

Appendix 3B

New issue announcement, application for quotation of additional securities and agreement

Information or documents not available now must be given to ASX as soon as available. Information and documents given to ASX become ASX's property and may be made public.

Introduced 01/07/96 Origin: Appendix 5 Amended 01/07/98, 01/09/99, 01/07/00, 30/09/01, 11/03/02, 01/01/03, 24/10/05, 01/08/12, 04/03/13
Name of entity

Metro Mining Limited (**Metro**)

ABN

45 117 763 443

We (the entity) give ASX the following information.

Part 1 - All issues

You must complete the relevant sections (attach sheets if there is not enough space).

- | | | |
|---|---|---|
| 1 | +Class of +securities issued or to be issued | Fully paid ordinary shares (each a New Share). |
| 2 | Number of +securities issued or to be issued (if known) or maximum number which may be issued | 126,995,937 New Shares to be issued pursuant to the institutional placement announced on 24 February 2017 (Placement). |
| 3 | Principal terms of the +securities (e.g. if options, exercise price and expiry date; if partly paid +securities, the amount outstanding and due dates for payment; if +convertible securities, the conversion price and dates for conversion) | The New Shares are fully paid ordinary shares. |
| 4 | Do the +securities rank equally in all respects from the +issue date with an existing +class of quoted +securities? If the additional +securities do not rank equally, please state: <ul style="list-style-type: none"> • the date from which they do • the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment • the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment | Yes. |
| 5 | Issue price or consideration | \$0.125 per New Share. |

| | | |
|----|--|--|
| 6 | Purpose of the issue (If issued as consideration for the acquisition of assets, clearly identify those assets) | The gross proceeds of the Placement and Entitlement Offer will be used to fund: (a) purchase of long lead time items required for the Bauxite Hills Mine; (b) environmental bonds and expenses required to commence early works for the Bauxite Hills Mine; (c) completion of the bankable feasibility study and to obtain final project approvals for the Bauxite Hills Mine; and (d) partial repayment of the outstanding balances of the bridging loan facilities provided by cornerstone investors Greenstone and the Baffle Box Mining Trust. |
| 6a | Is the entity an ⁺ eligible entity that has obtained security holder approval under rule 7.1A? If Yes, complete sections 6b – 6h <i>in relation to the ⁺securities the subject of this Appendix 3B</i> , and comply with section 6i | Yes |
| 6b | The date the security holder resolution under rule 7.1A was passed | 22 November 2016 |
| 6c | Number of ⁺ securities issued without security holder approval under rule 7.1 | 73,249,635 New Shares to be issued under Listing Rule 7.1 |
| 6d | Number of ⁺ securities issued with security holder approval under rule 7.1A | 53,746,302 New Shares to be issued under Listing Rule 7.1A |
| 6e | Number of ⁺ securities issued with security holder approval under rule 7.3, or another specific security holder approval (specify date of meeting) | N/A |
| 6f | Number of ⁺ securities issued under an exception in rule 7.2 | N/A |
| 6g | If ⁺ securities issued under rule 7.1A, was issue price at least 75% of 15 day VWAP as calculated under rule 7.1A.3? Include the ⁺ issue date and both values. Include the source of the VWAP calculation. | N/A |
| 6h | If ⁺ securities were issued under rule 7.1A for non-cash consideration, state date on which valuation of consideration was released to ASX Market Announcements | N/A |

+ See chapter 19 for defined terms.

| 6i | Calculate the entity's remaining issue capacity under rule 7.1 and rule 7.1A – complete Annexure 1 and release to ASX Market Announcements | Listing rule 7.1 - Nil Listing rule 7.1A - 29,234,209 | | | | | | |
|---|--|---|--------|--------|---|---|-----------|---|
| 7 | <p>+Issue dates</p> <p>Note: The issue date may be prescribed by ASX (refer to the definition of issue date in rule 19.12). For example, the issue date for a pro rata entitlement issue must comply with the applicable timetable in Appendix 7A.</p> <p>Cross reference: item 33 of Appendix 3B.</p> | New Shares are expected to be issued under the Placement on 7 March 2017. | | | | | | |
| 8 | Number and +class of all +securities quoted on ASX (<i>including</i> the +securities in section 2 if applicable) | <table border="1"> <thead> <tr> <th data-bbox="794 568 1082 600">Number</th> <th data-bbox="1086 568 1375 600">+Class</th> </tr> </thead> <tbody> <tr> <td data-bbox="794 607 1082 824">1,004,022,176 (includes approximately 292,342,080 fully paid ordinary shares to be issued pursuant to the pro-rate entitlement offer announced 24 February 2017)</td> <td data-bbox="1086 607 1375 824">Fully paid ordinary shares</td> </tr> </tbody> </table> | Number | +Class | 1,004,022,176 (includes approximately 292,342,080 fully paid ordinary shares to be issued pursuant to the pro-rate entitlement offer announced 24 February 2017) | Fully paid ordinary shares | | |
| Number | +Class | | | | | | | |
| 1,004,022,176 (includes approximately 292,342,080 fully paid ordinary shares to be issued pursuant to the pro-rate entitlement offer announced 24 February 2017) | Fully paid ordinary shares | | | | | | | |
| 9 | Number and +class of all +securities not quoted on ASX (<i>including</i> the +securities in section 2 if applicable) | <table border="1"> <thead> <tr> <th data-bbox="783 866 1070 898">Number</th> <th data-bbox="1075 866 1375 898">+Class</th> </tr> </thead> <tbody> <tr> <td data-bbox="783 904 1070 1048">3,547,493</td> <td data-bbox="1075 904 1375 1048">Directors' and employee options to acquire fully paid ordinary shares</td> </tr> <tr> <td data-bbox="783 1055 1070 1115">4,000,000</td> <td data-bbox="1075 1055 1375 1115">Options to acquire fully paid ordinary shares</td> </tr> </tbody> </table> | Number | +Class | 3,547,493 | Directors' and employee options to acquire fully paid ordinary shares | 4,000,000 | Options to acquire fully paid ordinary shares |
| Number | +Class | | | | | | | |
| 3,547,493 | Directors' and employee options to acquire fully paid ordinary shares | | | | | | | |
| 4,000,000 | Options to acquire fully paid ordinary shares | | | | | | | |
| 10 | Dividend policy (in the case of a trust, distribution policy) on the increased capital (interests) | Same as policy on all existing quoted fully paid ordinary shares | | | | | | |

Part 2 - Pro rata issue

| | | |
|----|--|-----|
| 11 | Is security holder approval required? | N/A |
| 12 | Is the issue renounceable or non-renounceable? | N/A |
| 13 | Ratio in which the +securities will be offered | N/A |
| 14 | +Class of +securities to which the offer relates | N/A |
| 15 | +Record date to determine entitlements | N/A |
| 16 | Will holdings on different registers (or subregisters) be aggregated for calculating entitlements? | N/A |
| 17 | Policy for deciding entitlements in relation to fractions | N/A |
| 18 | Names of countries in which the entity has security holders who will not be sent new offer documents <small>Note: Security holders must be told how their entitlements are to be dealt with. Cross reference: rule 7.7.</small> | N/A |
| 19 | Closing date for receipt of acceptances or renunciations | N/A |
| 20 | Names of any underwriters | N/A |
| 21 | Amount of any underwriting fee or commission | N/A |
| 22 | Names of any brokers to the issue | N/A |
| 23 | Fee or commission payable to the broker to the issue | N/A |
| 24 | Amount of any handling fee payable to brokers who lodge acceptances or renunciations on behalf of security holders | N/A |
| 25 | If the issue is contingent on security holders' approval, the date of the meeting | N/A |

+ See chapter 19 for defined terms.

| | | |
|----|---|-----|
| 26 | Date entitlement and acceptance form and offer documents will be sent to persons entitled | N/A |
| 27 | If the entity has issued options, and the terms entitle option holders to participate on exercise, the date on which notices will be sent to option holders | N/A |
| 28 | Date rights trading will begin (if applicable) | N/A |
| 29 | Date rights trading will end (if applicable) | N/A |
| 30 | How do security holders sell their entitlements <i>in full</i> through a broker? | N/A |
| 31 | How do security holders sell <i>part</i> of their entitlements through a broker and accept for the balance? | N/A |
| 32 | How do security holders dispose of their entitlements (except by sale through a broker)? | N/A |
| 33 | +Issue date | N/A |

Part 3 - Quotation of securities

You need only complete this section if you are applying for quotation of securities

34 Type of +securities
(tick one)

(a) +Securities described in Part 1

(b) All other +securities

Example: restricted securities at the end of the escrowed period, partly paid securities that become fully paid, employee incentive share securities when restriction ends, securities issued on expiry or conversion of convertible securities

Entities that have ticked box 34(a)

Additional securities forming a new class of securities

Tick to indicate you are providing the information or documents

35 If the +securities are +equity securities, the names of the 20 largest holders of the additional +securities, and the number and percentage of additional +securities held by those holders

- 36 If the +securities are +equity securities, a distribution schedule of the additional +securities setting out the number of holders in the categories
 1 - 1,000
 1,001 - 5,000
 5,001 - 10,000
 10,001 - 100,000
 100,001 and over
- 37 A copy of any trust deed for the additional +securities

Entities that have ticked box 34(b)

38 Number of +securities for which +quotation is sought

| |
|-----|
| N/A |
|-----|

39 +Class of +securities for which quotation is sought

| |
|-----|
| N/A |
|-----|

40 Do the +securities rank equally in all respects from the +issue date with an existing +class of quoted +securities?

 If the additional +securities do not rank equally, please state:
 • the date from which they do
 • the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment
 • the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment

| |
|-----|
| N/A |
|-----|

41 Reason for request for quotation now

 Example: In the case of restricted securities, end of restriction period

 (if issued upon conversion of another +security, clearly identify that other +security)

| |
|-----|
| N/A |
|-----|

| | Number | +Class |
|--|--------|--------|
| 42 Number and +class of all +securities quoted on ASX (including the +securities in clause 38) | N/A | N/A |

+ See chapter 19 for defined terms.

Quotation agreement

- 1 +Quotation of our additional +securities is in ASX's absolute discretion. ASX may quote the +securities on any conditions it decides.
- 2 We warrant the following to ASX.
 - The issue of the +securities to be quoted complies with the law and is not for an illegal purpose.
 - There is no reason why those +securities should not be granted +quotation.
 - An offer of the +securities for sale within 12 months after their issue will not require disclosure under section 707(3) or section 1012C(6) of the Corporations Act.
Note: An entity may need to obtain appropriate warranties from subscribers for the securities in order to be able to give this warranty
 - Section 724 or section 1016E of the Corporations Act does not apply to any applications received by us in relation to any +securities to be quoted and that no-one has any right to return any +securities to be quoted under sections 737, 738 or 1016F of the Corporations Act at the time that we request that the +securities be quoted.
 - If we are a trust, we warrant that no person has the right to return the +securities to be quoted under section 1019B of the Corporations Act at the time that we request that the +securities be quoted.
- 3 We will indemnify ASX to the fullest extent permitted by law in respect of any claim, action or expense arising from or connected with any breach of the warranties in this agreement.
- 4 We give ASX the information and documents required by this form. If any information or document is not available now, we will give it to ASX before +quotation of the +securities begins. We acknowledge that ASX is relying on the information and documents. We warrant that they are (will be) true and complete.



Sign here: Date: 28 February 2017
(Company secretary)

Print name: Scott Waddell

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+ See chapter 19 for defined terms.

Appendix 3B – Annexure 1

Calculation of placement capacity under rule 7.1 and rule 7.1A for eligible entities

Introduced 01/08/12 Amended 04/03/13

Part 1

| Rule 7.1 – Issues exceeding 15% of capital | | | | | | | | | | | | | | | | | |
|--|--|---|------------|---|---------|---|------------|---|------------|---|------------|---|---------|---|------------|---|--------------|
| Step 1: Calculate “A”, the base figure from which the placement capacity is calculated | | | | | | | | | | | | | | | | | |
| Insert number of fully paid +ordinary securities on issue 12 months before the +issue date or date of agreement to issue | 366,785,856 | | | | | | | | | | | | | | | | |
| Add the following: | | | | | | | | | | | | | | | | | |
| <ul style="list-style-type: none"> • Number of fully paid +ordinary securities issued in that 12 month period under an exception in rule 7.2 • Number of fully paid +ordinary securities issued in that 12 month period with shareholder approval • Number of partly paid +ordinary securities that became fully paid in that 12 month period | <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="padding: 2px;">Shares issued for Gulf takeover on 15/04/16</td> <td style="text-align: right; padding: 2px;">53,786,040</td> </tr> <tr> <td style="padding: 2px;">Shares issued for Gulf takeover on 25/07/16</td> <td style="text-align: right; padding: 2px;">891,132</td> </tr> <tr> <td style="padding: 2px;">Shares issued for T1 to Greenstone on 28/07/16 and approved by shareholders on 30/08/16</td> <td style="text-align: right; padding: 2px;">53,731,954</td> </tr> <tr> <td style="padding: 2px;">Shares issued for T1 to Greenstone on 28/07/16 and ratified by shareholders on 22/11/16</td> <td style="text-align: right; padding: 2px;">41,068,046</td> </tr> <tr> <td style="padding: 2px;">Issue of T2 shares to Greenstone on 16/09/16 and approved by shareholders on 30/08/16</td> <td style="text-align: right; padding: 2px;">10,200,000</td> </tr> <tr> <td style="padding: 2px;">Issue of additional shares to Greenstone on 16/09/16 and ratified by shareholders on 22/11/16</td> <td style="text-align: right; padding: 2px;">250,000</td> </tr> <tr> <td style="padding: 2px;">Issue of shares on exercise of employee options under employee incentive scheme</td> <td style="text-align: right; padding: 2px;">10,750,000</td> </tr> <tr> <td style="padding: 2px;">Shares to be issued under the Entitlement Offer</td> <td style="text-align: right; padding: 2px;">292,342,080*</td> </tr> </table> | Shares issued for Gulf takeover on 15/04/16 | 53,786,040 | Shares issued for Gulf takeover on 25/07/16 | 891,132 | Shares issued for T1 to Greenstone on 28/07/16 and approved by shareholders on 30/08/16 | 53,731,954 | Shares issued for T1 to Greenstone on 28/07/16 and ratified by shareholders on 22/11/16 | 41,068,046 | Issue of T2 shares to Greenstone on 16/09/16 and approved by shareholders on 30/08/16 | 10,200,000 | Issue of additional shares to Greenstone on 16/09/16 and ratified by shareholders on 22/11/16 | 250,000 | Issue of shares on exercise of employee options under employee incentive scheme | 10,750,000 | Shares to be issued under the Entitlement Offer | 292,342,080* |
| Shares issued for Gulf takeover on 15/04/16 | 53,786,040 | | | | | | | | | | | | | | | | |
| Shares issued for Gulf takeover on 25/07/16 | 891,132 | | | | | | | | | | | | | | | | |
| Shares issued for T1 to Greenstone on 28/07/16 and approved by shareholders on 30/08/16 | 53,731,954 | | | | | | | | | | | | | | | | |
| Shares issued for T1 to Greenstone on 28/07/16 and ratified by shareholders on 22/11/16 | 41,068,046 | | | | | | | | | | | | | | | | |
| Issue of T2 shares to Greenstone on 16/09/16 and approved by shareholders on 30/08/16 | 10,200,000 | | | | | | | | | | | | | | | | |
| Issue of additional shares to Greenstone on 16/09/16 and ratified by shareholders on 22/11/16 | 250,000 | | | | | | | | | | | | | | | | |
| Issue of shares on exercise of employee options under employee incentive scheme | 10,750,000 | | | | | | | | | | | | | | | | |
| Shares to be issued under the Entitlement Offer | 292,342,080* | | | | | | | | | | | | | | | | |
| Subtract the number of fully paid +ordinary securities cancelled during that 12 month period | | | | | | | | | | | | | | | | | |
| “A” | 829,805,108 | | | | | | | | | | | | | | | | |

+ See chapter 19 for defined terms.

| Step 2: Calculate 15% of “A” | | | | | | | | | | | | | |
|---|---|--------------------------------|---------|--|------------|---|------------|---|-----------|------------------|-----------|---|-------------|
| “B” | 0.15 <i>[Note: this value cannot be changed]</i> | | | | | | | | | | | | |
| Multiply “A” by 0.15 | 124,470,766 | | | | | | | | | | | | |
| Step 3: Calculate “C”, the amount of placement capacity under rule 7.1 that has already been used | | | | | | | | | | | | | |
| <p>Insert number of +equity securities issued or agreed to be issued in that 12 month period <i>not counting</i> those issued:</p> <ul style="list-style-type: none"> Under an exception in rule 7.2 Under rule 7.1A With security holder approval under rule 7.1 or rule 7.4 <p><i>Note:</i></p> <ul style="list-style-type: none"> <i>This applies to equity securities, unless specifically excluded – not just ordinary securities</i> <i>Include here (if applicable) the securities the subject of the Appendix 3B to which this form is annexed</i> <i>It may be useful to set out issues of securities on different dates as separate line items</i> | <table> <tr> <td>Issue of shares to contractors</td> <td>477,749</td> </tr> <tr> <td>Issue of shares under Gulf Alumina offer</td> <td>26,113,956</td> </tr> <tr> <td>Top-up right for issue of shares under Gulf Alumina offer</td> <td>11,219,925</td> </tr> <tr> <td>Top-up right as per Share Subscription Agreement signed with Greenstone</td> <td>9,409,501</td> </tr> <tr> <td>Issue of options</td> <td>4,000,000</td> </tr> <tr> <td>Shares to be issued under the Placement – the subject of this Appendix 3B</td> <td>73,249,635*</td> </tr> </table> | Issue of shares to contractors | 477,749 | Issue of shares under Gulf Alumina offer | 26,113,956 | Top-up right for issue of shares under Gulf Alumina offer | 11,219,925 | Top-up right as per Share Subscription Agreement signed with Greenstone | 9,409,501 | Issue of options | 4,000,000 | Shares to be issued under the Placement – the subject of this Appendix 3B | 73,249,635* |
| Issue of shares to contractors | 477,749 | | | | | | | | | | | | |
| Issue of shares under Gulf Alumina offer | 26,113,956 | | | | | | | | | | | | |
| Top-up right for issue of shares under Gulf Alumina offer | 11,219,925 | | | | | | | | | | | | |
| Top-up right as per Share Subscription Agreement signed with Greenstone | 9,409,501 | | | | | | | | | | | | |
| Issue of options | 4,000,000 | | | | | | | | | | | | |
| Shares to be issued under the Placement – the subject of this Appendix 3B | 73,249,635* | | | | | | | | | | | | |
| “C” | 124,470,766 | | | | | | | | | | | | |
| Step 4: Subtract “C” from [“A” x “B”] to calculate remaining placement capacity under rule 7.1 | | | | | | | | | | | | | |
| “A” x 0.15 <i>Note: number must be same as shown in Step 2</i> | 124,470,766 | | | | | | | | | | | | |
| Subtract “C” <i>Note: number must be same as shown in Step 3</i> | 124,470,766 | | | | | | | | | | | | |
| Total [“A” x 0.15] – “C” | 0 <i>[Note: this is the remaining placement capacity under rule 7.1]</i> | | | | | | | | | | | | |

*The number of Placement shares has been calculated pursuant to the grant of a waiver of ASX Listing Rule 7.1 to allow the Placement to occur on an expanded share capital base which includes the aggregate number of ordinary shares that may be issued under the Entitlement Offer

+ See chapter 19 for defined terms.

Part 2

| Rule 7.1A – Additional placement capacity for eligible entities | |
|--|---|
| Step 1: Calculate “A”, the base figure from which the placement capacity is calculated | |
| “A” <i>Note: number must be same as shown in Step 1 of Part 1</i> | 829,805,108 |
| Step 2: Calculate 10% of “A” | |
| “D” | 0.10 <i>Note: this value cannot be changed</i> |
| Multiply “A” by 0.10 | 82,980,511 |
| Step 3: Calculate “E”, the amount of placement capacity under rule 7.1A that has already been used | |
| Insert number of +equity securities issued or agreed to be issued in that 12 month period under rule 7.1A <i>Notes:</i> <ul style="list-style-type: none"> • <i>This applies to equity securities – not just ordinary securities</i> • <i>Include here – if applicable – the securities the subject of the Appendix 3B to which this form is annexed</i> • <i>Do not include equity securities issued under rule 7.1 (they must be dealt with in Part 1), or for which specific security holder approval has been obtained</i> • <i>It may be useful to set out issues of securities on different dates as separate line items</i> | Shares to be issued under the Placement – the subject of this Appendix 3B 53,746,302 |
| “E” | 53,746,302 |

+ See chapter 19 for defined terms.

| Step 4: Subtract "E" from ["A" x "D"] to calculate remaining placement capacity under rule 7.1A | |
|--|---|
| "A" x 0.10 <i>Note: number must be same as shown in Step 2</i> | 82,980,511 |
| Subtract "E" <i>Note: number must be same as shown in Step 3</i> | 53,746,302 |
| Total ["A" x 0.10] – "E" | 29,234,209 <i>Note: this is the remaining placement capacity under rule 7.1A</i> |

+ See chapter 19 for defined terms.