

Metro Mining

21st January 2016

Metro Mining signs native title, land access deal at Bauxite Hills

Thursday, January 21, 2016

Metro Mining signs native title, land access deal at Bauxite Hills



Metro Mining has improved the investment case of its Bauxite Hills project in Queensland with the signing of a native title and land access agreement helping pave the way for a possible start-up of production next year.

Metro Mining ([ASX:MMI](#)) has achieved a major milestone at its Bauxite Hills project in Queensland, with a native title and land access agreement demonstrating strong community support for the proposed 1.9 million tonnes per annum operation.

The agreement with the Ankamuthi People and the Old Mapoon Aboriginal Corporation (OMAC) is interpreted as setting a sound foundation for long-term relationships with these key stakeholders.

Mining benefits are based on a percentage of the Free on Board price received per tonne of bauxite and will be used to fund long term programs and benefits to a broad cross section of the Ankamuthi People and their organisations.

Land rehabilitation is included as an integral part of the Agreement with progress being continually reviewed by the Liaison Committee.

The agreement also includes a Cultural Heritage Management Plan for the Project area, the provision of employment and training opportunities for traditional owners, business development and contracting opportunities for Ankamuthi businesses and payment of mining benefits to both the Ankamuthi People and the OMAC for the life of the project.

Bauxite Hills is envisioned as having a 25+ year mine life, with first production targeted for Q4 2017.

Metro Mining CEO Simon Finnis said the operation was planned to provide vital training, employment and business opportunities for the Ankamuthi People

"As part of the Agreement Metro happily committed to employment and training targets and we will work with stakeholders and contractors to ensure these are met," he said.

"Metro will also work with the stakeholders to identify business opportunities for the Ankamuthi and other local enterprises."

Project particulars

Definitive Feasibility Study results for Bauxite Hills defined a 48.2 million tonne Ore Reserve of which 41.8 million tonnes is in the proved category.

Metro Mining

The planned 1.9 million tonnes per annum operation is expected to benefit from low \$33.9 million initial capital expenditure costs, simple mining operations with minimal environmental impact.

Shallow draught barges used to transport direct shipping ore (DSO) on the Skardon River then transhipped by Handymax and Panamax vessels 5-10 nautical miles offshore.

The operation is expected to generate an after-tax net profit of \$37.3 million a year.

Last month, Metro enhanced bulk export prospects from the Cape York Peninsula with the expansion of DSO resources to 65.3 million tonnes.

This included the delineation of 11.7 million tonnes in the indicated category at Bauxite Hills' BH2 deposit.

BH2 is located in Western Cape York on the north bank of Port Musgrave estuary, near Mapoon and 10 kilometres south of Bauxite Hills.

Analysis

The signing of a native title and land access deal at Bauxite Hills is a critical milestone in realising plans for the start of production next year, along with possible subsequent expansions via further development of the BH2 deposit.

The agreement secures a social licence to operate in a region which already provides support for a number of major mining operations.

Importantly, the agreement also lays the foundation for long-term relationships, which will ultimately benefit Bauxite Hills over its 25+ year life.

It also sets up Metro for a number of price catalysts this year as it continues to ready the project for production and export operations.

These potential catalysts include talks with several groups interested in long-term offtake agreements for Bauxite Hills products.

Proactive Investors is a global leader in financial news, media, research and hosts events for listed emerging growth companies and investors across four continents.

Metro Mining

Disclaimer

You understand and agree that no content published constitutes a recommendation that any particular security, portfolio of securities, transaction, or investment strategy is suitable or advisable for any specific person. You further understand that none of the information providers or their affiliates will advise you personally concerning the nature, potential advisability, value or suitability of any particular security, portfolio of securities, transaction, investment strategy, or other matter.

You understand that the Site may contain opinions from time to time with regard to securities mentioned in other products, including company related products and that those opinions may be different from those obtained by using another product related to the Company. You understand and agree that contributors may write about securities in which they or their firms have a position, and that they may trade such securities for their own account. In cases where the position is held at the time of publication and such position is known to the Company, appropriate disclosure is made.

However, you understand and agree that at the time of any transaction that you make, one or more contributors may have a position in the securities written about. You understand that price and other data is supplied by sources believed to be reliable, that the calculations herein are made using such data, and that neither such data nor such calculations are guaranteed by these sources, the Company, the information providers or any other person or entity, and may not be complete or accurate.

From time to time, reference may be made in our marketing materials to prior articles and opinions we have published. These references may be selective, may reference only a portion of an article or recommendation, and are likely not to be current. As markets change continuously, previously published information and data may not be current and should not be relied upon. The contributors make every effort to ensure that the information and material contained in this report is accurate and correct and has been obtained from reliable sources. However, no representation is made about the accuracy or completeness of the information and material and it should not be relied upon as a substitute for the exercise of independent judgment. Proactive Investors does not accept any liability, including negligence, for any loss or damage arising from the use of, or reliance on, the material contained in this report. There are general risks associated with any investment in securities. Investors should be aware that these risks might result in loss of income and capital invested.

WARNING: No recipients should rely on any recommendation (whether express or implied) contained in this document without obtaining specific advice from their advisers. All investors should therefore consider the appropriateness, in light of their own objectives, financial situation and/or needs, before acting on the advice.

DISCLOSURE: The Company, its directors, associates, employees or representatives may not effect a transaction upon its or their own account in the investments referred to in this report or any related investment until the expiry of 24 hours after the report has been published.