

## Debt Financing for Development of Bauxite Hills Mine Secured

Metro Mining Limited (ASX: MMI) (**Metro**) is pleased to advise that Sprott Private Resource Lending (**Sprott**) and Inगतatus AG Pty Ltd (**Inगतatus**), a related party of Metro's strategic cornerstone shareholder Balanced Property, have been selected to provide debt finance facilities of approximately A\$40 million (**Debt Financing**) for the development of the Bauxite Hills Mine (**Bauxite Hills**).

Binding terms for the debt financing were agreed following a strongly contested and rigorous global tender process culminating in final discussions with shortlisted potential financiers who presented very competitive terms. These parties undertook an extensive technical due diligence process which provides strong validation of the technical aspects of the Bauxite Hills Mine.

The selection of Sprott and Inगतatus as preferred debt providers delivers a debt financing package with low overall cost, limited covenants, low shareholder dilution and flexibility in relation to early repayment.

### Key Terms

The key terms of the Debt Financing are:

- Tenor of approximately 3 years
- Attractive annual interest rate
- No principal amortisation before January 2019 and A\$20 million payment at end of loan
- No commitment fees
- No hedging requirements
- Low level of cash reserving and no mandatory cash sweep
- Low number of Metro options with strike price to reflect 25% premium to Metro share price

The Debt Financing is being led by Sprott who is the senior secured lender. The new debt facilities will also replace Metro's existing A\$15 million short term debt facility with Namrog Pty Ltd, which is also a related party of Balanced Property.

Completion of final Debt Financing agreements remains conditional upon documentation, legal due diligence, permitting and other conditions precedent usual for financings of this nature including project equity requirements being raised prior to debt drawdown. Subject to satisfaction of these remaining conditions, Metro expects final agreements to be concluded early in Q3 2017.

Metro's Managing Director, Simon Finnis, said:

*"We are very pleased to have secured a highly competitive and flexible debt facility led by Sprott, one of the world's leading providers of finance to the natural resource sector. We are also very pleased to maintain the ongoing support from our long term cornerstone shareholder Balanced Property. This debt financing represents another significant milestone and funding component for Metro and will allow the Company to continue its rapid development of the Bauxite Hills Mine."*

Narinder Nagra, Managing Partner of Sprott Resource Lending, commented:

*"As one of the leading investors dedicated to the natural resource sector, Sprott is excited to partner with Metro Mining to develop the Bauxite Hills Mine. We look forward to working with the management team on one of the premier development assets in Australia."*

Metro expects final permitting for Bauxite Hills to be received shortly. The project remains on track for first production at the start of Q2 2018.

Argonaut is Metro's financial advisor in relation to the Debt Financing.

#### **About Sprott:**

*Sprott is an alternative asset manager and a global leader in precious metal and real asset investments. Through its subsidiaries in Canada, the US and Asia, the company is dedicated to providing investors with best-in-class investment strategies that include Exchange Listed Products, Alternative Asset Management and Private Resource Investments. The company also operates Merchant Banking and Brokerage businesses in both Canada and the US. Sprott is based in Toronto with offices in New York, Carlsbad and Vancouver and its common shares are listed on the Toronto Stock Exchange under the symbol (TSX:SII). For more information, please visit [www.sprottinc.com](http://www.sprottinc.com).*

*Sprott Resource Lending is a globally recognized leader in natural resource financing and specializes in providing flexible debt solutions to mining companies. Since joining Sprott, the team has financed more than \$1.0 billion in bespoke private debt investments. For more information, please visit [www.sprottlending.com](http://www.sprottlending.com).*



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