



# Investor Presentation

31 January 2017

# Metro Highlights

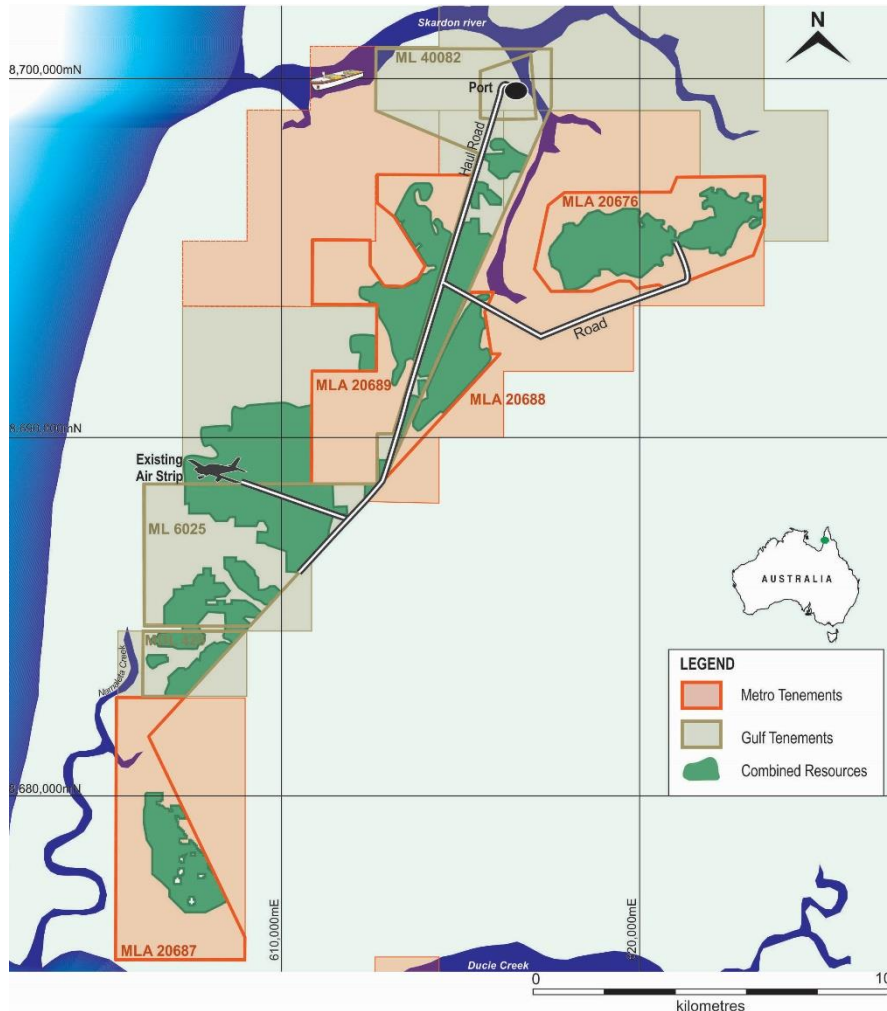
**Simple project, attractive fundamentals, proven team, near term production and compelling economics**

- 1** Transformational acquisition of project neighbour Gulf completed December 2016
- 2** Bauxite fundamentals & price outlook remain strong driven by growing China seaborne demand
- 3** Simple DSO project well located in Cape York with key freight advantage to China
- 4** Excellent economics confirmed by 2016 PFS for standalone Metro operation – low capex (~A\$40m), high margins with average annual EBITDA of ~A\$134m over 13 year LOM\*
- 5** Attractive off-take secured with Xinfu, China's second largest bauxite importer
- 6** Clear development pathway being accelerated and optimised by proven team
- 7** Compelling investment proposition with production on track for H1 2018

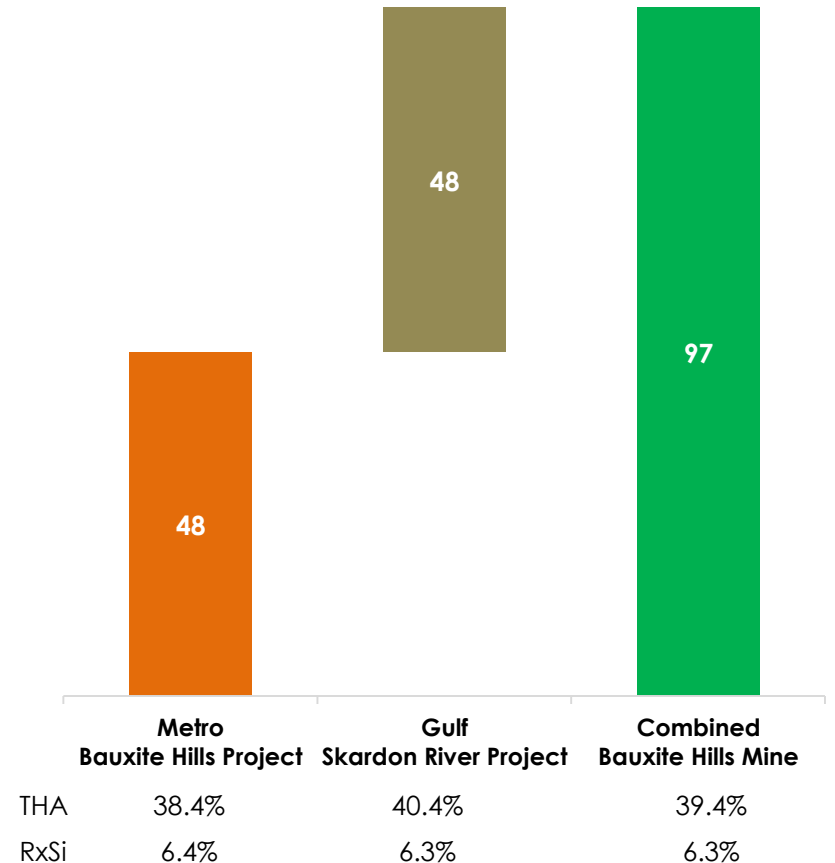
# Gulf Acquisition Completed

Logical consolidation creating globally significant reserve base

## Project Locations



## JORC Reserves (Mt)\*



# Transformational Combination Benefits

## Combined project has significant synergies

### Key Project Attributes

	Metro Bauxite Hills Project	Gulf Skardon River Project	Combined Bauxite Hills Mine
Native Title & Land Access	✓	✓	✓
Existing Infrastructure	—	✓	✓
Environmental Approval	Pending 5Mtpa	✓ 5Mtpa	✓ 5Mtpa 10Mtpa – pending
Strategic Investor Support	✓  GREENSTONE CAPITAL	—	✓
Off-take	✓  信发集团 XINFAGROUP	—	✓
Transshipment Solution	✓  TSA TRANSHIPMENT SERVICES AUSTRALIA	—	✓
BFS	✓  MEC MINING	—	In progress

# Valuable Infrastructure Secured

New access to existing infrastructure provides valuable advantages

Port & Load Out Area



Airstrip



Camp Site



Airstrip

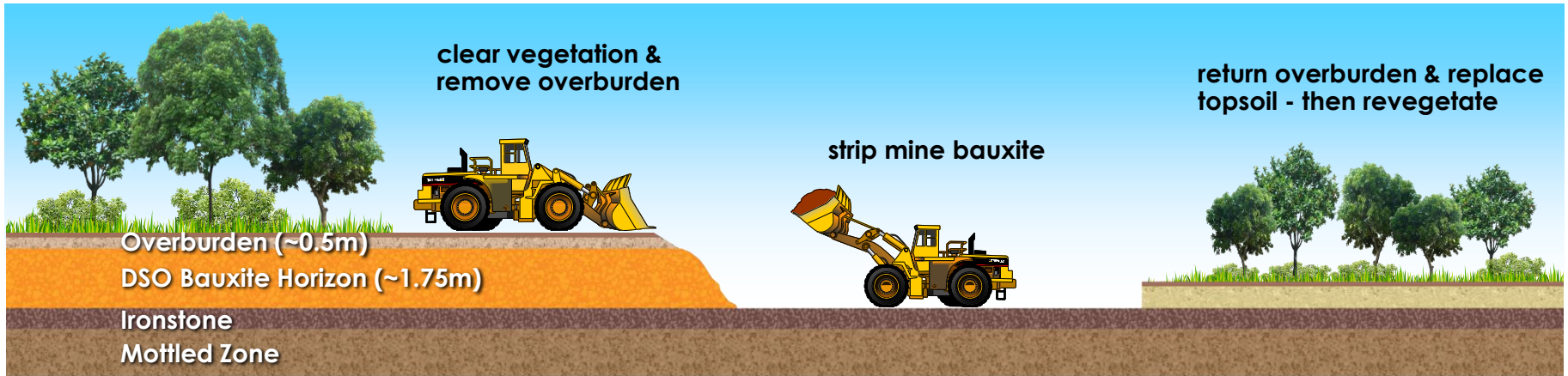




# Enhanced Operational Simplicity

Operations have been further simplified with flexibility gained – no tenement offset mining boundaries and single mine fleet

## Mining



## Transportation

Haul ore 5 - 10km to stockpile & barge loading facility



Barge ore 8km down Skardon River



Tranship to bulk carrier for export



# Excellent Economics

## Excellent economics previously confirmed by robust PFS for standalone Metro project

### PFS Highlights\*







- Completed by MEC Mining in January 2016
- Based on DFS for 2Mtpa completed in November 2015
- Greenfield development
- Contract mining and transshipment operation
- 5 month construction period
- 4Mtpa steady state (2Mtpa for years 1 & 2)
- 8 months per year dry season operation (April to November)
- 24 hour operation post ramp up
- Low capex and competitive 2nd quartile cash costs based on bauxite imports into China
- Independent product specific price forecasts provided by market leading CM Group

### Key Results\*

Steady State Production	4Mtpa
LOM Production	49.1Mt
Mine Life	13 years
Capex (inc 15% contingency)	A\$40.1m
Bauxite Price (FOB)	US\$38.6-45.4/t
Exchange Rate (AUD/USD)	0.75
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%

# Pending BFS to Confirm Synergies

**Enhanced scale & infrastructure benefits expected in pending BFS to be finalised by March 2017**

	Previous Metro Production Scenario (PFS)*	Potential Change
Mine Inventory	49.1Mt	 ~100%
Annual Production (Steady State)	4Mtpa	 ~50%
Construction Time	5 months	 1 - 2 months
Capex	A\$40.1m	 A\$5 - \$10m
Total Opex (ex-royalties)	A\$18.8/t	 5 - 10%
Average Annual EBITDA	A\$133.6m	 Overall positive <sup>1</sup>

\* Refer MMI ASX Release 27 January 2016



# Corporate Snapshot

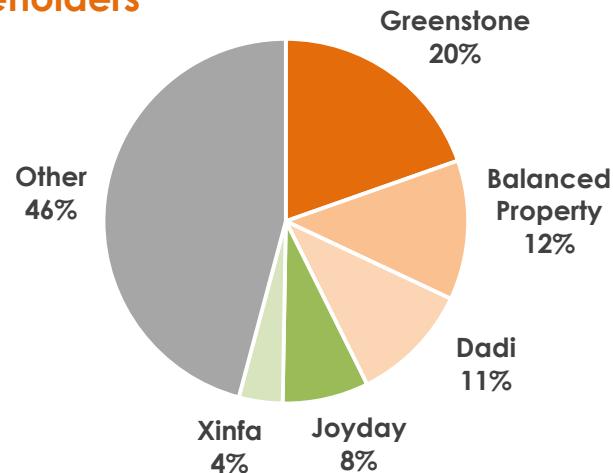
## Capital Structure

Share Price (30-Jan-17)	\$0.165
Shares on Issue	584.7m
<b>Market Cap</b>	<b>\$96.5m</b>
Options	7.5m
Cash (31-Dec-16)	\$11.5m
Unsecured Debt (31-Dec-16) <sup>1</sup>	\$48.9m
<b>Enterprise Value</b>	<b>\$133.9m</b>

## Board of Directors

Stephen Everett Chairman	Simon Finnis Managing Director & CEO
Philip Hennessy Non-Executive Director	George Lloyd Non-Executive Director
Dongping Wang Non-Executive Director	Lindsay Ward Non-Executive Director
Jijun Liu Non-Executive Director	Mark Sawyer Non-Executive Director

## Shareholders



## Broker Coverage

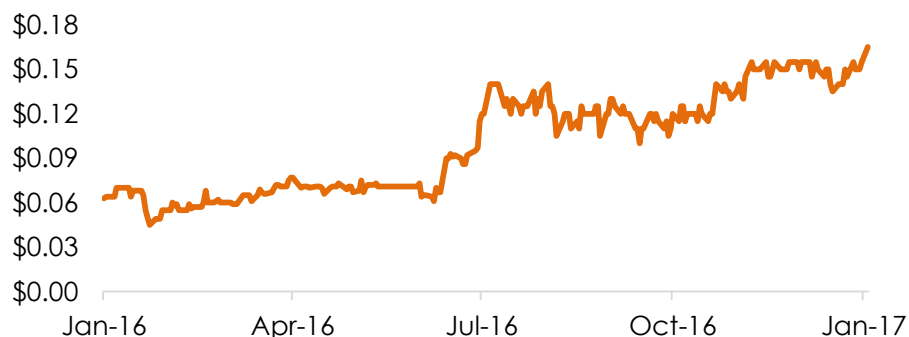


BUY (Dec-16)  
TP: \$0.38



BUY (Jul-16)  
TP: \$0.20

## Share Price – LTM



1. Unsecured bridge financing for Gulf acquisition comprising \$8.9m with an entity associated with Balanced Property and \$40.0m with Greenstone. See appendix for further details.

# Proven Team to Deliver

**Metro's board & management team have successfully developed and operated over 30 mines globally**

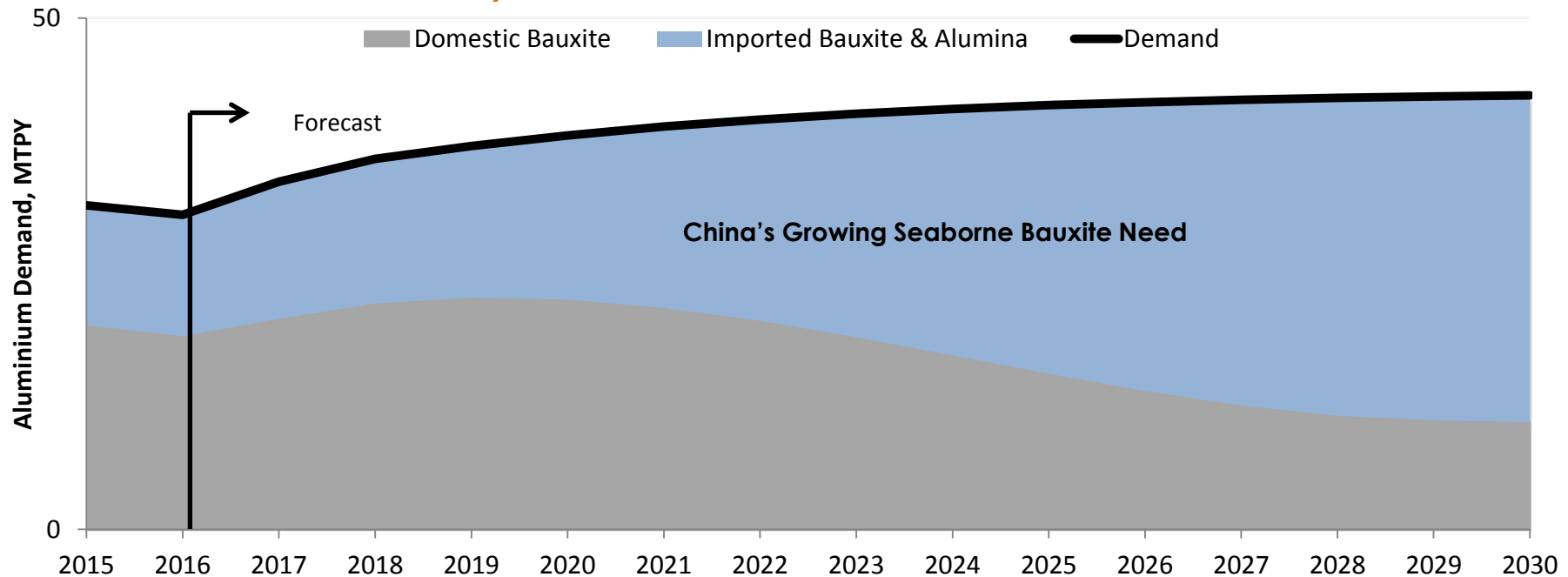
## Key Team



# Strong China Demand Fundamentals

Seaborne bauxite is a growing component in China's aluminium production due to declining domestic reserves (<10 years) and growth in coastal refining & smelting

## China Aluminium Demand by Bauxite Source\*



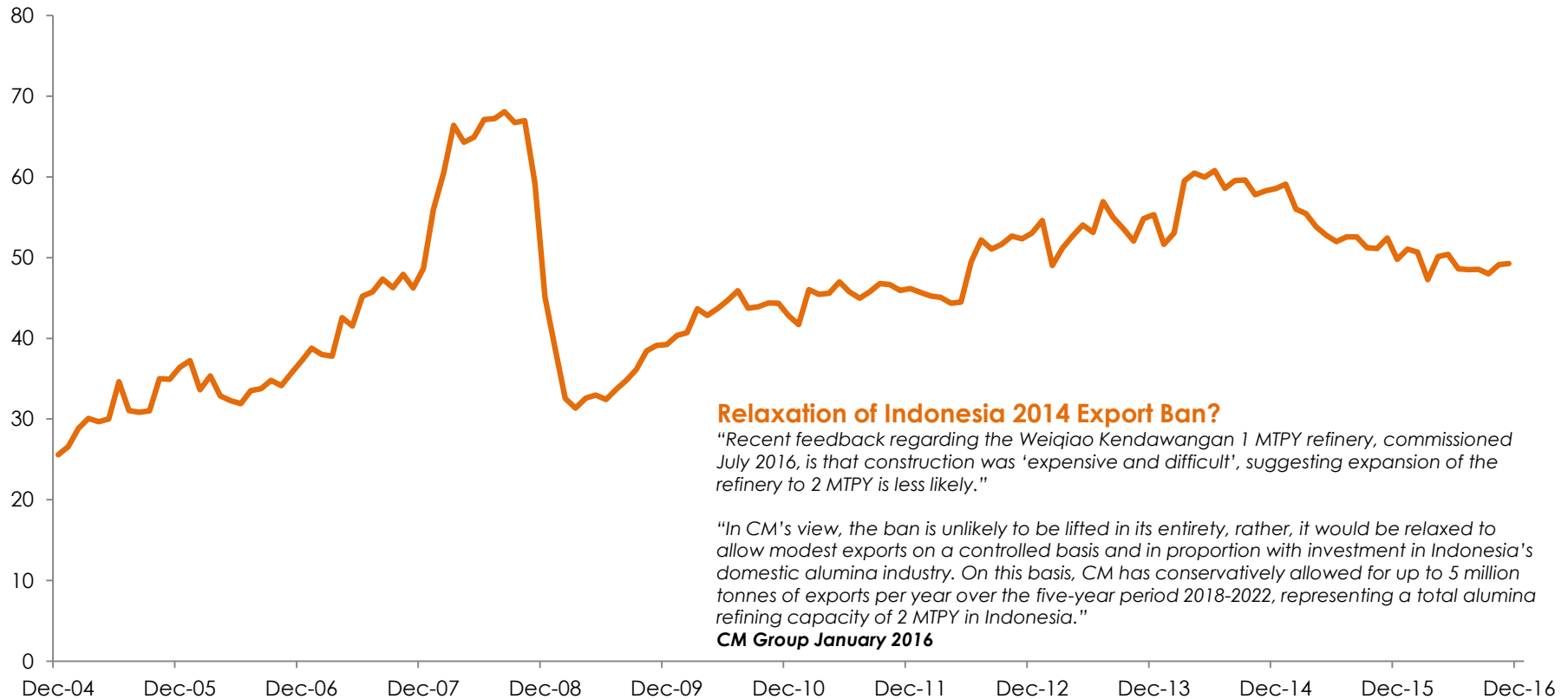
\* diagram based on alumina production, alumina factored to bauxite at 2.7 t/t

CM Group forecasts China's seaborne bauxite imports to grow from ~55Mtpa in 2015 to ~140Mtpa by 2030, representing CAGR of ~6%

# Bauxite Price Outlook Remains Attractive

Bauxite price outlook remains positive with Metro's proximity to China a key competitive advantage

Bauxite Price CIF China (US\$/t, ViU unadjusted)



# Xinfa Off-take

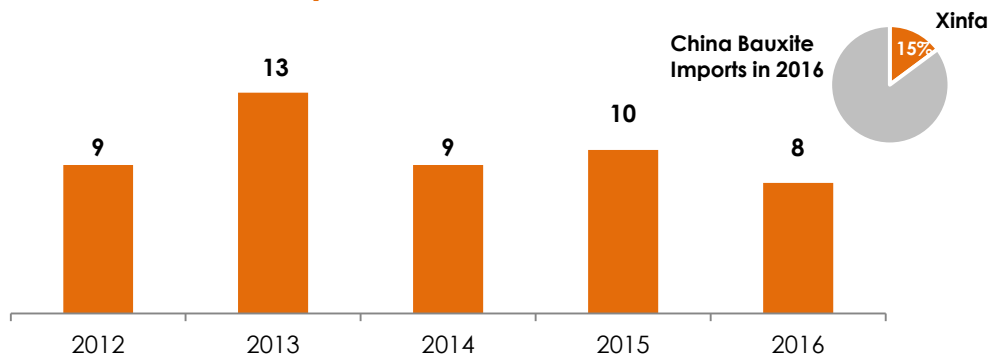
Off-take secured with China's second largest bauxite importer with attractive market linked pricing

## Xinfa Overview



History	Founded in 1972
Company Type	Private, integrated aluminium company
Operating Presence	Refining & smelting operations in Shandong, Shanxi, Guangxi and Xinjiang provinces
Employees	Approximately 60,000
Bauxite Imports	China's second largest importer of approximately 10Mtpa

## Xinfa Bauxite Imports – Last 5 Years (Mt)



Source: CM Group

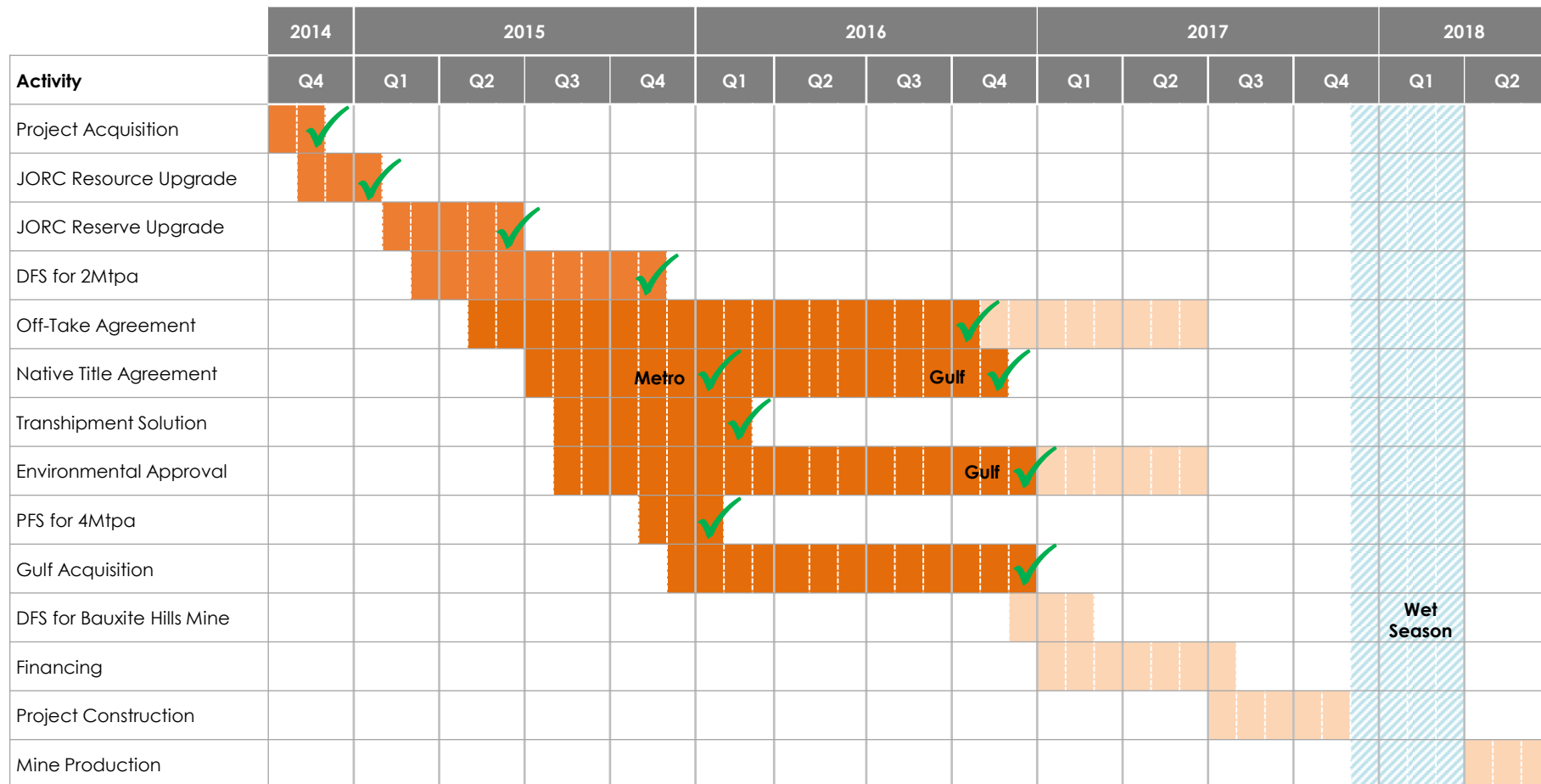
## Key Off-take Terms

Term	4 years
Total Tonnage	7Mt
Annual Tonnage	1Mt for year 1 2Mt for years 2 to 4
Pricing	CIF basis
Reference Price	Established alumina index
Payment Terms	Irrevocable Letter of Credit for each shipment
Product Spec	Defined parameters with bonus / penalty arrangements
'Take or Pay'	Yes
Shipping	Agreed annually in advance



# Near Term Production Pathway

**Well established pathway - no red flags - significant interest from debt financiers - production on track for H1 2018**



# Summary

## Metro is set for significant value realisation

- 1 Gulf acquisition transformational
- 2 Development plan being accelerated and optimised
- 3 BFS to reflect scale and infrastructure benefits and should be finalised end of February
- 4 Clear pathway to production
- 5 Construction on track to commence H2 2017
- 6 Production on track for H1 2018
- 7 Compelling metrics and significant share price upside

# Additional Slides

# Board of Directors

## **Stephen Everett** **Chairman**

- Chemical engineer with over 40 years experience in the resources and construction industries both in Australia and overseas
- Formerly Chairman of BeMaX, Australian Solomons Gold, JMS Civil & Mining and Iron Ridge Resources

## **Simon Finnis** **Managing Director & CEO**

- Over 30 years experience in resources industry having working throughout Australia in underground and open cut mining operations. Holds Masters in Business & Technology from University of New South Wales
- Former CEO of Grande Côte Minerals Sands Operations in Senegal

## **Philip Hennessy** **Non-Executive Director**

- Over 30 years experience in accounting and corporate experience
- Chairman KPMG Queensland for 13 years prior to retiring in 2013

## **George Lloyd** **Non-Executive Director**

- Over 30 years resource industry experience including senior executive and board roles
- Previously Chairman of Cape Alumina for 5 years
- Former Chairman of Ausenco

## **Lindsay Ward** **Non-Executive Director**

- Over 25 years experience with senior executive and board roles in mining, exploration, mineral processing, ports, rail, power generation, gas transmission and logistics
- Former Managing Director of Dart Mining and previously Mine Manager of the Yallourn Energy open cut coal mine in Victoria

## **Mark Sawyer** **Non-Executive Director**

- Greenstone co-founder and Senior Partner with over a 19 year career in the mining sector
- Former roles include co-head of group business development at Xstrata and senior roles at Rio Tinto and Cutfield Freeman

## **Jijun Liu** **Non-Executive Director**

- Engineer with over 30 years experience in energy and resources
- Managing Director of the Xinfu which controls one of the largest alumina-aluminium enterprises in China

## **Dongping Wang** **Non-Executive Director**

- Over 30 years experience mining and prominent figure in the Chinese coal industry and recognised as coal processing expert
- Chairman of Dadi Engineering which is one of China's largest coal industry engineering groups

# Alumina Index Pricing

**Alumina price has been relatively stable with Xinfu off-take pricing providing Metro attractive margins and upside**

**Asianmetal 98.5% Alumina Index China RMB/t (March 2007 to Present)**





# Transshipment Overview

Barging and transshipment is well understood and is to be provided by a proven operator in TSA



## Barge Loading Facility (BLF)

Suitable water at low tide at Skardon River Port



## Tugs & 'Dumb' Barges

Barge capacity of 2,500t - 3,800t depending on tide



## Key Points

- TSA previously provided comparable tug and barge towage services for an iron ore producer operating out of Wyndham's, Cambridge Gulf in Western Australia
- TSA will provide and operate all tugs and barges

## Geared Ship Loading

(Panamax vessels loaded ~12km offshore)



# Metro Standalone PFS – Key Outcomes

## Key Assumptions\*

Annual Production Rate (Steady State)	4.0Mt*
LOM Production	49.1Mt*
Mine Life	13 years*
Bauxite Price (FOB)	US\$38.60-45.40/t
Exchange Rate (AUD/USD)	0.75
Discount Rate	10% / 15%
Pre-Mining Development Capital Expenditure	A\$40.1m
Deferred and Sustaining Capital Expenditure	A\$4.9m
Working Capital	A\$4.0m

## Key Results\*

NPV (10% DR, Real, after tax)	A\$582m
NPV (15% DR, Real, after tax)	A\$440m
IRR	156%
Payback Period	1.2 years*
Total LOM Revenue	A\$2.9b
LOM Average Annual EBITDA	A\$133.6m
LOM Average Annual NPAT	A\$91.6m
LOM Average Operating Margin	A\$33.66/t
LOM Average Opex (ex-Royalties)	A\$18.80/t
LOM Total Operating Costs	A\$26.07/t

\*Refer MMI ASX Release 27 January 2016

# Metro Standalone PFS – CAPEX & OPEX

## Capex\*

Haul roads and site establishment	A\$3.03m
Navigational aids and cyclone moorings	A\$1.15m
Site Infrastructure including BLF and accommodation camp	A\$27.63m
Mining and ancillary equipment	A\$6.18m
Mobilisation, insurances and EPC design	A\$2.11m
<b>Total</b>	<b>A\$40.10m</b>

## Opex\*

Mining, haulage and operation of BLF	A\$6.27/t
Transshipment activities	A\$8.40/t
Site and administrative costs	A\$4.13/t
<b>Total Operating Costs (ex-royalties)</b>	<b>A\$18.80/t</b>
Royalties and other costs	A\$7.27/t
<b>Total</b>	<b>A\$26.07/t</b>

\*Refer MMI ASX Release 27 January 2016

# Reserves & Resources

## Bauxite Hills DSO Bauxite Reserves & Resources\* (Metro)

Area	Category	DSO <sup>2</sup> Tonnes Mt <sup>1</sup>	DSO Bauxite Qualities (Dry Basis)			
			Total Al <sub>2</sub> O <sub>3</sub>	THA <sup>3</sup>	Total SiO <sub>2</sub>	RxSi <sup>4</sup> (%)
			%	%	%	%
Reserves (ROM @ 10% Moisture)						
BH1 & BH6	Proved <sup>5</sup>	41.8	50.7	38.6	10.9	6.3
BH1 & BH6	Probable <sup>6</sup>	6.4	49.3	36.8	13.4	6.9
	<b>Total</b>	<b>48.2</b>	<b>50.2</b>	<b>38.4</b>	<b>11.2</b>	<b>6.4</b>
Resources (Dry In-situ)						
BH1 & BH6	Measured	41.8	51	39.2	11	6.1
BH1 & BH6	Indicated	8.3	49.3	37.1	14	6.8
BH2	Indicated	11.7	49.1	37.4	15.7	6.7
BH1 & BH6	Inferred	3.4	48.4	35.9	14.8	7.2
	<b>Total</b>	<b>65.3</b>	<b>50.2</b>	<b>38.4</b>	<b>12.4</b>	<b>6.3</b>

## Skardon River DSO Bauxite Reserves & Resources\* (Gulf)

Category	DSO <sup>2</sup> Tonnes Mt <sup>1</sup>	DSO Bauxite Qualities (Dry Basis)			
		Total Al <sub>2</sub> O <sub>3</sub>	SiO <sub>2</sub>	Total RSiO <sub>2</sub>	AAI <sub>2</sub> O <sub>3</sub>
		%	%	%	%
Reserves					
Proved	16.6	49.8	14.3	6.1	41.4
Probable	31.8	49.2	15.0	6.4	39.8
Total	48.3	49.4	14.7	6.3	40.3
Resources					
Measured	16.6	50.2	13.9	5.9	41.7
Indicated	32.3	49.4	14.15	6.2	40.0
Inferred	14.6	49.4	14.3	6.1	39.8
Total	63.5	49.6	14.3	6.1	40.4

- For BH1, BH2 and BH6 the tonnages are calculated using the following default bulk densities determined from a program of sonic drilling; 1.6g/cm<sup>3</sup> for BH1, 1.92g/cm<sup>3</sup> for BH2 and 2g/cm<sup>3</sup> for BH6. Actual values are used where measurements have been taken
- DSO or "Direct shipping ore" is defined as bauxite that can be exported directly with minimal processing and beneficiation.
- THA is trihydrate available alumina (gibbsite alumina + kaolinite alumina – low temperature desilication product (DSP) alumina) at 150°C.
- RxSi is reactive silica at 150°C.
- Proved Reserve - the probable reserve is included in the BH1 & BH6 Measured resource
- Probable Reserve - the probable reserve is included in the BH1 & BH6 Indicated resource

\*Refer MMI ASX Release 18 January 2017 "Bauxite Hills Mine Reserves Doubles to 96Mt

# Overview of Loan Agreements

## Bafflebox Loan Facility

In September 2016, the Bafflebox Mining Trust, an entity associated with Balanced Property, agreed to loan Metro \$8.5 million to fund the acquisition by Metro of Gulf Shares and to use any additional funds not used for that purpose for working capital purposes (**Bafflebox Loan Agreement**).

The term of the Bafflebox Loan Agreement is six months and the interest rate is 8% per annum for the first three months after the initial drawdown and 10% thereafter. If the Bafflebox Mining Trust participates in any equity raising undertaken by Metro during the term of the Bafflebox Loan Agreement, the Bafflebox Mining Trust can give a conversion notice and set-off the amount it is required to pay for the equity it has acquired by the amount owing under the Bafflebox Loan Agreement.

## Greenstone Bridge Loan Facility

In December 2016, Greenstone provided Metro a loan of \$40.0 million to fund the acquisition by Metro of Gulf Shares together with repayment of outstanding Gulf loans and other costs associated with the acquisition of Gulf (**Bridge Loan Facility**).

The Bridge Loan Facility was provided on an unsecured basis and was negotiated on an arm's length basis, after Metro sought similar loan proposals from a number of parties, and contains terms that are standard for these types of agreements including representations and warranties, undertakings, events of default and fees costs and expenses (including commercially negotiated arrangement fees).

Metro can repay the Bridge Loan Facility by conducting a future equity raising, debt financing or conversion into equity.

Metro and Greenstone have agreed, in the event that Greenstone participates in any future equity raising or conversion into equity as part of that debt repayment, that unless the parties agree otherwise Greenstone will not hold more than 30% of the issued share capital in Metro.



# Disclaimer

**Forward Looking Statement:** Statements and material contained in this ASX Release, particularly those regarding possible or assumed future performance, production levels or rates, commodity prices, resources or potential growth of Metro Mining Limited, industry growth or other trend projections are, or may be, forward looking statements. Such statements relate to future events and expectations and, as such, involve known and unknown risks and uncertainties. Graphs used in the presentation (including data used in the graphs) are sourced from third parties and Metro Mining has not independently verified the information. Metro Mining is at an early development stage and while it does not currently have an operating bauxite mine it is taking early and preliminary steps (such as but not limited to Prefeasibility studies etc.) that are intended to ultimately result in the building and construction of an operating mine at its project areas. Although reasonable care has been taken to ensure that the facts stated in this Presentation are accurate and or that the opinions expressed are fair and reasonable, no reliance can be placed for any purpose whatsoever on the information contained in this document or on its completeness. Actual results and developments may differ materially from those expressed or implied by these forward looking statements depending on a variety of factors. Nothing in this Presentation should be construed as either an offer to sell or a solicitation of an offer to buy or sell shares in any jurisdiction.

**Competent Person Statement:** The information in this ASX Release that relates to Gulf Alumina's Mineral Resources is based on information compiled by Jeff Randall of Geos Mining, a consultancy group contracted by Metro Mining Limited. Mr Randell is a Member of the Australian Institute of Geoscientists (MAIG), a Registered Professional Geoscientist (Rage) and has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaken to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Randell consents to the inclusion in this ASX Release of the matters based on information in the form and context in which it appears.

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

**Competent Person Statement:** The information in this ASX Report that relates to Gulf Alumina's Ore Reserves is based on information compiled by John Wyche of Australian Mine Design & Development (AMDAD), a Competent Person who is a Member of the Australasian Institute of Mining and Metallurgy. John Wyche is a full-time employee of AMDAD. John Wyche 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'. John Wyche consents to the inclusion in this ASX Release of the matters based on his information in the form and context in which it appears.

**Competent Person Statement:** The information in this report that relates to Metro Reserves is based on information compiled by MEC Mining and reviewed by Edward Bolton, a Competent Person who is a Member of the Australasian Institute of Mining and Metallurgy. Edward Bolton is a full-time employee of MEC Mining Pty Ltd. Edward Bolton 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'. Edward Bolton consents to the inclusion in the report of the matters based on his information in the form and context in which it appears..

