








# Mines & Money Asia

## April 2016

ASX : MMI | Mines & Money Asia | April 2016

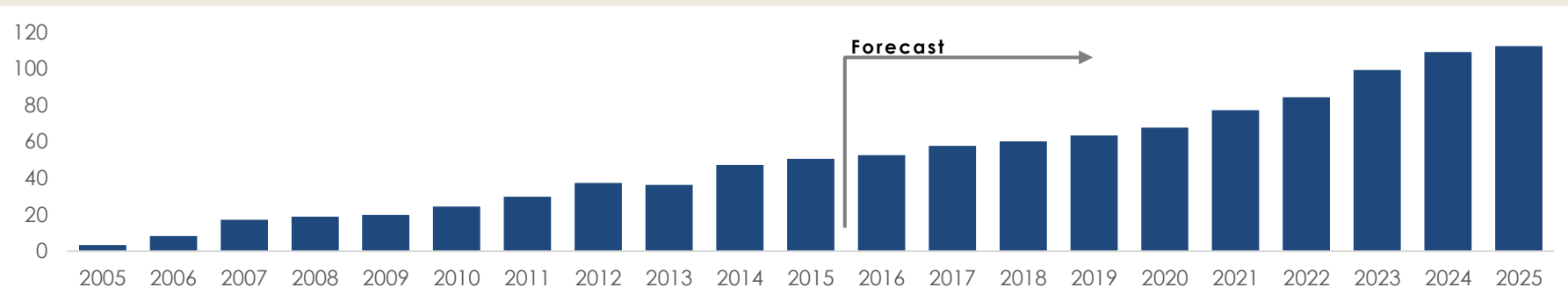
# Compelling Proposition

## Metro is a Rare, High Margin Investment in a Growth Sector

-  Positive fundamentals for bauxite
-  Simple DSO project, well located in Cape York's world class bauxite province
-  Low capex, high margins and excellent economics
-  Native title finalised and permitting on track
-  Off-take MOU secured with leading integrated aluminium company
-  Proven, high quality team who have developed & operated mines globally
-  Attractive share price upside

# Rapidly Growing Chinese Bauxite Demand

China represents around 70% of the 3rd party global traded bauxite market, with import growth driven by increased aluminium production & declining reserves (<10yrs)



## Key Points

- Since 2009 average quality of Chinese bauxite reserves has declined driving demand for imports
- Recently developed coastal refining province in Shandong relies 100% on imported bauxite
- 75% of Chinese imports are low temp bauxite
- Chinese imported bauxite demand expected to double to +100Mtpa in coming decade

# Proven Team

Metro's Board & Management Team have Successfully Developed and Operated over 30 Projects Globally

## Key Team Members

Stephen Everett  
**Chairman**

- Chemical engineer with over 40 years experience in resources and construction
- Formerly Chairman of BeMaX Resources

Simon Finnis  
**CEO**

- Over 28 years experience global resource sector experience
- Former CEO Grande Côte Minerals Sands Operations, Senegal responsible for successful \$650m project development

Mike O'Brien  
**Project Director**

- Mining engineer with over 40 years mining and minerals experience
- 25 years extensive management experience with Shell and Anglo American

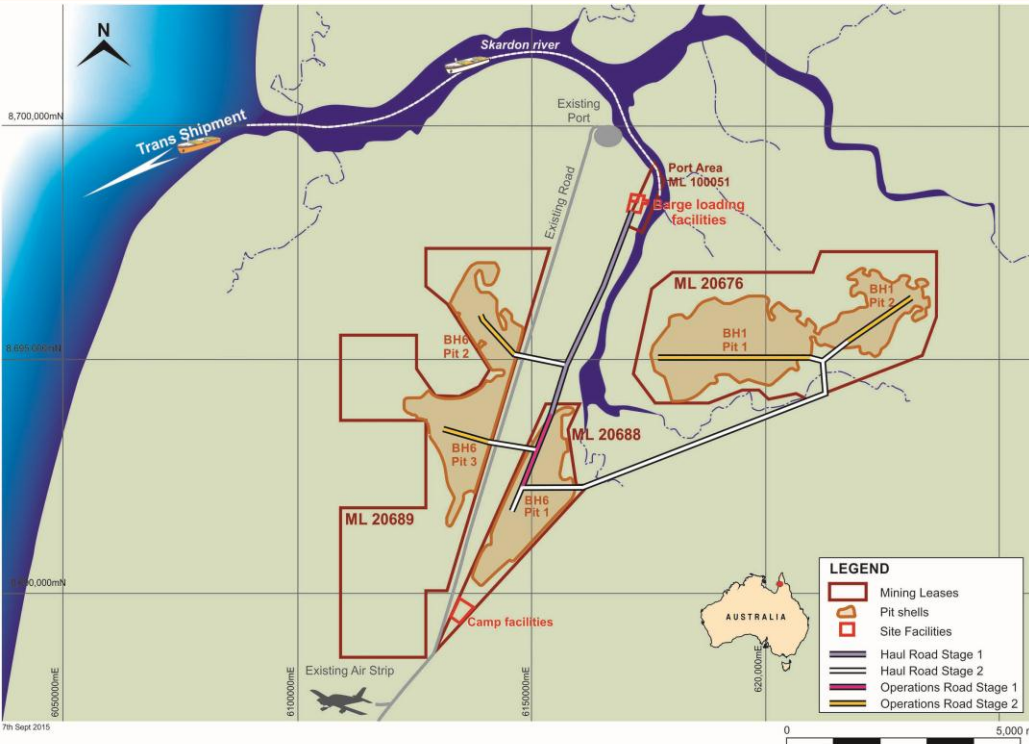
Colleen Fish  
**Environmental Manager**

- Environmental scientist with over 25 years experience in environmental management
- Former Manager Environment, for Peabody Queensland with responsibility for 7 mine sites
- Member of Queensland Resource Council Environment Committee

Norman Ting  
**GM Marketing**

- Over 30 years bauxite industry and marketing experience
- Former Chairman for Traxys China, former senior executive with WOGEN in UK, HK & China – which included representing Comalco (RTA) Bauxite and Alumina in Beijing

# Location Provides Brand & Value Driver



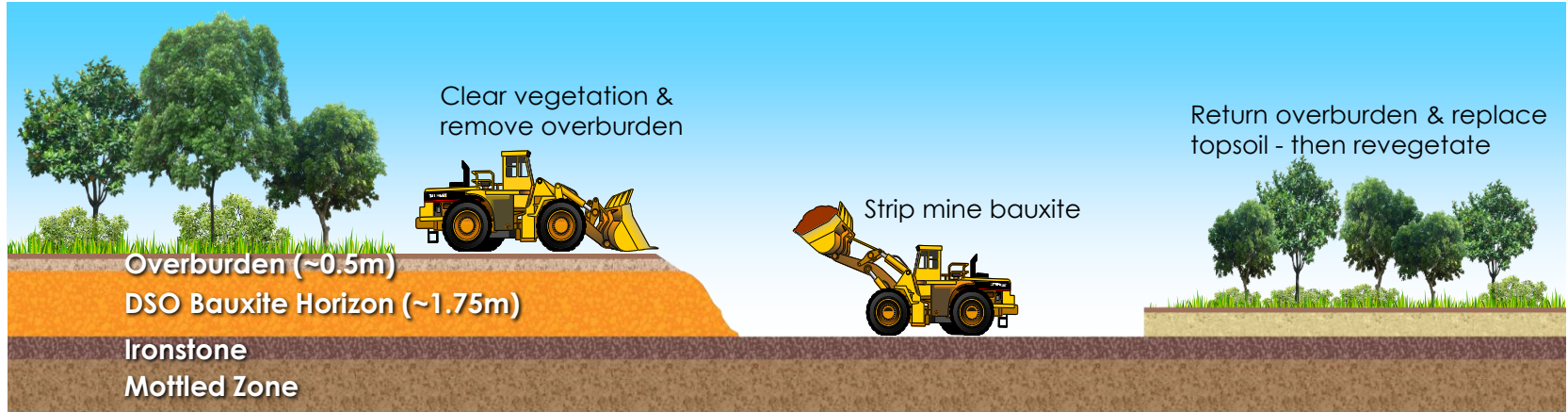
Located 95km North of Weipa with ready access via the Skardon River

- Weipa is a world renowned and high quality bauxite province
- Adjacent to historic kaolin mining operation
- Skardon River is an approved Queensland port
- Advantageous proximity to key Chinese end market
- Strategic regional tenement position covering ~1,300km<sup>2</sup>

# Operational Simplicity

## Conventional Mining and Transportation Techniques

Mining



Transportation

Haul ore 5-10km to stockpile & barge loading



Barge ore 10km down Skardon River



Tranship to bulk carrier, for export



# Increased Production Scenario

## Significant Scale Benefits Confirmed by Recent PFS\*

### \*\*4Mtpa PFS Key Results<sup>1</sup>\*

Steady State Production	4Mtpa
LOM Production	49.1Mt
Mine Life	13 years
Capex (inc 15% contingency)	A\$40.1m
LOM Average Total Operating Costs	A\$18.8/t
LOM Average Operating Margin	A\$33.6/t
LOM Average Annual EBITDA	A\$133.6m
Payback Period	1.2 years
NPV <sub>10</sub> (post-tax)	A\$582m
IRR	156%

<sup>1</sup> Financial results based on CM Group pricing assumptions of Metro receiving an FOB bauxite price of US\$38.60 to US\$45.40/t & a USD/AUD exchange rate of 0.75

\* Refer ASX Announcement 27 Jan 2-16

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

- **Detailed PFS completed by MEC Mining**
  - Based on DFS for 2Mtpa\*\* announced to ASX 5 November 2015
- **4Mtpa steady state**
  - 2Mtpa\*\* for years 1 and 2
- **8 Months of operation per year during dry season (April – November)**
  - 24 hour operation post ramp up with night shift to be added
- **+13 Year Mine Life\*\***
- **5 Month construction period**
- **Low CAPEX and highly competitive cash costs**
- **Environmental footprint unchanged from 2Mtpa\*\* DFS**
- **DFS to consider benefit of 5Mtpa production scenario**



# Native Title & Land Access Finalised

## Positive & Supportive Relationships Established with Local Community

**Recent Native Title & Land Access Agreement reached jointly with:**

- ▶ Ankamuthi People, the traditional owners; and
- ▶ Old Mapoon Aboriginal Corporation (OMAC), the trustee owner of the land

**Key Features of the Agreement include:**

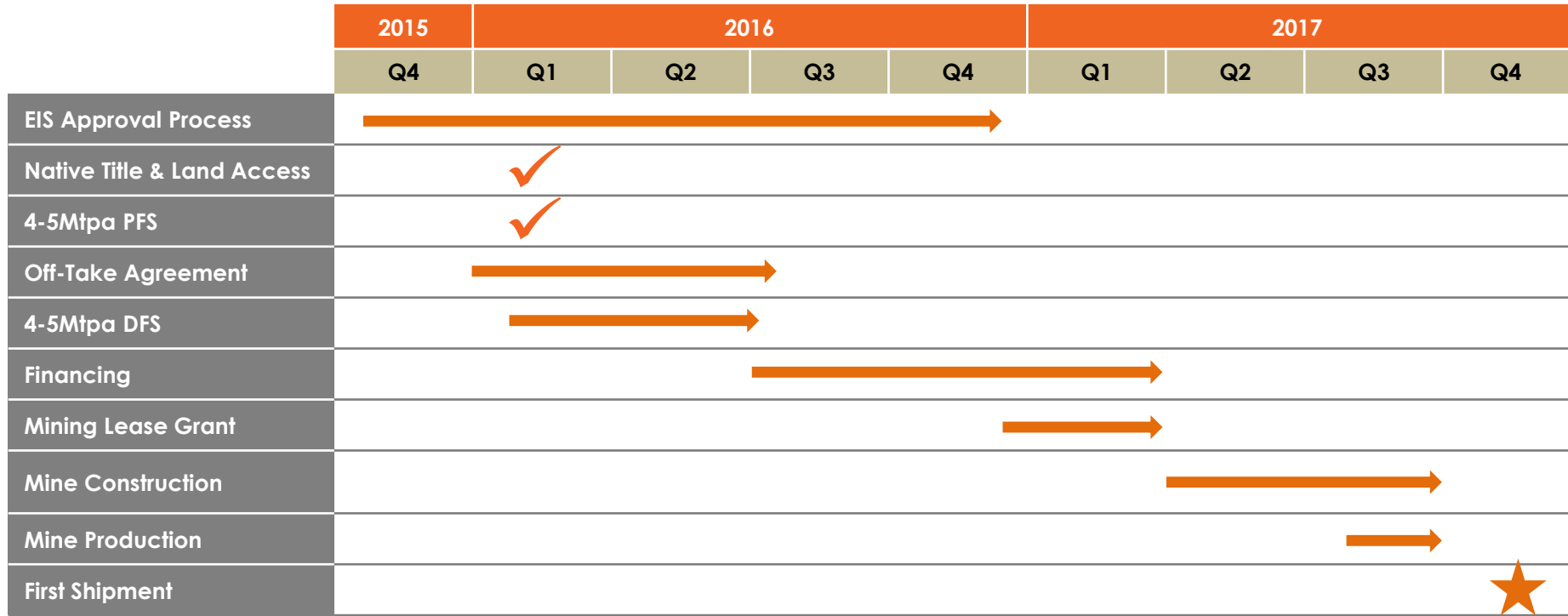
- ▶ Cultural Heritage Management Plan
- ▶ Detailed rehabilitation plan with ongoing monitoring
- ▶ Training, employment and business opportunities
- ▶ Substantial mining benefits based on percentage of FOB price received per tonne of bauxite





# Upcoming Milestones

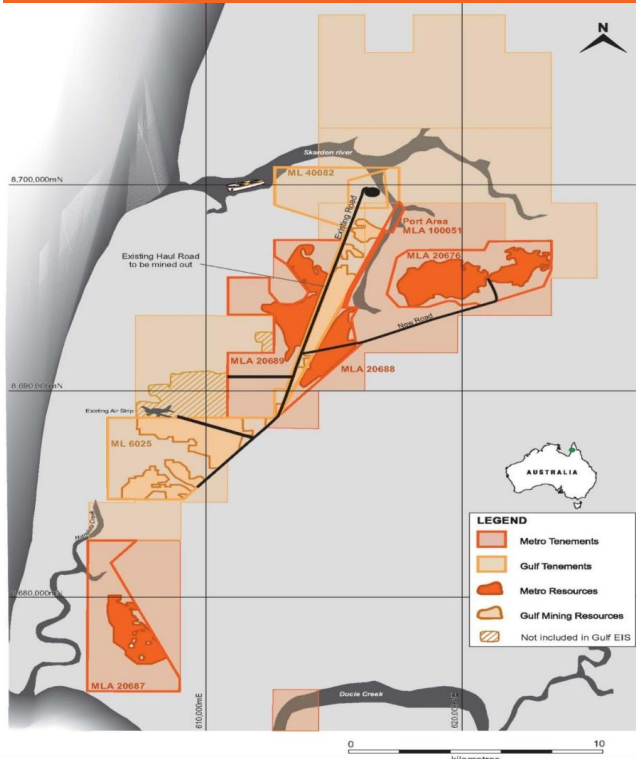
DFS Underway and EIS Permitting Expected to be Completed Q4 2016



# Gulf Merger Opportunity\*

## Adjacent and Similar Scale Projects Provides Compelling Logic

### Metro & Gulf Skardon River Positioning



### Merger Rationale

- **Creates leading independent Cape York bauxite company with enhanced bauxite market relevance**
  - ▶ Effectively doubled reserve base of ~96Mt\*
- **Ability to realise significant operational synergies**
  - ▶ Economies of scale
  - ▶ Removal of duplication
  - ▶ Improved efficiency
- **Enhanced financing capability given improved economics and enhanced investor appeal**
- **Benefit of Metro's proven, ready made board & management team**
- **Single point of contact for key stakeholders**
- **Gulf shareholders receive attractive value, ASX liquidity & ongoing exposure to merger benefits**

\*Refer ASX Release 24 Dec 2015



# Disclaimer



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## **Competent Person Statement**

The information in this report that relates to Exploration Results is based on information compiled by Neil McLean who is a consultant to Metro Mining and a Fellow of the Australian Institute of Mining and Metallurgy (F.Ausimm). Mr Maclean has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaken to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr McLean consents to the inclusion in the report of the matters based on information in the form and context in which it appears.

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