination of these comprises the executive's total remuneration.

Fixed remuneration, consisting of base salary, superannuation and non-monetary benefits, are reviewed annually by the board, based on individual and business unit performance, the overall performance of the consolidated entity and comparable market remunerations.

Executives can receive their fixed remuneration in the form of cash or other fringe benefits (for example motor vehicle benefits) where it does not create any additional costs to the consolidated entity and adds additional value to the executive. As the consolidated entity is in exploration and not production, there is no direct relationship between the Company's financial performance and the level of remuneration paid to key management personnel.

Short-term incentives ('STI') includes cash bonuses. No cash bonuses were paid during the year. Long-term incentives ('LTI') include long service leave and share-based payments. The Company has established the Metro Mining Employee Share Option Plan (ESOP) to enable the issue of shares or options in the Company to employees of the Company to assist in the retention and motivation of employees. Under the ESOP, the Company may offer shares or options over unissued shares in the Company. Shares are awarded to executives generally over a period of three years based on long-term incentive measures. These LTI's include specific goals that have been given a high level of importance in relation to the future growth of the group. Performance conditions generally include progressing the Company's projects toward production, and funding the Company by disposals of non-core assets either by sale or otherwise on satisfactory terms.

*Consolidated entity performance and link to remuneration*

Given that the remuneration is commercially reasonable, the link between remuneration, Company performance and shareholder wealth generation is tenuous, particularly in the exploration and development stage of a minerals company. Share prices are subject to the influence of international metal and coal prices and market sentiment towards the sector and increases or decreases may occur independently of executive performance or remuneration. The Company may issue options to provide an incentive for key management personnel which, it is believed, is in line with industry standards and practice and is also believed to align the interests of key management personnel with those of the Company's shareholders.

Unless otherwise stated, service agreements do not provide for pre-determined compensation values or the manner of payment. Compensation is determined in accordance with the general remuneration policy. The manner of payment is determined on a case by case basis and is generally a mix of cash and non-cash benefits as determined by the board of directors.

Except in so far as directors and key management personnel hold options over shares in the Company, there is no relationship between remuneration policy and the Company's performance. The majority of bonus and incentive payments are at the discretion of the board.

At the end of the year, the board of directors compare the actual performance of the executives and executive directors against the performance conditions set by the board of directors for that individual and assess whether or not the conditions have been met. This method of assessment was chosen as it provides the board of directors with an objective assessment of the individual's performance.

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The board of directors will review the performance conditions to gauge their effectiveness against achievement of the set goals, and adjust future year's incentives as they see fit, to ensure use of the most cost effective and efficient methods.

The Company has not used a remuneration consultant during the year.

**B Details of remuneration**

*Amounts of remuneration*

Details of the remuneration of directors, other key management personnel (defined as those who have the authority and responsibility for planning, directing and controlling the activities of the consolidated entity) of Metro Mining Limited are set out in the following tables.

The key management personnel of the consolidated entity consists of the directors of Metro Mining Limited and executives for the period of their tenure as outlined below:

- Mr Stephen Everett – Independent Chairman
- Mr Philip Hennessy – Independent Non-Executive Director (appointed 30 September 2014)
- Mr George Lloyd – Independent Non-Executive Director (appointed 8 April 2015)
- Mr Lindsay Ward – Independent Non-Executive Director
- Mr Dongping Wang – Non-Executive Director
- Mr Jijun Liu – Non-Executive Director (appointed 12 January 2015)
- Mr Xiaoming Yuan – Alternate Director for Dongping Wang (appointed 1 December 2014)
- Mr Ken Xiao – Alternate Director for Jijun Liu (appointed 12 January 2015)
- Mr Andrew L Gillies – Non-Executive Director (resigned 30 September 2014)
- Mr John K Haley – Alternate director for Mr A Gillies (resigned 30 September 2014)
- Mr Robert Finch – Alternate Director for Dongping Wang (resigned 1 December 2014)
- Mr Simon Finnis – Chief Executive Officer (appointed 12 January 2015)
- Mr Mike O'Brien – Chief Executive Officer (resigned 12 January 2015 but remains working as a contractor)
- Mr Scott Waddell – Chief Financial Officer and Company Secretary

**Metro Mining Limited**  
**Directors Report**  
**30 June 2015**

	Short-term benefits			Post employment benefits	Long-term benefits	Share-based payments	Total
	Cash salary and fees	Bonus	Non-monetary	Super-annuation	Long service leave	Equity-settled	
2015	\$	\$	\$	\$	\$	\$	\$
<i>Non-Executive Directors:</i>							
Mr S Everett	82,800	-	-	-	-	-	82,800
Mr P Hennessy (i)	33,105	-	-	3,145	-	-	36,250
Mr G Lloyd (ii)	11,250	-	-	-	-	-	11,250
Mr L Ward	52,339	-	-	4,319	-	-	56,658
Mr D Wang	22,500	-	-	-	-	-	22,500
Mr J Liu (iii)	22,500	-	-	-	-	-	22,500
Mr X Yuan (iv)	13,125	-	-	-	-	-	13,125
Mr K Xiao (iii)	-	-	-	-	-	-	-
Mr A Gillies (v)	6,935	-	-	659	-	-	7,594
Mr J Haley (v)	6,812	-	-	220	-	-	7,032
Mr R Finch (vi)	9,426	-	-	878	-	-	10,304
<i>Other Key Management Personnel:</i>							
Mr S Finnis (vii)	130,450	-	-	-	-	35,977	166,427
Mr M O'Brien (viii)	384,035	-	-	35,000	-	29,981	449,016
Mr S Waddell (ix)	254,092	-	-	24,139	-	29,981	308,212
	<u>1,029,369</u>	<u>-</u>	<u>-</u>	<u>68,360</u>	<u>-</u>	<u>95,939</u>	<u>1,193,668</u>

- (i) Appointed 30 September 2014
- (ii) Appointed 8 April 2015
- (iii) Appointed 12 January 2015
- (iv) Appointed 1 December 2014
- (v) Resigned 30 September 2014
- (vi) Resigned 1 December 2014
- (vii) Appointed 12 January 2015
- (viii) Resigned 12 January 2015 but remains working as a contractor
- (ix) Additional compensation of \$30,000 was paid to Mr Waddell during the period he was acting CEO of Cape Alumina for the additional responsibilities assumed during that period.

**2014**

*Non-Executive Directors:*

Mr S Everett	90,400	-	-	-	-	-	90,400
Mr A Gillies	24,971	-	-	2,309	-	-	27,280
Mr M Hansel (i)	51,216	-	-	-	-	-	51,216
Mr L Ward	50,869	-	-	4,705	-	-	55,574
Mr D Wang	22,500	-	-	-	-	-	22,500
Mr J Haley	27,638	-	-	1,405	-	-	29,043
Mr R Finch	20,080	-	-	1,857	-	-	21,937

*Other Key Management Personnel:*

Mr M O'Brien	300,229	-	-	27,771	-	-	328,000
Mr T Psaros (ii)	142,008	-	-	20,811	-	-	162,819
Mr N Mackenzie-Forbes (iii)	87,704	-	-	7,568	-	-	95,272
Mr N Villa (vi)	176,321	-	-	16,310	-	-	192,631
Mr E Radley (iv)	67,894	-	-	8,882	-	-	76,776
Mr S Waddell (v)	8,483	-	-	-	-	-	8,483
	<u>1,070,313</u>	<u>-</u>	<u>-</u>	<u>91,618</u>	<u>-</u>	<u>-</u>	<u>1,161,931</u>

**Metro Mining Limited**  
**Directors Report**  
**30 June 2015**

- (i) Resigned 1 April 2014
- (ii) Resigned 30 November 2013
- (iii) Resigned 30 September 2013
- (iv) Resigned 31 October 2013
- (v) Appointed 19 May 2014
- (vi) Not considered key management personnel for 30 June 2015 financial year

The proportion of remuneration linked to performance and the fixed proportion are as follows:

Name	Fixed remuneration		At risk - STI		At risk - LTI	
	2015	2014	2015	2014	2015	2014
<i>Non-Executive Directors:</i>						
Mr S Everett	100%	100%	-	-	-	-
Mr P Hennessy	100%	N/A	-	N/A	-	N/A
Mr G Lloyd	100%	N/A	-	N/A	-	N/A
Mr L Ward	100%	100%	-	-	-	-
Mr D Wang	100%	100%	-	-	-	-
Mr J Liu	100%	N/A	-	N/A	-	N/A
Mr X Yuan	100%	N/A	-	N/A	-	N/A
Mr K Xiao	100%	N/A	-	N/A	-	N/A
Mr A Gilles	100%	100%	-	-	-	-
Mr J Haley	100%	100%	-	-	-	-
Mr R Finch	100%	100%	-	-	-	-
Mr M Hansel	N/A	100%	N/A	-	N/A	-
<i>Other Key Management Personnel:</i>						
Mr S Finnis	78%	N/A	-	N/A	22%	N/A
Mr M O'Brien	93%	100%	-	-	7%	-
Mr N Villa	N/A	100%	N/A	-	N/A	-
Mr S Waddell	90.3%	100%	-	-	9.7%	-
Mr T Psaros	N/A	100%	N/A	-	N/A	-
Mr N Mackenzie- Forbes	N/A	100%	N/A	-	N/A	-
Mr E Radley	N/A	100%	N/A	-	N/A	-



### **C Service agreements**

Remuneration and other terms of employment for key management personnel, other than directors, are formalised in service agreements. Details of these agreements are as follows:

Name: Mr Simon Finnis, employed through contract arrangement (appointed 12 January 2015)  
Title: Chief Executive Officer (CEO)  
Agreement commenced: 12 January 2015  
Term of agreement: The agreement can be terminated by either party giving three (3) months notice.  
Details: The key terms of this agreement are as follows:  
(a) The term is ongoing whilst Mr Finnis is Chief Executive Officer;  
(b) Annual service fee of \$275,004, and is subject to annual review by the board;  
(c) Annual bonus of up to 35% of annual service fee based on agreed KPI's:-

- Environmental Approval for the Bauxite Hills project (25% of bonus).
- Native Title agreement for the Bauxite Hills project (25% of bonus).
- Share price or Market Cap increase of over 100% (25% of bonus).
- Successful fund raising of over \$2million (25% of bonus).

The bonus is to be paid as 50% cash and 50% as performance rights or options.

Name: Mr Scott Waddell  
Title: Chief Financial Officer and Company Secretary  
Term of agreement: The agreement can be terminated by either party giving three (3) months notice.  
Details: The key terms of this agreement are as follows:  
(a) The term is ongoing whilst Mr Waddell is Chief Financial Officer;  
(b) Base remuneration is \$245,381 per annum, including superannuation, and is subject to annual review by the board;  
(c) Mr Waddell is also entitled to participate in Metro Mining Limited Employee Share Option Scheme, subject to the approval of the board of directors of the Company.

Name: Mr Mike O'Brien, employed through contract arrangement  
Title: Project Director  
Agreement commenced: Formerly CEO 27 October 2009, Resigned 12 January 2015 but remains working as a contractor  
Term of agreement: The agreement can be terminated by either party giving 14 days notice.  
Details: The key terms of this agreement are as follows:  
(a) Term 12 months.  
(b) The base remuneration is \$1,500 per day, based on a 4 day week

Key management personnel have no entitlement to termination payments in the event of removal for misconduct.

### **D Share-based compensation**

#### *Issue of shares*

There were no shares issued to directors and other key management personnel as part of compensation during the year ended 30 June 2015.

No shares were issued to directors and other key management personnel on the exercise of options during the year ended 30 June 2015.

#### *Options*

The terms and conditions of each grant of options affecting remuneration in this financial year or future reporting years are as follows:

**Metro Mining Limited**  
**Directors Report**  
**30 June 2015**

Grant date	Vesting date and exercisable date	Expiry date	Exercise price	Fair value per option at grant date
12/01/2015	12/01/2015	11/01/2017	\$0.06	\$0.01

Options granted carry no dividend or voting rights. No amounts were paid by the recipients on grant of options.

**E Cash bonuses**

No cash bonuses were paid or granted during the year.

**F Equity instruments held by key management personnel**

*Shareholdings*

The number of shares in the parent entity held during the financial year by each director and other members of key management personnel of the consolidated entity, including their personally related parties, is set out below:

2015	Balance at the start of the year	Received as part of remuneration	Additions	Disposals/ other	Balance at the end of the year
<i>Ordinary shares</i>					
Mr S Everett	101,045	-	2,343,750	-	2,444,795
Mr P Hennessy (i)	-	-	1,562,500	-	1,562,500
Mr G Lloyd (ii)	-	-	759,011	-	759,011
Mr L Ward	-	-	375,000	-	375,000
Mr D Wang	-	-	-	-	-
Mr J Liu (iii)	-	-	-	-	-
Mr X Yuan (iv)	-	-	-	-	-
Mr K Xiao (iii)	-	-	45,052	-	45,052
Mr A Gillies (v)	470,000	-	-	(470,000)	-
Mr J Haley (v)	120,000	-	-	(120,000)	-
Mr R Finch (vi)	299,000	-	-	(299,000)	-
Mr S Finnis (iii)	-	-	740,000	-	740,000
Mr M O'Brien (vii)	258,204	-	806,152	-	1,064,356
Mr N Villa (viii)	-	-	-	-	-
Mr S Waddell	-	-	276,923	-	276,923
	<u>1,248,249</u>	<u>-</u>	<u>6,908,388</u>	<u>(889,000)</u>	<u>7,267,637</u>

(i) Appointed 30 September 2014

(ii) Appointed 8 April 2015

(iii) Appointed 12 January 2015

(iv) Appointed 1 December 2014

(v) Resigned 30 September 2014

(vi) Resigned 1 December 2014

(vii) Resigned 12 January 2015 but remains working as a contractor

(viii) Not considered key management personnel for 30 June 2015 financial year

No shares were received during the year on exercise of options (2014: nil).

**Metro Mining Limited**  
**Directors Report**  
**30 June 2015**

*Option holdings*

The number of options over ordinary shares in the parent entity held during the financial year by each director and other members of key management personnel of the consolidated entity, including their personally related parties, is set out below:

<b>2015</b>	<b>Balance at the start of the year</b>	<b>Granted</b>	<b>Exercised</b>	<b>Expired/ forfeited/ other</b>	<b>Balance at the end of the year</b>
<i>Options over ordinary shares</i>					
Mr S Everett	1,000,000	-	-	-	1,000,000
Mr P Hennessy (i)	-	-	-	-	-
Mr G Lloyd (ii)	-	-	-	-	-
Mr L Ward	-	-	-	-	-
Mr D Wang	500,000	-	-	-	500,000
Mr J Liu (iii)	-	-	-	-	-
Mr X Yuan (iv)	-	-	-	-	-
Mr K Xiao (iii)	-	-	-	-	-
Mr A Gillies (v)	-	-	-	-	-
Mr J Haley (v)	-	-	-	-	-
Mr R Finch (vi)	500,000	-	-	(500,000)	-
Mr S Finnis (iii)	-	3,000,000	-	-	3,000,000
Mr M O'Brien (vii)	-	2,500,000	-	-	2,500,000
Mr S Waddell	-	2,500,000	-	-	2,500,000
	<b>2,000,000</b>	<b>8,000,000</b>	<b>-</b>	<b>(500,000)</b>	<b>9,500,000</b>

(i) Appointed 30 September 2014

(ii) Appointed 8 April 2015

(iii) Appointed 12 January 2015

(iv) Appointed 1 December 2014

(v) Resigned 30 September 2014

(vi) Resigned 1 December 2014

(vii) Resigned 12 January 2015 but remains working as a contractor

**G Additional information**

There were no dividends paid or returns of capital by the consolidated entity. The Company commenced operations in the 30 June 2008 financial year.

The earnings of the consolidated entity for the five years to 30 June 2015 are summarised below:

	<b>2015</b>	<b>2014</b>	<b>2013</b>	<b>2012</b>	<b>2011</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
Revenue	761,554	712,711	1,052,206	1,058,264	899,913
Net profit/(loss) after tax	(2,773,292)	(15,694,963)	(735,086)	(10,854,933)	(2,432,614)

The factors that are considered to affect total shareholders return (TSR) are summarised below:

	<b>2015</b>	<b>2014</b>	<b>2013</b>	<b>2012</b>	<b>2011</b>
Share price at financial year end (\$A) *	0.06	0.03	0.05	0.23	0.59
Basic loss per share (cents per share)	(1.07)	(7.45)	(0.35)	(5.53)	(1.48)

***This concludes the remuneration report, which has been audited.***

**Metro Mining Limited**  
**Directors Report**  
**30 June 2015**

**Shares under option**

Unissued ordinary shares of Metro Mining Limited under option at the date of this report are as follows:

<b>Grant date</b>	<b>Expiry date</b>	<b>Exercise price</b>	<b>Number under option</b>
20/11/2012	11/07/2015	\$0.235	1,000,000
20/11/2012	11/07/2015	\$0.50	500,000
12/01/2015	11/01/2017	\$0.06	10,750,000

**Shares issued on the exercise of options**

No shares of Metro Mining Limited were issued on the exercise of options during the year ended 30 June 2015.

**Indemnity and insurance of officers**

Each of the directors and the secretary of the Company have entered into a Deed with the Company whereby the Company has provided certain contractual rights of access to books and records of the Company to those directors and secretary. The Company has insured all of the directors and officers of Metro Mining Limited. The contract of insurance prohibits the disclosure of the nature of the liabilities covered and amount of the premium paid. The Corporations Act 2001 does not require disclosure of the information in these circumstances.

**Indemnity and insurance of auditor**

Other than the standard indemnities, the Company has not otherwise, during or since the financial year, indemnified or agreed to indemnify the auditor of the Company or any related entity against a liability incurred by the auditor.

During the financial year, the Company has not paid a premium in respect of a contract to insure the auditor of the Company or any related entity.

**Proceedings on behalf of the Company**

No person has applied to the Court under section 237 of the Corporations Act 2001 for leave to bring proceedings on behalf of the Company, or to intervene in any proceedings to which the Company is a party for the purpose of taking responsibility on behalf of the Company for all or part of those proceedings.

**Non-audit services**

Details of the amounts paid or payable to the auditor for non-audit services provided during the financial year by the auditor are outlined in note 21 to the financial statements.

The directors are satisfied that the provision of non-audit services during the financial year, by the auditor (or by another person or firm on the auditor's behalf), is compatible with the general standard of independence for auditors imposed by the Corporations Act 2001.

**Metro Mining Limited**  
**Directors Report**  
**30 June 2015**

The directors are of the opinion that the services as disclosed in note 21 to the financial statements do not compromise the external auditor's independence for the following reasons:

- all non-audit services have been reviewed and approved to ensure that they do not impact the integrity and objectivity of the auditor, and
- none of the services undermine the general principles relating to auditor independence as set out in APES 110 Code of Ethics for Professional Accountants issued by the Accounting Professional and Ethical Standards Board, including reviewing or auditing the auditor's own work, acting in a management or decision-making capacity for the Company, acting as advocate for the Company or jointly sharing economic risks and rewards.

**Officers of the Company who are former audit partners of BDO Audit Pty Ltd**

There are no officers of the Company who are former audit partners of BDO Audit Pty Ltd.

**Auditor's independence declaration**

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out on the following page.

This report is made in accordance with a resolution of directors, pursuant to section 298(2)(a) of the Corporations Act 2001.

On behalf of the directors



S Everett  
Chairman

25 August 2015

Brisbane

## DECLARATION OF INDEPENDENCE BY A J WHYTE TO DIRECTORS OF METRO MINING LIMITED

As lead auditor of Metro Mining Limited for the year ended 30 June 2015, I declare that, to the best of my knowledge and belief, there have been:

1. No contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
2. No contraventions of any applicable code of professional conduct in relation to the audit.

This declaration is in respect of Metro Mining Limited and the entities it controlled during the year.



**A J Whyte**  
Director

**BDO Audit Pty Ltd**

Brisbane: 25 August 2015

**Metro Mining Limited**  
**Financial report**  
**For the year ended 30 June 2015**

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**General information**

The financial report covers Metro Mining Limited as a consolidated entity consisting of Metro Mining Limited and the entities it controlled. The financial report is presented in Australian dollars, which is Metro Mining Limited's functional and presentation currency.

The financial report consists of the financial statements, notes to the financial statements and the directors' declaration.

Metro Mining Limited is a listed public company limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business is:

Level 8, 300 Adelaide Street  
Brisbane QLD 4000

A description of the nature of the consolidated entity's operations and its principal activities are included in the directors' report, which is not part of the financial report.

The financial report was authorised for issue, in accordance with a resolution of directors, on 25 August 2015. The directors have the power to amend and reissue the financial report.

**Metro Mining Limited**  
**Statement of comprehensive income**  
**For the year ended 30 June 2015**

	Note	Consolidated 2015 \$	2014 \$
Other income	4	473,518	439,246
<b>Expenses</b>			
Occupancy expenses		(138,763)	(111,220)
Employee benefits expense	5	(1,209,406)	(855,133)
Depreciation	12	(45,199)	(49,070)
Impairment of exploration and evaluation assets	13	-	(13,701,736)
Impairment of investment in listed entity	10	-	(900,000)
Other expenses	5	(2,141,478)	(790,515)
<b>Results from operating activities</b>		<u>(3,061,328)</u>	<u>(15,968,428)</u>
Finance income		<u>288,036</u>	<u>273,465</u>
<b>Loss before income tax benefit from continuing operations</b>		(2,773,292)	(15,694,963)
Income tax benefit	6	<u>-</u>	<u>-</u>
<b>Loss after income tax benefit for the year</b>		(2,773,292)	(15,694,963)
Other comprehensive income for the year, net of tax		<u>-</u>	<u>-</u>
<b>Total comprehensive income for the year, net of tax</b>		<u>(2,773,292)</u>	<u>(15,694,963)</u>
<b>Total comprehensive income for the year attributable to:</b>			
Owners of the Company		(2,488,090)	(15,563,381)
Non-controlling interests		<u>(285,202)</u>	<u>(131,582)</u>
<b>Total comprehensive income for the year</b>		<u>(2,773,292)</u>	<u>(15,694,963)</u>
		<b>Cents</b>	<b>Cents</b>
Basic earnings per share	19	(1.07)	(7.45)
Diluted earnings per share	19	(1.07)	(7.45)

*The above statement of comprehensive income should be read in conjunction with the accompanying notes.*



**Metro Mining Limited**  
**Statement of financial position**  
**As at 30 June 2015**

	<b>Note</b>	<b>Consolidated</b> <b>2015</b>	<b>2014</b>
		<b>\$</b>	<b>\$</b>
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents	7	3,116,546	7,522,249
Trade and other receivables	8	127,570	82,111
Other assets		2,289	4,903
<b>Total current assets</b>		<u>3,246,405</u>	<u>7,609,263</u>
<b>Non-current assets</b>			
Property, plant and equipment	11	25,180	72,053
Exploration and evaluation assets	13	11,992,694	9,472,006
Other assets	9	91,424	465,781
<b>Total non-current assets</b>		<u>12,109,298</u>	<u>10,009,840</u>
<b>Total assets</b>		<u>15,355,703</u>	<u>17,619,103</u>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Trade and other payables	14	727,500	299,864
Employee benefits	15	43,128	89,791
<b>Total current liabilities</b>		<u>770,628</u>	<u>389,655</u>
<b>Total liabilities</b>		<u>770,628</u>	<u>389,655</u>
<b>Net assets</b>		<u>14,585,075</u>	<u>17,229,448</u>
<b>Equity</b>			
Contributed equity	16	47,491,109	45,149,187
Reserves	17	3,670,027	5,586,507
Accumulated losses		<u>(36,576,061)</u>	<u>(34,087,971)</u>
<b>Total equity attributable to equity holders of the Company</b>		<u>14,585,075</u>	<u>16,647,723</u>
Non-controlling interests		<u>-</u>	<u>581,725</u>
<b>Total equity</b>		<u>14,585,075</u>	<u>17,229,448</u>

*The above statement of financial position should be read in conjunction with the accompanying notes.*

**Metro Mining Limited**  
**Statement of changes in equity**  
**For the year ended 30 June 2015**

	Contributed equity	Options reserves	Change in interest of subsidiary reserve	Accumulated losses	Controlling Interest	Non-controlling interest	Total equity
	\$	\$	\$	\$	\$	\$	\$
<b>Consolidated</b>							
Balance at 1 July 2013	45,149,187	5,586,507	-	(18,524,590)	32,211,104	-	32,211,104
Profit/(Loss) after income tax expense for the year	-	-	-	(15,563,381)	(15,563,381)	(131,582)	(15,694,963)
Other comprehensive income for the year, net of tax	-	-	-	-	-	-	-
Total comprehensive income for the year	-	-	-	(15,563,381)	(15,563,381)	(131,582)	(15,694,963)
<i>Transactions with owners in their capacity as owners:</i>							
Acquisition of subsidiary	-	-	-	-	-	713,307	713,307
Balance at 30 June 2014	45,149,187	5,586,507	-	(34,087,971)	16,647,723	581,725	17,229,448
Balance at 1 July 2014	45,149,187	5,586,507	-	(34,087,971)	16,647,723	581,725	17,229,448
Profit/(Loss) after income tax expense for the year	-	-	-	(2,488,090)	(2,488,090)	(285,202)	(2,773,292)
Other comprehensive income for the year, net of tax	-	-	-	-	-	-	-
Total comprehensive income for the year	-	-	-	(2,488,090)	(2,488,090)	(285,202)	(2,773,292)
<i>Transactions with owners in their capacity as owners:</i>							
Share based payments	-	128,919	-	-	128,919	-	128,919
Increasing interest in subsidiary	2,341,922	-	(2,045,399)	-	296,523	(296,523)	-
Balance at 30 June 2015	47,491,109	5,715,426	(2,045,399)	(36,576,061)	14,585,075	-	14,585,075

*The above statement of changes in equity should be read in conjunction with the accompanying notes.*

**Metro Mining Limited**  
**Statement of cash flows**  
**For the year ended 30 June 2015**

		<b>Consolidated</b>	
	<b>Note</b>	<b>2015</b>	<b>2014</b>
		<b>\$</b>	<b>\$</b>
<b>Cash flows from operating activities</b>			
Receipts from customers (inclusive of GST)		432,025	465,806
Payments to suppliers and employees (inclusive of GST)		(3,510,128)	(2,518,622)
Interest received		284,346	323,743
		<hr/>	<hr/>
Net cash provided by/(used in) operating activities	20	<u>(2,793,757)</u>	<u>(1,729,073)</u>
<b>Cash flows from investing activities</b>			
Payments for property, plant and equipment		(22,850)	(8,999)
Payments for exploration and evaluation		(2,493,273)	(2,435,222)
Acquisition of subsidiary, net of cash acquired		-	933,674
Payment for investments		-	(1,000,000)
Proceeds from term deposits		377,086	-
Research and development tax refund received		527,091	633,899
		<hr/>	<hr/>
Net cash provided by/(used in) investing activities		<u>(1,611,946)</u>	<u>(1,876,648)</u>
<b>Cash flows from financing activities</b>			
Proceeds from issue of shares		-	-
Share issue transaction costs		-	-
		<hr/>	<hr/>
Net cash provided by/(used in) financing activities		<u>-</u>	<u>-</u>
Net increase/(decrease) in cash and cash equivalents		(4,405,703)	(3,605,721)
Cash and cash equivalents at the beginning of the financial year		<u>7,522,249</u>	<u>11,127,970</u>
		<hr/>	<hr/>
Cash and cash equivalents at the end of the financial year	7	<u>3,116,546</u>	<u>7,522,249</u>

*The above statement of cash flows should be read in conjunction with the accompanying notes.*

## **Note 1. Significant accounting policies**

The principal accounting policies adopted in the preparation of the financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

### **Basis of preparation**

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') and the Corporations Act 2001. These financial statements also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board ('IASB').

The consolidated entity is a for-profit entity for the purposes of preparing these financial statements.

### *Historical cost convention*

The financial statements have been prepared under the historical cost convention, except for the revaluation of selected non-current assets, and financial assets and financial liabilities for which the fair value basis of accounting has been applied.

### *Critical accounting estimates*

The preparation of the financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the consolidated entity's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 2.

### **Parent entity information**

In accordance with the Corporations Act 2001, these financial statements present the results of the consolidated entity only. Supplementary information about the parent entity is disclosed in note 30.

### **Principles of consolidation**

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of Metro Mining Limited ('Company' or 'parent entity') as at 30 June 2015 and the results of all subsidiaries and special purpose entities for the year then ended. Metro Mining Limited, its subsidiaries and special purpose entities together are referred to in these financial statements as the 'consolidated entity'.

Subsidiaries are all those entities over which the consolidated entity has control. The consolidated entity has control over an entity when the consolidated entity is exposed to, or has rights to, variable returns from its involvement with the entity, and has the ability to use its power to affect those returns. The effects of potential exercisable voting rights are considered when assessing whether control exists. Subsidiaries are fully consolidated from the date on which control is transferred to the consolidated entity. They are de-consolidated from the date that control ceases.

Special purpose entities ('SPEs') are those entities where the consolidated entity, in substance, controls the SPE so as to obtain the majority of benefits without having any ownership interest.

Intercompany transactions, balances and unrealised gains on transactions between entities in the consolidated entity are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the asset transferred. Accounting policies of subsidiaries and special purpose entities have been changed where necessary to ensure consistency with the policies adopted by the consolidated entity.

### **Note 1. Significant accounting policies (continued)**

The acquisition of subsidiaries is accounted for using the acquisition method of accounting. Refer to the 'business combinations' accounting policy for further details. A change in ownership interest, without the loss of control, is accounted for as an equity transaction, where the difference between the consideration transferred and the book value of the share of the non-controlling interest acquired is recognised directly in equity attributable to the parent.

Where the consolidated entity loses control over a subsidiary, it derecognises the assets including goodwill, liabilities and non-controlling interest in the subsidiary together with any cumulative translation differences recognised in equity. The consolidated entity recognises the fair value of the consideration received and the fair value of any investment retained together with any gain or loss in profit or loss.

#### **Operating segments**

Operating segments are presented using the 'management approach', where the information presented is on the same basis as the internal reports provided to the chief operating decision makers ('CODM'). The CODM is responsible for the allocation of resources to operating segments and assessing their performance.

#### **Revenue recognition**

Revenue is recognised when it is probable that the economic benefit will flow to the consolidated entity and the revenue can be reliably measured. Revenue is measured at the fair value of the consideration received or receivable.

#### *Interest*

Interest revenue is recognised as interest accrues using the effective interest method. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

#### *Government grants*

Grants from the government are recognised at their fair value where there is reasonable assurance that the grant will be received and the consolidated entity will comply with all the attached conditions. Government grants relating to costs are deferred and recognised in profit or loss over the period necessary to match them with the costs that they are intended to compensate. Government grants relating to the purchase or development of assets, including exploration and evaluation activities, are deducted from the carrying value of the asset.

#### *Other revenue*

Other revenue is recognised when it is received or when the right to receive payment is established.

#### **Income tax**

The income tax expense or benefit for the year is the tax payable on that period's taxable income based on the applicable income tax rate adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and unused tax losses and under and over provision in prior years, where applicable.

Deferred tax assets and liabilities are recognised for temporary differences at the tax rates expected to apply when the assets are recovered or liabilities are settled, based on those tax rates that are enacted or substantively enacted, except for:

- When the deferred income tax asset or liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and that, at the time of the transaction, affects neither the accounting nor taxable profits; or
- When the taxable temporary difference is associated with investments in subsidiaries, associates or interests in joint ventures, and the timing of the reversal can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

**Note 1. Significant accounting policies (continued)**

The carrying amount of recognised and unrecognised deferred tax assets are reviewed each reporting date. Deferred tax assets recognised are reduced to the extent that it is no longer probable that future taxable profits will be available for the carrying amount to be recovered. Previously unrecognised deferred tax assets are recognised to the extent that it is probable that there are future taxable profits available to recover the asset.

Deferred tax assets and liabilities are offset only where there is a legally enforceable right to offset current tax assets against current tax liabilities and deferred tax assets against deferred tax liabilities; and they relate to the same taxable authority on either the same taxable entity or different taxable entity's which intend to settle simultaneously.

**Cash and cash equivalents**

Cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

**Trade and other receivables**

Other receivables are recognised at amortised cost, less any provision for impairment.

**Joint ventures**

A joint venture is a contractual arrangement whereby two or more parties undertake an economic activity that is subject to joint control. Investments in joint ventures are accounted for in the parent entity financial statements using the cost method, less any impairment, and in the consolidated financial statements using the equity method. Under the equity method, the share of the profits or losses of the joint venture is recognised in profit or loss and the share of the movements in equity is recognised in other comprehensive income. Income earned from joint venture entities is recognised as revenue in the parent entity's profit or loss, whilst in the consolidated financial statements they reduce the carrying amount of the investment.

**Investments and other financial assets**

Investments and other financial assets are measured at either amortised cost or fair value depending on their classification. Classification is determined based on the purpose of the acquisition and subsequent reclassification to other categories is restricted. The fair values of quoted investments are based on current bid prices. For unlisted investments, the consolidated entity establishes fair value by using valuation techniques. These include the use of recent arm's length transactions, reference to other instruments that are substantially the same, discounted cash flow analysis, and option pricing models.

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the consolidated entity has transferred substantially all the risks and rewards of ownership.

*Loans and receivables*

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are carried at amortised cost using the effective interest rate method. Gains and losses are recognised in profit or loss when the asset is derecognised or impaired.

*Available-for-sale financial assets*

Available-for-sale financial assets are non-derivative financial assets, principally equity securities, that are either designated as available-for-sale or not classified as any other category. After initial recognition, fair value movements are recognised directly in the available-for-sale reserve in equity. Cumulative gain or loss previously reported in the available-for-sale reserve is recognised in profit or loss when the asset is derecognised or impaired.

**Note 1. Significant accounting policies (continued)**

*Impairment of financial assets*

The consolidated entity assesses at the end of each reporting period whether there is any objective evidence that a financial asset or group of financial assets is impaired. Objective evidence includes significant financial difficulty of the issuer or obligor; a breach of contract such as default or delinquency in payments; the lender granting to a borrower concessions due to economic or legal reasons that the lender would not otherwise do; it becomes probable that the borrower will enter bankruptcy or other financial reorganisation; the disappearance of an active market for the financial asset; or observable data indicating that there is a measurable decrease in estimated future cash flows.

The amount of the impairment allowance for loans and receivables carried at amortised cost is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. If there is a reversal of impairment, the reversal cannot exceed the amortised cost that would have been had the impairment not been recognised and is reversed to profit or loss.

Available-for-sale financial assets are considered impaired when there has been a significant or prolonged decline in value below initial cost. Subsequent increments in value are recognised directly in the available-for-sale reserve.

**Property, plant and equipment**

Plant and equipment is stated at historical cost less accumulated depreciation and impairment. Historical cost includes expenditure that is directly attributable to the acquisition of the items. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the consolidated entity and the cost of the item can be measured reliably. All other repairs and maintenance are charged to profit or loss during the financial period in which they are incurred.

Depreciation is calculated on a straight-line basis to write off the net cost of each item of property, plant and equipment over their expected useful lives as follows:

- |                        |               |
|------------------------|---------------|
| • Plant and equipment  | 20% per annum |
| • Software/IT hardware | 33% per annum |

The residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each reporting date.

An item of property, plant and equipment is derecognised upon disposal or when there is no future economic benefit to the consolidated entity. Gains and losses between the carrying amount and the disposal proceeds are taken to profit or loss.

**Exploration and evaluation assets**

Exploration and evaluation expenditure in relation to separate areas of interest for which rights of tenure are current is carried forward as an asset in the statement of financial position where it is expected that the expenditure will be recovered through the successful development and exploitation of an area of interest, or by its sale; or exploration activities are continuing in an area and activities have not reached a stage which permits a reasonable estimate of the existence or otherwise of economically recoverable reserves. Where a project or an area of interest has been abandoned, the expenditure incurred thereon is written off in the year in which the decision is made.

**Restoration, rehabilitation and environmental expenditure**

Costs of site restoration for development activities are provided over the life of the area of interest. When development commences, site restoration costs would include the dismantling and removal of mining plant, equipment and building structure, waste removal, and rehabilitation of the site in accordance with clauses of mining permits. Such costs will be determined using estimates of future costs, current legal requirements and technology on an undiscounted basis.

**Note 1. Significant accounting policies (continued)**

Estimates of future costs are reassessed at least annually. Changes in estimates relating to areas of interest in the exploration and evaluation phase are dealt with retrospectively, with any amounts that would have been written off or provided against under the accounting policy for exploration and evaluation immediately written off.

Restoration from exploration drilling is carried out at the time of drilling and accordingly no provision is required.

**Impairment of non-financial assets**

Where applicable, goodwill and other intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other non-financial assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount.

Recoverable amount is the higher of an asset's fair value less costs to sell and value-in-use. The value-in-use is the present value of the estimated future cash flows relating to the asset using a pre-tax discount rate specific to the asset or cash-generating unit to which the asset belongs. Assets that do not have independent cash flows are grouped together to form a cash-generating unit.

**Trade and other payables**

These amounts represent liabilities for goods and services provided to the consolidated entity prior to the end of the financial year and which are unpaid. Due to their short-term nature they are measured at amortised cost and not discounted. The amounts are unsecured and are usually paid within 30 days of recognition.

**Borrowings**

Loans and borrowings are initially recognised at the fair value of the consideration received, net of transaction costs. They are subsequently measured at amortised cost using the effective interest method.

Where there is an unconditional right to defer settlement of the liability for at least 12 months after the reporting date, the loans or borrowings are classified as non-current.

The component of the convertible notes that exhibits characteristics of a liability is recognised as a liability in the statement of financial position, net of transaction costs.

On the issue of the convertible notes the fair value of the liability component is determined using a market rate for an equivalent non-convertible bond and this amount is carried as a non-current liability on the amortised cost basis until extinguished on conversion or redemption. The increase in the liability due to the passage of time, is recognised as a finance cost. The remainder of the proceeds are allocated to the conversion option that is recognised and included in shareholders' equity as a convertible note reserve, net of transaction costs. The carrying amount of the conversion option is not remeasured in the subsequent years. The corresponding interest on convertible notes is expensed to profit or loss.

**Finance costs**

Finance costs attributable to qualifying assets are capitalised as part of the asset. All other finance costs are expensed in the period in which they are incurred, including interest on short-term and long-term borrowings.

**Provisions**

Provisions are recognised when the consolidated entity has a present (legal or constructive) obligation as a result of a past event, it is probable the consolidated entity will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting date, taking into account the risks and uncertainties surrounding the obligation. If the time value of money is material, provisions are discounted using a current pre-tax rate specific to the liability. The increase in the provision resulting from the passage of time is recognised as a finance cost.



**Note 1. Significant accounting policies (continued)**

**Employee benefits**

*Wages and salaries and annual leave*

Liabilities for wages and salaries, including non-monetary benefits, and annual leave expected to be settled within 12 months of the reporting date are recognised in current liabilities in respect of employees' services up to the reporting date and are measured at the amounts expected to be paid when the liabilities are settled.

*Share-based payments*

Equity-settled share-based compensation benefits are provided to directors and employees.

Equity-settled transactions are awards of shares, or options over shares, that are provided to employees in exchange for the rendering of services. Cash-settled transactions are awards of cash for the exchange of services, where the amount of cash is determined by reference to the share price.

The cost of equity-settled transactions are measured at fair value on grant date. Fair value is independently determined using the Black-Scholes option pricing model that takes into account the exercise price, the term of the option, the impact of dilution, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk free interest rate for the term of the option, together with non-vesting conditions that do not determine whether the consolidated entity receives the services that entitle the employees to receive payment. No account is taken of any other vesting conditions.

The cost of equity-settled transactions are recognised as an expense with a corresponding increase in equity over the vesting period. The cumulative charge to profit or loss is calculated based on the grant date fair value of the award, the best estimate of the number of awards that are likely to vest and the expired portion of the vesting period. The amount recognised in profit or loss for the period is the cumulative amount calculated at each reporting date less amounts already recognised in previous periods.

Market conditions are taken into consideration in determining fair value. Therefore any awards subject to market conditions are considered to vest irrespective of whether or not that market condition has been met, provided all other conditions are satisfied.

If equity-settled awards are modified, as a minimum an expense is recognised as if the modification has not been made. An additional expense is recognised, over the remaining vesting period, for any modification that increases the total fair value of the share-based compensation benefit as at the date of modification.

If the non-vesting condition is within the control of the consolidated entity or employee, the failure to satisfy the condition is treated as a cancellation. If the condition is not within the control of the consolidated entity or employee and is not satisfied during the vesting period, any remaining expense for the award is recognised over the remaining vesting period, unless the award is forfeited.

If equity-settled awards are cancelled, it is treated as if it has vested on the date of cancellation, and any remaining expense is recognised immediately. If a new replacement award is substituted for the cancelled award, the cancelled and new award is treated as if they were a modification.

**Contributed equity**

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

**Dividends**

Dividends are recognised when declared during the financial year and no longer at the discretion of the Company.

**Note 1. Significant accounting policies (continued)**

**Business combinations**

The acquisition method of accounting is used to account for business combinations regardless of whether equity instruments or other assets are acquired.

The consideration transferred is the sum of the acquisition-date fair values of the assets transferred, equity instruments issued or liabilities incurred by the acquirer to former owners of the acquiree and the amount of any non-controlling interest in the acquiree. For each business combination, the non-controlling interest in the acquiree is measured at either fair value or at the proportionate share of the acquiree's identifiable net assets. All acquisition costs are expensed as incurred to profit or loss.

On the acquisition of a business, the consolidated entity assesses the financial assets acquired and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic conditions, the consolidated entity's operating or accounting policies and other pertinent conditions in existence at the acquisition-date.

Where the business combination is achieved in stages, the consolidated entity re-measures its previously held equity interest in the acquiree at the acquisition-date fair value and the difference between the fair value and the previous carrying amount is recognised in profit or loss.

Contingent consideration to be transferred by the acquirer is recognised at the acquisition-date fair value. Subsequent changes in the fair value of contingent consideration classified as an asset or liability is recognised in profit or loss. Contingent consideration classified as equity is not re-measured and its subsequent settlement is accounted for within equity.

The difference between the acquisition-date fair value of assets acquired, liabilities assumed and any non-controlling interest in the acquiree and the fair value of the consideration transferred and the fair value of any pre-existing investment in the acquiree is recognised as goodwill. If the consideration transferred and the pre-existing fair value is less than the fair value of the identifiable net assets acquired, being a bargain purchase to the acquirer, the difference is recognised as a gain directly in profit or loss by the acquirer on the acquisition-date, but only after a reassessment of the identification and measurement of the net assets acquired, the non-controlling interest in the acquiree, if any, the consideration transferred and the acquirer's previously held equity interest in the acquirer.

Business combinations are initially accounted for on a provisional basis. The acquirer retrospectively adjusts the provisional amounts recognised and also recognises additional assets or liabilities during the measurement period, based on new information obtained about the facts and circumstances that existed at the acquisition-date. The measurement period ends on either the earlier of (i) 12 months from the date of the acquisition or (ii) when the acquirer receives all the information possible to determine fair value.

**Investments in associates**

Associates are those entities in which the consolidated entity has significant influence, but not control, over the financial and operating policies. Significant influence is presumed to exist when the consolidated entity holds between 20 and 50 percent of the voting power of another entity.

Investments in associates are accounted for using the equity method (equity-accounted investees) and are initially recognised at cost. The cost of the investment includes transaction costs.

The consolidated financial statements include the consolidated entity's share of the profit or loss and other comprehensive income of equity-accounted investees, after adjustments to align the accounting policies with those of the consolidated entity, from the date that significant influence commences until the date that significant influence ceases.

When the consolidated entity's share of losses exceeds its interest in an equity-accounted investee, the carrying amount of that interest, including any long-term investments that form part thereof, is reduced to zero, and the recognition of further losses is discontinued except to the extent that the consolidated entity has an obligation or has made payments on behalf of the investee.

**Note 1. Significant accounting policies (continued)**

**Earnings per share**

*Basic earnings per share*

Basic earnings per share is calculated by dividing the profit attributable to the owners of Metro Mining Limited, excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the financial year.

*Diluted earnings per share*

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares and the weighted average number of shares assumed to have been issued for no consideration in relation to dilutive potential ordinary shares.

**Goods and Services Tax ('GST') and other similar taxes**

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the tax authority. In this case it is recognised as part of the cost of the acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the tax authority is included in other receivables or other payables in the statement of financial position.

**Goods and Services Tax ('GST') and other similar taxes (continued)**

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the tax authority, are presented as operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the tax authority.

**New Accounting Standards and Interpretations not yet adopted**

A number of new standards, amendments and interpretations are effective for annual periods beginning after 1 July 2015, and have not been applied in preparing these financial statements. None of these is expected to have a significant effect on the financial statements, except for the following:

*AASB 9 Financial Instruments*

This standard is applicable to annual reporting periods beginning on or after 1 January 2018. The standard replaces all previous versions of AASB 9 and completes the project to replace IAS 39 'Financial Instruments: Recognition and Measurement'. AASB 9 introduces new classification and measurement models for financial assets. A financial asset shall be measured at amortised cost, if it is held within a business model whose objective is to hold assets in order to collect contractual cash flows, which arise on specified dates and solely principal and interest. All other financial instrument assets are to be classified and measured at fair value through profit or loss unless the entity makes an irrevocable election on initial recognition to present gains and losses on equity instruments (that are not held-for-trading) in other comprehensive income ('OCI'). For financial liabilities, the standard requires the portion of the change in fair value that relates to the entity's own credit risk to be presented in OCI (unless it would create an accounting mismatch). New simpler hedge accounting requirements are intended to more closely align the accounting treatment with the risk management activities of the entity. New impairment requirements will use an 'expected credit loss' ('ECL') model to recognise an allowance. Impairment will be measured under a 12-month ECL method unless the credit risk on a financial instrument has increased significantly since initial recognition in which case the lifetime ECL method is adopted. The standard introduces additional new disclosures. The consolidated entity will adopt this standard from 1 July 2018 but the impact of its adoption is yet to be assessed by the consolidated entity.

**Note 1. Significant accounting policies (continued)**

**New Accounting Standards and Interpretations not yet adopted (continued)**

*AASB 15 Revenue from Contracts with Customers*

This standard is applicable to annual reporting periods beginning on or after 1 January 2018. The standard provides a single standard for revenue recognition. The core principle of the standard is that an entity will recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The standard will require: contracts (either written, verbal or implied) to be identified, together with the separate performance obligations within the contract; determine the transaction price, adjusted for the time value of money excluding credit risk; allocation of the transaction price to the separate performance obligations on a basis of relative stand-alone selling price of each distinct good or service, or estimation approach if no distinct observable prices exist; and recognition of revenue when each performance obligation is satisfied. Credit risk will be presented separately as an expense rather than adjusted to revenue. For goods, the performance obligation would be satisfied when the customer obtains control of the goods. For services, the performance obligation is satisfied when the service has been provided, typically for promises to transfer services to customers. For performance obligations satisfied over time, an entity would select an appropriate measure of progress to determine how much revenue should be recognised as the performance obligation is satisfied. Contracts with customers will be presented in an entity's statement of financial position as a contract liability, a contract asset, or a receivable, depending on the relationship between the entity's performance and the customer's payment. Sufficient quantitative and qualitative disclosure is required to enable users to understand the contracts with customers; the significant judgments made in applying the guidance to those contracts; and any assets recognised from the costs to obtain or fulfil a contract with a customer. The consolidated entity will adopt this standard from 1 July 2018 but the impact of its adoption is yet to be assessed by the consolidated entity.

**Change in accounting policy**

During the year the consolidated entity changed its accounting policy for refundable R & D tax offsets..

The consolidated entity previously accounted for refundable R & D tax offsets as an income tax benefit. The company has determined that these incentives are more akin to government grants because they are not conditional upon earning taxable income. The group has therefore made a voluntary change in accounting policy during the reporting period. Refundable tax offsets are now accounted for as government grants under AASB 120 "Accounting for Government Grants and Disclosure of Government Assistance" because the directors consider this policy to provide more relevant information to meet the economic decision making needs of users, and to make the financial statements more reliable.

The effect of this change in accounting policy on the financial report can be summarised as follows:

	2015		2014	
	Before	After	Before	After
	\$	\$	\$	\$
Income tax benefit	527,091	-	633,899	-
Exploration and evaluation assets	12,519,785	11,922,694	9,472,006	9,472,006
Impairment of exploration and evaluation assets	-	-	16,322,297	13,701,736
Opening accumulated losses	34,087,971	34,087,971	16,537,928	18,524,590

The effect of this change in accounting policy on amounts prior to 1 July 2013 was to decrease exploration and evaluation assets by \$1,986,662 and to increase accumulated losses by the same amount.

## **Note 2. Critical accounting judgements, estimates and assumptions**

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results. The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

### *Share-based payment transactions – note 25*

The consolidated entity measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined by using either the Black-Scholes model or Monte Carlo simulation taking into account the terms and conditions upon which the instruments were granted. The accounting estimates and assumptions relating to equity-settled share-based payments would have no impact on the carrying amounts of assets and liabilities within the next annual reporting period but may impact profit or loss and equity.

### *Impairment of exploration and evaluation assets – note 13*

Exploration and evaluation costs have been capitalised on the basis that the consolidated entity will commence commercial production in the future, from which time the costs will be amortised in proportion to the depletion of the mineral resources. Key judgements are applied in considering costs to be capitalised which includes determining expenditures directly related to these activities and allocating overheads between those that are expensed and capitalised. In addition, costs are only capitalised that are expected to be recovered either through successful development or sale of the relevant mining interest. Factors that could impact the future commercial production at the mine include the level of reserves and resources, future technology changes, which could impact the cost of mining, future legal changes and changes in commodity prices. To the extent that capitalised costs are determined not to be recoverable in the future, they will be written off in the period in which this determination is made.

### *Accounting for Cape Alumina Limited acquisition – note 28*

The consolidated entity accounted for the acquisition of Cape Alumina Limited as an asset acquisition rather than a business combination.

## **Note 3. Operating segments**

### *Identification of reportable operating segments*

The consolidated entity has identified its operating segments based on the internal reports that are reviewed and used by the board of directors (chief operating decision makers) in assessing performance and determining the allocation of resources. The consolidated entity is managed primarily on a geographic basis, that is the location of the respective areas of interest (tenements) in Australia. Operating segments are determined on the basis of financial information reported to the board which is at the consolidated entity level. The consolidated entity does not have any products/services it derives revenue from.

Accordingly, management currently identifies the consolidated entity as having only one reportable segment, being exploration for coal and bauxite. There have been no changes in the operating segments during the year. Accordingly, all significant operating decisions are based upon analysis of the consolidated entity as one segment. The financial results from this segment are equivalent to the financial statements of the consolidated entity as a whole.

**Metro Mining Limited**  
**Notes to the financial statements**  
**30 June 2015**

	<b>Consolidated</b>	
	<b>2015</b>	<b>2014</b>
	<b>\$</b>	<b>\$</b>
<b>Note 4. Revenue</b>		
<b>Other income</b>		
Administration fees and recharge of expenses	228,158	348,259
Other income	245,360	90,987
Total Other income	<u>473,518</u>	<u>439,246</u>
<b>Note 5. Expenses</b>		
Loss before income tax includes the following specific expenses:		
<i>Employee benefits expense</i>		
Salaries, wages, fees and provisions	1,020,333	726,349
Share based payments	128,919	-
Superannuation contributions	60,154	128,784
Total employee benefits expense	<u>1,209,406</u>	<u>855,133</u>
<i>Other expenses</i>		
ASX and share registry costs	257,662	59,899
Professional fees	595,990	189,724
Other expenses	1,287,826	540,892
Total other expenses	<u>2,141,478</u>	<u>790,515</u>

**Metro Mining Limited**  
**Notes to the financial statements**  
**30 June 2015**

	<b>Consolidated</b>	
	<b>2015</b>	<b>2014</b>
	<b>\$</b>	<b>\$</b>
<b>Note 6. Income tax</b>		
<i>The components of tax expense comprise:</i>		
Current tax	(1,373,976)	(7,911,315)
Deferred tax	1,373,976	7,519,937
Under provision from prior year	-	391,378
	<hr/>	<hr/>
Total income tax expense/(benefit)	-	-
	<hr/> <hr/>	<hr/> <hr/>
<i>Numerical reconciliation of income tax benefit to prima facie tax payable</i>		
Profit/(Loss) before income tax expense	(2,773,292)	(15,694,963)
	<hr/>	<hr/>
Tax at the Australian tax rate of 30% (2014: 30%)	(831,988)	(4,708,489)
	<hr/>	<hr/>
Tax effect amounts which are not deductible/(taxable) in calculating taxable income:		
Tax consolidation with Cape Alumina	740,297	-
Other permanent differences	43,515	(208,955)
Deferred tax not recognised	48,175	4,526,066
	<hr/>	<hr/>
<b>Less tax effect of:</b>		
Prior period under/over provision	-	391,378
	<hr/>	<hr/>
Total income tax expense/(benefit)	-	-
	<hr/> <hr/>	<hr/> <hr/>
<b>Deferred taxes</b>		
<i>Net unrecognised deferred tax assets</i>		
Unused tax losses	12,636,881	16,879,696
Exploration and evaluation expenditure	(3,755,936)	(4,192,989)
Other deductible temporary differences	2,839,754	2,412,102
	<hr/>	<hr/>
Total net unrecognised deferred tax assets	11,720,699	15,098,809
	<hr/> <hr/>	<hr/> <hr/>
<i>Gross amounts of items in net unrecognised deferred tax balances</i>		
Unused tax losses	42,122,936	56,265,652
Exploration and evaluation expenditure	(12,519,785)	(13,976,629)
Other deductible temporary differences	9,465,846	8,040,340
	<hr/>	<hr/>
Total gross amounts of items in net unrecognised deferred tax balances	39,068,997	50,329,363
	<hr/> <hr/>	<hr/> <hr/>

The above potential tax benefit for tax losses has not been recognised in the statement of financial position. These tax losses can only be utilised in the future if the continuity of ownership test is passed, or failing that, the same business test is passed. The above potential tax benefit, which excludes tax losses, for deductible temporary differences has not been recognised in the statement of financial position as the recovery of this benefit is uncertain.

Management believes under the current circumstances, that \$15,970,826 of the unused tax losses brought forward from the prior year (\$56,265,652) would be unlikely to pass either the continuity of ownership test or the same business test at the present time. Accordingly these are no longer shown in the unrecognised unused tax loss balance above of \$42,122,936.

The consolidated entity has no franking credits.

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	<b>Consolidated</b>	
	<b>2015</b>	<b>2014</b>
	<b>\$</b>	<b>\$</b>
<b>Note 7. Current assets - cash and cash equivalents</b>		
Cash at bank	1,575,795	1,384,696
Cash on deposit	1,540,751	6,137,553
	<u>3,116,546</u>	<u>7,522,249</u>

**Note 8. Current assets - trade and other receivables**

Trade debtors	57,056	34,947
Other receivables	64,467	45,726
Interest receivable	6,047	1,438
	<u>127,570</u>	<u>82,111</u>

*Impairment of receivables*

The consolidated entity does not have any impaired receivables.

**Note 9. Non-current assets - other assets**

Term deposit	-	377,086
Other assets	91,424	88,695
	<u>91,424</u>	<u>465,781</u>

In the prior year the term deposit was an amount of \$377,086 with Macquarie Bank who hold security over this cash pursuant to the bank guarantee detailed in note 23. This guarantee was released in the current financial year and the term deposit transferred to cash at bank.

**Note 10. Non-current assets – available-for-sale financial assets**

Investment in listed entity	<u>-</u>	<u>-</u>
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During the prior year, the Company advanced \$1,000,000 to Cape Alumina Limited through a convertible note.

Following the termination of the proposed merger between the two companies, Cape Alumina Limited converted the \$1,000,000 convertible note into shares in Cape Alumina Limited. As a result, the Company was issued with 16,666,667 shares (6.87%) in Cape Alumina Limited.

Subsequent to being issued with the shares in Cape Alumina Limited, the Company impaired its investment in Cape Alumina Limited by \$900,000. The impairment recognised was based on the market value of Cape Alumina Limited shares as the date the Company obtained control.

**Note 11. Non-current assets - property, plant and equipment**

Plant and equipment - at cost	282,006	357,584
Less: Accumulated depreciation	(256,826)	(285,531)
	<u>25,180</u>	<u>72,503</u>



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	<b>Consolidated</b>	
	<b>2015</b>	<b>2014</b>
	<b>\$</b>	<b>\$</b>
<b>Note 11. Non-current assets - property, plant and equipment (continued)</b>		
<i>Reconciliations</i>		
Reconciliations of the written down values at the beginning and end of the current and previous financial year are set out below:		
	<b>Plant and Equipment</b>	<b>Total</b>
	<b>\$</b>	<b>\$</b>
<b>Consolidated</b>		
Balance at 1 July 2013	112,124	112,124
Additions	8,999	8,999
Disposals	-	-
Depreciation expense	(49,070)	(49,070)
	<u>72,053</u>	<u>72,053</u>
Balance at 30 June 2014	72,053	72,053
Additions	22,850	22,850
Disposals	(24,524)	(24,524)
Depreciation expense	(45,199)	(45,199)
	<u>25,180</u>	<u>25,180</u>
Balance at 30 June 2015	25,180	25,180

**Note 12. Non-current assets – investments in associate**

Information relating to associates is set out below:

<b>Name of Company</b>	<b>Country of Incorporation</b>	<b>Ownership interest</b>		<b>Consolidated</b>	
		<b>2015</b>	<b>2014</b>	<b>2015</b>	<b>2014</b>
		<b>%</b>	<b>%</b>	<b>\$</b>	<b>\$</b>
Tenement to Terminal Pty Ltd	Australia	20	20	-	-

Tenement to Terminal Pty Ltd was formed to develop a new coal terminal in Gladstone. The investment was fully impaired in prior years.

**Note 13. Non-current assets - exploration and evaluation**

Exploration and evaluation - at cost	<u>11,992,694</u>	<u>9,472,006</u>
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*Reconciliations*

Reconciliations of the written down values at the beginning and end of the current and previous financial year are set out below:

	<b>Exploration &amp; evaluation</b>	<b>Total</b>
	<b>\$</b>	<b>\$</b>
<b>Consolidated</b>		
Balance at 1 July 2013	21,372,419	21,372,419
Expenditure during the year	2,435,222	2,435,222
R and D tax offset	(633,899)	(633,899)
Impaired during the year	(13,701,736)	(13,701,736)
	<u>9,472,006</u>	<u>9,472,006</u>
Balance at 30 June 2014	9,472,006	9,472,006
Expenditure during the year	3,047,779	3,047,779
R and D tax offset	(527,091)	(527,091)
Impaired during the year	-	-
	<u>11,992,694</u>	<u>11,992,694</u>
Balance at 30 June 2015	11,992,694	11,992,694

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The ultimate recoupment of costs carried forward for exploration and evaluation phases is dependent upon successful development and commercial exploitation or sale of the respective areas of interest. The Company resolved to impair the Columboola, Norwood and Dalby West, tenements to nil in the prior year on the basis that there was unlikely to be any further exploration activity in the near term. The Company still holds title on these tenements and is of the view that the tenements are potentially prospective for future development.

In the prior year, Bundi coal tenements were partially impaired due to the delay in development and the decision to stop significant expenditure. The delay in development was due to rail and port infrastructure issues as well as the depressed coal prices. The Bundi coal tenement asset was been recorded at fair value. The basis of fair value was derived from market values of similar assets, supported by the Independent Expert Report prepared for Cape Alumina Limited for the purposes of Cape Alumina's Target's Statement (released to the ASX on 15 September 2014).

In the current year, management reassessed the fair value of the Bundi coal tenements using recent Surat Basin coal transactions and other market data to determine that no further impairments of the Bundi Coal assets were required at 30 June 2015.

	<b>Consolidated</b>	
	<b>2015</b>	<b>2014</b>
	<b>\$</b>	<b>\$</b>
<b>Note 14. Current liabilities - trade and other payables</b>		
Trade payables	145,934	159,265
Other payables	581,566	140,599
	<u>727,500</u>	<u>299,864</u>
Total Current liabilities - trade and other payables	<u>727,500</u>	<u>299,864</u>

Refer to note 24 for detailed information on financial instruments.

**Note 15. Current liabilities – employee benefits**

Annual leave	<u>43,128</u>	<u>89,791</u>
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**Note 16. Equity – contributed**

	<b>Consolidated</b>		<b>Consolidated</b>	
	<b>2015</b>	<b>2014</b>	<b>2015</b>	<b>2014</b>
	<b>Shares</b>	<b>Shares</b>	<b>\$</b>	<b>\$</b>
Ordinary shares - fully paid	<u>288,717,999</u>	<u>208,883,663</u>	<u>47,491,109</u>	<u>45,149,187</u>
<b>Ordinary shares</b>				
Balance at beginning of period	208,883,663	208,883,663	45,149,187	45,149,187
Shares issued during the year:				
- Takeover of Cape Alumina Limited	79,834,336	-	2,341,922	-
Transaction costs recognised during the year	-	-	-	-
Balance at end of the period	<u>288,717,999</u>	<u>208,883,663</u>	<u>47,491,109</u>	<u>45,149,187</u>

Ordinary shares entitle the holder to participate in dividends and the proceeds on the winding up of the Company in proportion to the number of and amounts paid on the shares held. The fully paid ordinary shares have no par value.

On a show of hands every member present at a meeting in person or by proxy shall have one vote and upon a poll each share shall have one vote.

Ordinary shares have no par value and the Company does not have a limited amount of authorised capital.

**Share buy-back**

There is no current on-market share buy-back.

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**Capital risk management**

The consolidated entity's objectives when managing capital are to safeguard its ability to continue as a going concern, so that it can provide returns for shareholders and benefits for other stakeholders and to maintain an optimum capital structure to reduce the cost of capital. In common with many other exploration companies, the parent raises finance for the consolidated entity's exploration and appraisal activities in discrete tranches.

	<b>Consolidated</b>	
	<b>2015</b>	<b>2014</b>
	<b>\$</b>	<b>\$</b>
<b>Note 17. Equity - reserves</b>		
Options reserve	5,715,426	5,586,507
Change in interest of subsidiary	(2,045,399)	-
Total Equity - reserves	<u>3,670,027</u>	<u>5,586,507</u>
	<b>Change in interest of subsidiary</b>	
	<b>\$</b>	<b>Options</b>
		<b>\$</b>
<b>Consolidated</b>		<b>Total</b>
	<b>\$</b>	<b>\$</b>
Balance at 1 July 2013 and 30 June 2014	-	5,586,507
Options granted during the year	-	128,919
Change in interest of subsidiary	(2,045,399)	-
Balance at 30 June 2015	<u>(2,045,399)</u>	<u>5,715,426</u>

*Options reserve*

The reserve is used to recognise the value of equity benefits provided to employees and directors as part of their remuneration and the value of other options issued.

*Change in interest of subsidiary reserve*

The reserve is used to recognise the movement in the carrying amounts of controlling and non-controlling interests to reflect their relative interests in the subsidiary arising from a change in ownership interest.

**Note 18. Equity – dividends**

*Dividends*

There were no dividends paid or declared during the current or previous financial year. There were no franking credits at 30 June 2015 (2014: nil).

**Note 19. Earnings per share**

	<b>Consolidated</b>	
	<b>2015</b>	<b>2014</b>
	<b>\$</b>	<b>\$</b>
Profit/(Loss) after income tax attributable to the owners of Metro Mining Limited	(2,488,090)	(15,563,381)
	<b>Number</b>	<b>Number</b>
Weighted average number of ordinary shares used in calculating basic earnings per share	<u>259,523,842</u>	<u>208,883,663</u>
Weighted average number of ordinary shares used in calculating diluted earnings per share	<u>259,523,842</u>	<u>208,883,663</u>
	<b>Cents</b>	<b>Cents</b>
Basic earnings per share	(1.07)	(7.45)
Diluted earnings per share	(1.07)	(7.45)

Options could potentially dilute basic earnings per share in the future, but were not included in the calculation of diluted earnings per share because they are antidilutive.

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<b>Note 20. Reconciliation of loss after income tax to net cash used in operating activities</b>	<b>Consolidated</b>	
	<b>2015</b>	<b>2014</b>
	<b>\$</b>	<b>\$</b>
Profit/(Loss) after income tax benefit for the year	(2,773,292)	(15,694,963)
Adjustments for:		
Depreciation and amortisation	45,199	49,070
Options expense	128,919	-
Impairment of exploration and evaluation assets	-	13,701,736
Impairment of investment in listed entity	-	900,000
Change in operating assets and liabilities:		
(Increase)/decrease in trade and other receivables	(25,953)	(27,911)
(Increase)/decrease in prepayments	4,903	73,874
Increase/(decrease) in trade and other payables	(126,870)	(684,842)
Increase/(decrease) in employee benefits	(46,663)	(46,037)
Net cash used in operating activities	<u>(2,793,757)</u>	<u>(1,729,073)</u>
<b>Acquisitions of subsidiaries</b>		
Cash to acquire subsidiaries, net of cash acquired:		
Cash consideration	-	733,175
Less cash acquired	-	(1,666,849)
Inflow of cash – investing activities	<u>-</u>	<u>(933,674)</u>

**Note 21. Remuneration of auditors**

During the financial year the following fees were paid or payable for services provided by BDO Audit Pty Ltd, the auditor of the Company, and its related practices:

	<b>Consolidated</b>	
	<b>2015</b>	<b>2014</b>
<i>Audit services - BDO Audit Pty Ltd</i>		
Audit or review of the financial report	<u>59,027</u>	<u>43,000</u>
<i>Other services - BDO (QLD) Pty Ltd</i>		
Taxation services	83,992	39,800
Corporate services	<u>11,658</u>	<u>-</u>
Total Remuneration of auditors	<u>154,677</u>	<u>82,800</u>

**Note 22. Commitments for expenditure**

*Lease commitments - operating*

Committed at the reporting date but not recognised as liabilities, payable:

Within one year	140,818	13,555
One to five years	<u>100,739</u>	<u>-</u>
Total Commitments for expenditure	<u>241,558</u>	<u>13,555</u>

The operating lease commitment comprises rent payable for the Company's office lease and lease of office equipment.

## **Note 23. Contingent assets and liabilities**

### *Contingent Assets*

As part of the sale agreement of its Hey Point bauxite tenement on Western Cape York, the Consolidated Entity is entitled to receive royalties of 2% to 3% of future gross sales proceeds on all bauxite sold from the project. In relation to the cash payments, \$750,000 has been received and the receipt of the remaining \$825,000 is still to be paid by 18 December 2015, and thus has been recognised as a contingent asset. As this project is still in development it is premature to determine whether royalties or further cash payments will be received in future years.

The Consolidated Entity has an option of purchasing the Hey Point tenements for \$1 if \$275,000 is not received by 18 September 2015 or if the remaining payment of \$550,000 is not received by 18 December 2015.

### *Contingent Liabilities*

Certain tenements to which the Consolidated Entity has an interest may be subject to native title or similar claims. The position regarding likely success and impact on the Consolidated Entity's operations are unknown at balance date. It is management's intention to continue to work through these matters, including the execution of native title agreements in relation to the Bauxite Hills project, if such an agreement can be negotiated successfully.

Other than the above, the Consolidated Entity does not believe it has any contingent liability arising from any possible Native Title or other claims.

Metro Mining Limited entered into a Feasibility Funding Deed with Wiggins Island Coal Export Terminal Pty Ltd (WICET) to fund a proportion of feasibility costs in return for securing terminal capacity for the planned port expansion at Wiggins Island, Gladstone. Under the requirements of this deed, on 3 December 2010 Metro Mining Limited provided WICET a bank guarantee for \$375,000 to cover their costs. This guarantee was released during the financial year and the term deposit held as security has also been released.

## **Note 24. Financial instruments**

### **Financial risk management objectives**

Risk management is carried out under policies set by the board of directors.

The board provides principles for overall risk management, as well as policies covering specific areas.

The board monitors the financial risk relating to the operations of the consolidated entity. The consolidated entity's activities include exposure to market risk, fair value interest rate risk and price risk, credit risk, liquidity risk, interest rate risk and operational risk. The consolidated entity does not hedge these risk exposures. The consolidated entity does not enter into or trade financial instruments, including derivative financial instruments, for speculative purposes. The overall risk management program focuses on the unpredictability of the finance markets and seeks to minimise the potential adverse effects on the financial performance. Risk management is carried out under the oversight of the board of directors.

### **Significant accounting policies**

Details of the significant accounting policies and methods adopted, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised, in respect of each class of financial asset, financial liability and equity instrument are disclosed in note 1 to the financial statements.

### **Market risk**

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the consolidated entity's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters while optimising the return.

**Note 24. Financial instruments (continued)**

The consolidated entity's activities expose it primarily to the financial risks of changes in interest rates on its cash and cash equivalents and term deposit. It is the policy of the consolidated entity to manage their risks by continuously monitoring interest rates. There has been no change to the consolidated entity's exposure to market risks or the manner in which it manages and measures the risk from the previous period.

*Foreign currency risk*

The consolidated entity undertakes some purchase transactions in foreign currency, predominantly in US dollars. The company is currently unhedged due to the immateriality of these purchases but will look to manage this risk should these purchases become more material in the future.

*Price risk*

The consolidated entity is not exposed to any material price risk. As the Company continues to develop its Bauxite Hills project, it will look to manage this risk should this exposure become more material in the future.

*Interest rate risk*

Interest rate risks are caused by fluctuations in interest rates which, in turn, are due to market factors.

*Interest rate sensitivity*

The consolidated entity's main interest rate risk arises from cash and cash equivalents. The sensitivity to a reasonably possible change in interest rates, with all other variables held constant, of the consolidated entity profit/loss before taxes through a decrease or an increase of 0.25% (2014: 0.25%) in interest rates at 30 June 2015 is an increase/decrease in cash and cash equivalents of \$28,757 (2014: \$38,193).

**Credit risk**

Credit risk is managed on a consolidated entity basis. Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the consolidated entity. The consolidated entity has a strict code of credit, including obtaining agency credit information, confirming references and setting appropriate credit limits. The consolidated entity obtains guarantees where appropriate to mitigate credit risk. The maximum exposure to credit risk at the reporting date to recognised financial assets is the carrying amount, net of any provisions for impairment of those assets, as disclosed in the statement of financial position and notes to the financial statements. The consolidated entity does not hold any collateral. The consolidated entity is not exposed to any material credit risks and only trades with credit worthy third parties.

**Liquidity risk**

Vigilant liquidity risk management requires the consolidated entity to maintain sufficient liquid assets (mainly cash and cash equivalents) and available borrowing facilities to be able to pay debts as and when they become due and payable.

The consolidated entity manages liquidity risk by maintaining adequate reserves and by continually monitoring forecast and actual cash flows and cash balances. The parent entity raises equity for the consolidated entity's exploration and appraisal activities in discrete tranches.

At 30 June 2015 and 30 June 2014 the only financial liabilities of the consolidated entity and the parent entity were trade payables and accruals. All trade payables and accruals have a contractual maturity of 6 months or less.

*Remaining contractual maturities*

The following tables detail the consolidated entity's remaining contractual maturity for its financial instrument liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the financial liabilities are required to be paid. The tables include both interest and principal cash flows disclosed as remaining contractual maturities and therefore these totals may differ from their carrying amount in the statement of financial position.

**Note 24. Financial instruments (continued)**

Consolidated	Weighted average interest rate	1 year or less	Between 1 and 2 years	Between 2 and 5 years	Over 5 years	Remaining contractual maturities
	%	\$	\$	\$	\$	\$
<b>2015</b>						
<b>Non-derivatives</b>						
<i>Non-interest bearing</i>						
Trade payables	-	145,934	-	-	-	145,934
Other payables	-	581,566	-	-	-	581,566
Total non-derivatives		<u>727,500</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>727,500</u>
<b>2014</b>						
<b>Non-derivatives</b>						
<i>Non-interest bearing</i>						
Trade payables	-	159,265	-	-	-	159,265
Other payables	-	140,599	-	-	-	140,599
Total non-derivatives		<u>299,864</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>299,864</u>

The cash flows in the maturity analysis above are not expected to occur significantly earlier than disclosed.

**Fair value of financial instruments**

The fair values of financial assets and liabilities, together with their carrying amounts in the statement of financial position, for the consolidated entity are as follows:

Consolidated	2015		2014	
	Carrying amount	Fair value	Carrying amount	Fair value
	\$	\$	\$	\$
<i>Assets</i>				
Cash and cash equivalents	3,116,546	3,116,546	7,522,249	7,522,249
Trade and other receivables	127,570	127,570	82,111	82,111
Term deposits	-	-	377,086	377,086
Total Assets	<u>3,244,116</u>	<u>3,244,116</u>	<u>7,981,446</u>	<u>7,981,446</u>
<i>Liabilities</i>				
Trade payables	145,934	145,934	159,265	159,265
Other payables	581,566	581,566	140,599	140,599
Total Liabilities	<u>727,500</u>	<u>727,500</u>	<u>299,864</u>	<u>299,864</u>

**Note 25. Share-based payments**

The Company has established the Metro Mining Employee Share Option Plan (ESOP) to enable the issue of shares or options in Metro Mining to employees of the Company to assist in the retention and motivation of employees. Under the ESOP, the Company may offer shares or options over unissued shares in the Company.

Features of the ESOP are as follows:

- The persons who are eligible to participate in the ESOP are full-time or part-time continuing employees of the Company or an associated body corporate of the Company (Eligible Employee) or their nominee who have been selected by the board to participate in the ESOP;
- The Company is entitled under the terms of the ESOP to determine a period that any shares or options offered under the ESOP will be unable to be transferred by the recipient (disposal restrictions);
- The Company is entitled to determine in its discretion any conditions which may apply to the offer of shares or options (including the issue price, exercise price, vesting conditions and disposal restrictions);
- Where options subject to disposal restrictions are exercised, the resulting shares will be subject to the balance of the disposal restriction;
- The options may be exercised wholly or in part by notice in writing to the Company received at any time during the relevant exercise period together with a cheque for the exercise price for those options for cancellation by the Company.
- The Company shall allot the number of shares the subject of any exercise notice and apply for listing of the shares issued as a result;
- Shares issued on the exercise of the options will rank paripassu with all existing shares of the Company from the date of issue;
- The number of shares which may be acquired on the exercise of an option and the exercise price will be adjusted, as is appropriate, following any pro-rata bonus issue, rights issue, reconstruction or re-organisation of the issued ordinary capital of the Company.

There are no vesting conditions for options issued in the current or prior years.

The maximum number of shares and options that may be offered to participants under the ESOP is 5% of the issued capital at the time.

Quotation of options on the ASX will not be sought, however quotation of shares (not subject to disposal restrictions) issued under the ESOP will be sought. The Company will apply for quotation of shares arising upon the exercise of options.



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**Note 25. Share-based payments (continued)**

Set out below are summaries of options granted under the plan:

Grant date	Expiry date	Exercise price	Balance at the start of the year	Granted	Exercised	Expired/ forfeited/ other	Balance at the end of the year
<b>2015</b>							
12/01/15	11/01/17	\$0.06	-	10,750,000	-	-	10,750,000
20/11/12	11/07/15	\$0.235	1,000,000	-	-	-	1,000,000
20/11/12	11/07/15	\$0.50	1,000,000	-	-	(500,000)	500,000
Total 2015 Options			2,000,000	10,750,000	-	(500,000)	12,250,000
<b>2014</b>							
01/07/09	04/12/14	\$0.25	500,000	-	-	(500,000)	-
24/11/10	19/11/13	\$0.40	3,250,000	-	-	(3,250,000)	-
18/05/11	08/05/14	\$0.50	750,000	-	-	(750,000)	-
24/11/11	30/11/13	\$0.75	2,500,000	-	-	(2,500,000)	-
24/11/11	30/11/13	\$0.78	2,500,000	-	-	(2,500,000)	-
20/11/12	11/07/15	\$0.235	1,000,000	-	-	-	1,000,000
20/11/12	11/07/15	\$0.50	1,000,000	-	-	-	1,000,000
Total 2014 Options			11,500,000	-	-	(9,500,000)	2,000,000

The weighted average remaining contractual life of options outstanding at the end of the financial year was 1 year (2014: 1 years). All options are exercisable at the end of the year.

For the options granted during the current financial year, the valuation model inputs used to determine the fair value at the grant date, are as follows:

Grant date	Expiry date	Share price at grant date	Exercise price	Expected volatility	Dividend yield	Risk-free interest rate	Fair value at grant date
12/01/2015	12/01/2017	\$0.027	\$0.06	119.172%	0.00%	2.20%	\$0.012

Included under employee benefits expense in the statement of comprehensive income is \$128,919 (2014: \$nil), which relates to equity-settled share based payment transactions.

**Note 26. Related party transactions**

*Parent entity*

Metro Mining Limited is the ultimate parent entity.

*Subsidiaries*

Interests in subsidiaries are set out in note 27.

*Joint ventures*

Interests in joint ventures are set out in note 29.

**Note 26. Related party transactions (continued)**

*Key management personnel*

The aggregate compensation made to directors and other members of key management personnel of the consolidated entity is set out below:

	<b>Consolidated</b>	
	<b>2015</b>	<b>2014</b>
	<b>\$</b>	<b>\$</b>
Short-term employee benefits	1,029,369	1,070,313
Post-employment benefits	68,360	91,618
Share-based payments	95,939	-
	<hr/>	<hr/>
Total compensation to directors and KMPs	<u>1,193,668</u>	<u>1,161,931</u>

Further disclosures relating to key management personnel are set out in the remuneration report in the directors' report.

*Transactions with related parties*

The following transactions occurred with related parties:

	<b>Consolidated</b>	
	<b>2015</b>	<b>2014</b>
	<b>\$</b>	<b>\$</b>
Payment for other expenses:		
Legal fees paid to related party (i)	-	277,275
Rental and other expenses paid to former ultimate parent (ii)	-	84,500

(i) During the prior year the consolidated entity paid legal fees of \$277,275 to Hopgood Ganim Lawyers. Mr Michael Hansel, who resigned as a director in April 2014, is a partner of Hopgood Ganim Lawyers. The directors agreed that these fees were at arm's length and that Mr Hansel had not participated in the decision to use this firm for legal services.

(ii) On 14 February 2010, the consolidated entity signed an Agreement for Management and Administration Services with its former parent company, Metallica Minerals Limited. This Agreement was terminated in July 2014.

*Receivable from and payable to related parties*

The following balances are outstanding at the reporting date in relation to transactions with related parties:

	<b>Consolidated</b>	
	<b>2015</b>	<b>2014</b>
	<b>\$</b>	<b>\$</b>
Current payables:		
Trade payables to other related party – Metallica Minerals Limited	-	8,533
Trade payables to other related party - HopgoodGanim Lawyers	-	5,161

*Terms and conditions*

All transactions were made on normal commercial terms and conditions and at market rates.

**Metro Mining Limited**  
**Notes to the financial statements**  
**30 June 2015**

**Note 27. Subsidiaries**

The consolidated financial statements incorporate the assets, liabilities and results of the following subsidiaries in accordance with the accounting policy described in note 1.

Name of entity	Country of Incorporation	Equity holding	
		2015 %	2014 %
Huge Energy Pty Ltd	Australia	100.00	100.00
Bundi Coal Project Pty Ltd	Australia	100.00	100.00
Metrostructure Pty Ltd	Australia	100.00	100.00
Cape Alumina Pty Ltd (i)	Australia	100.00	57.22
Aldoga Minerals Pty Ltd (i)	Australia	100.00	57.22
Norkay Pty Ltd (i)	Australia	100.00	57.22
Sigma Resources Pty Ltd (ii)	Australia	-	57.22
Sigma Kaolin Pty Ltd (i)	Australia	100.00	57.22

(i) Cape Alumina Pty Ltd (previously called Cape Alumina Limited) and its subsidiaries were acquired during the year ended 30 June 2015.

(ii) Sigma Resources Pty Ltd was deregistered during the year ended 30 June 2015.

*Non-controlling interests*

Set out below is the summarised financial information for each entity that has non-controlling interests that are material to the consolidated entity. Amounts are disclosed before intercompany eliminations.

	Cape Alumina Limited	
	2015	2014
	\$	\$
<i>Statement of comprehensive income</i>		
Revenue	245,360	326,128
Loss after income tax	(675,444)	(2,943,525)
Other comprehensive income	-	-
Total comprehensive income	<u>(675,444)</u>	<u>(2,943,525)</u>
Loss allocated to non-controlling interests	(285,202)	(131,582)
Dividends paid to non-controlling interests	-	-
<i>Statement of financial position</i>		
Total current assets	946,380	1,429,379
Total non-current assets	7,640,081	4,913,306
Total assets	<u>8,586,461</u>	<u>6,342,685</u>
Total current liabilities	343,478	188,184
Total non-current liabilities	2,763,926	-
Total liabilities	<u>3,107,404</u>	<u>188,184</u>
Net assets	<u>5,479,057</u>	<u>6,154,501</u>
Equity		
Contributed equity	33,951,774	33,858,372
Reserves	702,098	795,500
Accumulated losses	(29,174,815)	(28,499,371)
Total equity	<u>5,479,057</u>	<u>6,154,501</u>
Accumulated non-controlling interests	-	581,725

**Metro Mining Limited**  
**Notes to the financial statements**  
**30 June 2015**

**Note 27. Subsidiaries (continued)**

	<b>Cape Alumina Limited</b>	
	<b>2015</b>	<b>2014</b>
	<b>\$</b>	<b>\$</b>
<i>Statement of cash flows</i>		
Cash flows from operating activities	(527,027)	(2,291,231)
Cash flows from investing activities	(2,749,196)	1,521
Cash flows from financing activities	2,763,926	1,000,000
Net increase/(decrease) in cash and cash equivalents	<u>(512,297)</u>	<u>(1,289,710)</u>

**Note 28. Acquisition of subsidiary**

During the year, the Consolidated Entity acquired the remaining shares in Cape Alumina Limited, offering existing Cape Alumina Shareholders 1 Metro Mining share for every 1.3 shares held in Cape Alumina. The fair value of the Metro Mining shares issued as consideration was \$2,341,922. The carrying amount of the non-controlling interest in Cape Alumina immediately prior to the purchase was \$296,523. The excess of the consideration paid over the decrease in the carrying amount of the non-controlling interest in Cape Alumina, being \$2,045,399, has been recognised in the "Change of interest in subsidiary reserve".

**Note 29. Interests in joint ventures**

In April 2010, the Company entered into a Joint Venture Agreement (JVA) with China Coal Import & Export Company (CCIEC), a wholly owned subsidiary of China National Coal Group Corp (China Coal). Under the terms of the Agreement, CCIEC acquired a 51% interest in Metro Mining's EPC 1165 Columboola in the Surat Basin, Queensland for an agreed expenditure commitment of AUD\$30 million on EPC 1165. The funds will be used for exploring and evaluating the potential for future commercialisation options within the Columboola tenement and also opens up the opportunity for participation in Metro Mining Limited's other tenements. Exploration was commenced in 2011. The Columboola JVA requires a minimum expenditure of AUD\$4 million within the first two years of the agreement and this amount has been expended. Approximately \$24 million has been expended on this project to date.

**Metro Mining Limited**  
**Notes to the financial statements**  
**30 June 2015**

**Note 30. Parent entity information**

Set out below is the supplementary information about the parent entity.

	<b>Parent</b>	
	<b>2015</b>	<b>2014</b>
	<b>\$</b>	<b>\$</b>
<i>Statement of comprehensive income</i>		
Loss after income tax	<u>(1,824,082)</u>	<u>(14,651,084)</u>
Total comprehensive income	<u>(1,824,082)</u>	<u>(14,651,084)</u>
<i>Statement of financial position</i>		
Total current assets	2,300,025	6,179,884
Total non-current assets	<u>15,406,483</u>	<u>10,654,320</u>
Total assets	<u>17,706,508</u>	<u>16,834,204</u>
Total current liabilities	427,150	201,472
Total non-current liabilities	<u>-</u>	<u>-</u>
Total liabilities	<u>427,150</u>	<u>201,472</u>
Net assets	<u>17,279,358</u>	<u>16,632,732</u>
<i>Equity</i>		
Contributed equity	47,491,109	45,149,187
Reserves	5,715,426	5,586,507
Accumulated losses	<u>(35,927,177)</u>	<u>(34,102,962)</u>
Total equity	<u>17,279,358</u>	<u>16,632,732</u>

*Contingent liabilities*

Refer to note 23 for details of contingent liabilities.

*Capital commitments - Property, plant and equipment*

The parent entity had no capital commitments for property, plant and equipment at 30 June 2015 and 30 June 2014.

*Significant accounting policies*

The accounting policies of the parent entity are consistent with those of the consolidated entity, as disclosed in note 1.

**Note 31. Events occurring after the reporting date**

On 2 July 2015, the consolidated entity completed a share placement to sophisticated investors. The consolidated entity issued 25,000,000 new shares at an issue price of 8 cents per share. The total amount raised, before costs, was \$2.0 million.

On 16 July 2015, the consolidated entity announced a fully underwritten non-renounceable rights issue. The total amount to be raised, before costs, is approximately \$3.60 million.

Except as noted above, no matter or circumstance has arisen since 30 June 2015 that has significantly affected, or may significantly affect the consolidated entity's operations, the results of those operations, or the consolidated entity's state of affairs in future financial years.

**Metro Mining Limited**  
**Directors' declaration**

In the directors' opinion:

- the attached financial statements and notes thereto comply with the Corporations Act 2001, the Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- the attached financial statements and notes thereto comply with International Financial Reporting Standards as issued by the International Accounting Standards Board as described in note 1 to the financial statements;
- the attached financial statements and notes thereto give a true and fair view of the consolidated entity's financial position as at 30 June 2015 and of its performance for the financial year ended on that date; and
- there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

The directors have been given the declarations required by section 295A of the Corporations Act 2001.

Signed in accordance with a resolution of directors made pursuant to section 295(5) of the Corporations Act 2001.

On behalf of the directors



S Everett  
Chairman

25 August 2015

Brisbane

## INDEPENDENT AUDITOR'S REPORT

To the members of Metro Mining Limited

### Report on the Financial Report

We have audited the accompanying financial report of Metro Mining Limited, which comprises the consolidated statement of financial position as at 30 June 2015, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the year's end or from time to time during the financial year.

### Directors' Responsibility for the Financial Report

The directors of the company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error. In Note 1, the directors also state, in accordance with Accounting Standard AASB 101 *Presentation of Financial Statements*, that the financial statements comply with *International Financial Reporting Standards*.

### Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the company's preparation of the financial report that gives a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.



### Independence

In conducting our audit, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of Metro Mining Limited, would be in the same terms if given to the directors as at the time of this auditor's report.

### Opinion

In our opinion:

- (a) the financial report of Metro Mining Limited is in accordance with the Corporations Act 2001, including:
  - (i) giving a true and fair view of the consolidated entity's financial position as at 30 June 2015 and of its performance for the year ended on that date; and
  - (ii) complying with Australian Accounting Standards and the Corporations Regulations 2001; and
- (b) the financial report also complies with International Financial Reporting Standards as disclosed in Note 1.

### Report on the Remuneration Report

We have audited the Remuneration Report included in pages 10 to 18 of the directors' report for the year ended 30 June 2015. The directors of the company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

### Opinion

In our opinion, the Remuneration Report of Metro Mining Limited for the year ended 30 June 2015 complies with section 300A of the *Corporations Act 2001*.

**BDO Audit Pty Ltd**

BDO



**A J Whyte**

Director

Brisbane, 25 August 2015

**Metro Mining Limited**  
**Shareholder information**  
**30 June 2015**

The shareholder information set out below was applicable as at 25 August 2015.

**Distribution of equitable securities**

Analysis of number of equitable security holders by size of holding:

	<b>Number of holders of ordinary shares</b>
1 to 1,000	642
1,001 to 5,000	540
5,001 to 10,000	314
10,001 to 100,000	745
100,001 and over	<u>239</u>
	<u>2,480</u>
Holding less than a marketable parcel	<u>1,377</u>

**Equity security holders**

*Twenty largest quoted equity security holders*

The names of the twenty largest security holders of quoted equity securities are listed below:

	<b>Ordinary shares</b>	<b>% of total shares issued</b>
	<b>Number held</b>	
Balanced Property Pty Ltd	54,067,849	17.23
Dadi Engineering Development (Group) Co. Ltd	28,800,000	9.18
China Xinha Group Corporation Limited	20,327,883	6.48
Mr Gregory Ian Willims	18,819,863	6.00
Dadi Engineering Development (Group) Hong Kong Co. Ltd	18,450,000	5.88
Bondline Limited	16,050,223	5.12
JP Morgan Nominees Australia Limited	14,343,743	4.57
Ms Qing Xia	10,342,684	3.30
Netwealth Investments Limited	5,984,668	1.91
Remond Holdings Pty Limited	5,251,741	1.67
ABN AMRO Clearing Sydney Nominees Pty Ltd	4,564,463	1.45
HSBC Custody Nominees (Australia) Limited	2,696,848	0.86
Prima Group Holdings Pty Ltd	2,444,795	0.78
Mr Leigh David Kalazich	2,288,888	0.73
Mr Clifford Malcolm Arnold Pratt	2,198,266	0.70
Chiping Xinha Huaya Alumina Co Ltd	2,092,519	0.67
Cape Alumina Ltd (dissenting holders)	1,935,439	0.62
Mr Timothy John Pratt	1,910,386	0.61
Jien Mining Pty Ltd	1,709,133	0.54
Gamore Pty Ltd	<u>1,562,500</u>	<u>0.50</u>
	<u>215,841,890</u>	<u>68.80</u>

**Metro Mining Limited**  
**Shareholder information**  
**30 June 2015**

***Unquoted equity securities***

	<b>Number on issue</b>	<b>Number of holders</b>
Options issued under the Metro Mining Employee Share Option Plan	10,750,000	6

**Substantial holders**

Substantial holders in the Company are set out below:

	<b>Ordinary shares</b>	
	<b>Number held</b>	<b>% of total shares issued</b>
Balanced Property Pty Ltd	54,067,849	17.23
Dadi Engineering Development (Group) Co. Ltd and related entities	47,250,000	15.06
China Xinfu Group Corporation Limited and related entities	22,571,507	7.19
Mr Gregory Ian Willims	18,819,863	6.00
Bondline Limited and related entities	16,427,989	5.24

**Voting rights**

The voting rights attached to ordinary shares are set out below:

*Ordinary shares*

On a show of hands every member present at a meeting in person or by proxy shall have one vote and upon a poll each share shall have one vote.

There are no other classes of equity securities.