





24 September 2015

Bauxite Hills Environmental Approval Update





The Queensland Department of Environment and Heritage Protections (**DEHP**) has formally advised Metro Mining (**Metro**) that a full Environmental Impact Statement (**EIS**) is now required for Metro's Bauxite Hills Project. Metro had submitted a detailed application for a more streamlined Site Specific Environment Authority (**EA**).

Whilst disappointed with this unexpected DEHP decision, which is expected to delay the commencement of mining operations by at least 6 months, Metro will now maximise the opportunities available for Bauxite Hills through an EIS. These include:

-  Removal of the 2 million tonnes per annum production limit;
-  Provision for the ability to increase the scale of operations to improve market significance of the project,
-  Realise economies of scale and achieve superior financial returns; and
-  Facilitation of further community and stakeholder engagement.

Metro will request an inter-departmental review of DEHP's decision. However, in the meantime, Metro has already commenced development of the Terms of Reference, the first step in the EIS process.

Other key milestones relating to the development of Bauxite Hills continue to progress as planned with:

-  Definitive feasibility study for a 2Mtpa operation to be completed by early October with very robust economics being indicated;
-  Native Title negotiations in the process of being finalised;
-  Off-take negotiations with Xinha, one of China's the largest integrated aluminium companies, advancing and supported by a non-binding Memorandum of Understanding; and
-  Ongoing positive engagement with a range of potential financiers.