

Notice of extraordinary general meeting

Metro Mining Limited ACN 117 763 443

Notice is given that a General Meeting of Metro Mining Limited ACN 117 763 443 (**Metro**) will be held at:

Location	Office of McCullough Robertson Lawyers, Level 11, 66 Eagle Street, Brisbane QLD 4000
Date	21 August 2017
Time	11.00am (Brisbane time)

Resolution 1: Ratification and approval of previous issue of the First Tranche Shares to qualified institutional and sophisticated investors

To consider and, if in favour, to pass the following resolution as an ordinary resolution:

- 1 'That, for the purposes of Listing Rule 7.4 and all other purposes, Shareholders ratify and approve the previous issue of 251,005,544 Metro Shares at \$0.135 per share to qualified institutional and sophisticated investors under the Placement, as detailed in the Explanatory Memorandum.'

Note: Metro will disregard any votes cast by or on behalf of any person who participated in the issue of Metro Shares and any of their associates.

The Directors unanimously recommend that you vote in favour of Resolution 1.

Resolution 2: Approval of issue of the Second Tranche Shares to qualified institutional and sophisticated investors

To consider and, if in favour, to pass the following resolution as an ordinary resolution:

- 2 'That, for the purposes of Listing Rule 7.1 and for all other purposes, Shareholders approve the issue of 30,475,937 Metro Shares at an issue price of \$0.135 per share to qualified institutional and sophisticated investors under the Placement, on the terms set out in the Explanatory Memorandum.'

Note: Metro will disregard any votes cast by or on behalf of any person who may participate in the issue of Metro Shares and any of their associates.

The Directors unanimously recommend that you vote in favour of Resolution 2.

Resolution 3: Increase in directors' fees

To consider and, if in favour, pass the following resolution as an ordinary resolution:

- 3 'That for the purpose of rule 39.5 of the Constitution and Listing Rule 10.17, the maximum aggregate annual fees payable out of the funds of Metro to Metro's non-executive directors for services as Directors, including service on a committee of directors be increased from \$350,000 (inclusive of superannuation guarantee charge (**SGC**) contributions) to \$500,000 per annum (inclusive of SGC contributions), to be apportioned at the Directors' discretion.'

Note: Metro will disregard any votes casts by or on behalf of a Director of Metro.

The Directors abstain from making a recommendation in relation to Resolution 3.

Dated 21 July 2017

By order of the board

A handwritten signature in blue ink, appearing to read "Scott Waddell", is positioned above a horizontal line.

Scott Waddell
Company secretary

Notes

- (a) A Shareholder who is entitled to attend and cast a vote at the meeting is entitled to appoint a proxy.
- (b) The proxy need not be a Shareholder of Metro. A Shareholder who is entitled to cast two or more votes may appoint two proxies and may specify the proportion or number of votes each proxy is appointed to exercise.
- (c) If you wish to appoint a proxy and are entitled to do so, then complete and return the **attached** proxy form.
- (d) KMP (or their closely related parties) (as defined in the Corporations Act) appointed as a proxy must not vote on a resolution connected directly or indirectly with the remuneration of KMP if the proxy is undirected unless:
 - (i) the proxy is the person chairing the meeting; and
 - (ii) the proxy appointment expressly authorises the person chairing the meeting to vote undirected proxies on that resolution.
- (e) If the proxy form specifies the way the proxy is to vote on a particular resolution the proxy need not vote on a show of hands but if the proxy does so, it must vote as specified in the proxy form.
- (f) If the proxy has two or more appointments that specify different ways to vote on the resolution the proxy must not vote on a show of hands.
- (g) If the proxy is the chair of the meeting, the proxy must vote on a poll or must vote the way specified in the proxy form.
- (h) If the proxy is not the chair of the meeting the proxy need not vote on the poll, but if the proxy does so, the proxy must vote as specified in the proxy form.
- (i) If the proxy form specifies the way the proxy is to vote on a particular resolution and the proxy is not the chair of the meeting and a poll is demanded and either:
 - (i) the proxy is not recorded as attending; or
 - (ii) the proxy does not vote,the chair of the meeting is deemed the proxy for that resolution.
- (j) A corporation may elect to appoint a representative, rather than appoint a proxy, under the Corporations Act in which case Metro will require written proof of the representative's appointment which must be lodged with or presented to Metro before the meeting.
- (k) Metro has determined under regulation 7.11.37 *Corporations Regulations 2001* (Cth) that for the purpose of voting at the Meeting or adjourned meeting, securities are taken to be held by those persons recorded in Metro's register of Shareholders as at 7.00pm (Sydney time) on Friday, 18 August 2017.
- (l) If you have any queries on how to cast your votes call Scott Waddell (Company Secretary) on 07 3009 8000 during business hours.

Voting restrictions

Metro will, in accordance with Listing Rule 14.11 and the Corporations Act, disregard any votes cast by:

Resolution 1 – Ratification and approval of previous issue of the First Tranche Shares to qualified institutional and sophisticated investors	any person who participated in the issue or their associate.
Resolution 2 – Approval of issue of the Second Tranche Shares to qualified institutional and sophisticated investors	any person who may participate in the proposed issue and a person who might obtain a benefit, except a benefit solely in the capacity of a holder of Metro Shares, if the resolution is passed.
Resolution 3 – Increase in directors' Fees	a Director of Metro or their associate.

However, Metro need not disregard a vote if it is cast by:

- (a) a person as proxy for a person who is entitled to vote, under the directions on the proxy voting form; or
- (b) the person chairing the meeting as proxy for a person who is entitled to vote, under a direction on the proxy form to vote as the proxy decides.

Voting intentions of the chair

Shareholders should be aware that the chair of the Meeting intends to vote undirected proxies in favour of each item of business.

Explanatory memorandum

Metro Mining Limited ACN 117 763 443

This Explanatory Memorandum accompanies the notice of extraordinary general meeting of Metro to be held at the office of McCullough Robertson Lawyers, Level 11, 66 Eagle Street, Brisbane, Queensland on Monday, 21 August 2017 at 11.00am (Brisbane time).

The Explanatory Memorandum has been prepared to assist Shareholders in determining how to vote on the resolutions proposed and ought to be read in conjunction with the Notice of Meeting.

Background to Resolutions 1 and 2: Institutional Placement

- 1 On 17 July 2017, Metro announced its intention to conduct an institutional placement, and on 19 July 2017, Metro announced that it had completed a placement of 281,481,481 Metro Shares at an issue price of \$0.135 to qualified institutional and sophisticated investors in Australia and internationally to raise up to \$38 million (before costs) (**Placement**).
- 2 The issued of Metro Shares under the Placement will be conducted in two tranches:
 - (a) an initial issue of 251,005,544 Metro Shares on or about 27 July 2017¹ (**First Tranche Shares**), completed under Metro's existing placement capacity under Listing Rules 7.1 and 7.1A to raise \$33.9 million; and
 - (b) a subsequent issue of 30,475,937 Metro Shares (**Second Tranche Shares**), anticipated to be completed shortly after the General Meeting (subject to Shareholder approval) to raise an additional \$4.1 million.
- 3 The funds raised under the Placement will be used, in conjunction with the Metro's recently announced debt finance facilities, to ensure Metro can maintain development momentum at its Bauxite Hills Mine and continue to pursue its targeted first shipment in early 2018. The investor presentation and announcement lodged with ASX on 17 July 2017 set out further details regarding the Placement and use of funds.

Resolution 1: Ratification and approval of previous issue of the First Tranche Shares to qualified institutional and sophisticated investors

- 4 Resolution 1 seeks approval from Shareholders under Listing Rule 7.4 (and for all other purposes) to ratify the issue of the First Tranche Shares to qualified institutional and sophisticated investors.
- 5 Under Listing Rule 7.1, Metro is generally not permitted to issue more than 15% of its issued share capital in any 12 month period unless the issue is approved by Shareholders or an exemption applies. At Metro's last annual general meeting, however, Shareholders gave Metro authority to issue a further 10% of its share capital under Listing Rule 7.1A without the issue being approved by Shareholders.
- 6 The issue of First Tranche Shares detailed in this Resolution 1 did not exceed Metro's 25% threshold. However, Listing Rule 7.4 provides that where Metro ratifies an issue of securities, the issue is treated as having been made with approval for the purpose of Listing Rule 7.1, thereby replenishing Metro's 15% capacity and enabling it to issue further securities up to that limit.

¹ Greenstone Metro Holdings LP may be issued shares at a later date in compliance with settlement timeframes in the Subscription and Cooperation Deed between Metro and Greenstone.

7 Resolution 1 proposes the ratification and approval of the issue of the First Tranche Shares for the purpose of satisfying the requirements of Listing Rule 7.4.

8 For the purposes of Listing Rule 7.5, Metro provides the following particulars:

Date of issue	27 July 2017
Number of securities issued	251,005,544 Metro Shares
Issue price per security	\$0.135 per Metro Share
Terms of securities issued	Ordinary shares ranking equally with all other Metro Shares on issue
Persons to whom securities were issued	Qualified institutional and sophisticated investors in Australia and internationally who have agreed to participate in the Placement
Intended use of funds	Fund raised under the Placement will be used to maintain development momentum at Metro's Bauxite Hills Mine and continue to pursue its targeted first shipment in early 2018

Directors' Recommendation

9 The Directors unanimously recommend that Shareholders vote in favour of Resolution 1.

Resolution 2: Approval of issue of the Second Tranche Shares to qualified institutional and sophisticated investors

10 Resolution 2 seeks approval from Shareholders under Listing Rule 7.1 (and for all other purposes) for the issue of the Second Tranche Shares to sophisticated and institutional investors under the Placement.

11 As outlined in paragraph 5 above, Listing Rule 7.1 prohibits Metro from issuing more than 15% of its issued share capital without obtaining Shareholder approval. The issue of the Second Tranche Shares (if made without Shareholder approval) would exceed Metro's 25% capacity under Listing Rule 7.1 and 7.1A. Resolution 2 therefore proposes that Shareholders approve the issue of the Second Tranche Shares for the purpose of satisfying the requirements of Listing Rule 7.1.

12 For the purposes of Listing Rule 7.3, Metro provides the following particulars:

Persons to whom securities will be issued	Qualified institutional and sophisticated investors in Australia and internationally who have agreed to participate in the Placement
Maximum number of securities to be issued	30,475,937 Metro Shares
Date Metro will issue the securities	Metro intends to issue the Second Tranche Shares shortly after the General Meeting to approve Resolution 2 (on or about 21 August 2017) but in any event no later than three months after the General Meeting.
Issue price of the securities	\$0.135 per Metro Share
Terms of issue	Ordinary shares which will rank equally with all existing ordinary shares then on issue and Metro will seek quotation of

	the shares on ASX
Intended use of funds	The additional \$4.1 million raised by the issue of Second Tranche Shares will be applied to purchase haulage equipment which is expected to materially decrease operating costs at the Bauxite Hills Mine

Directors' Recommendation

- 13 The Directors unanimously recommend that Shareholders vote in favour of Resolution 2.

Resolution 3: Increase in directors' fees

- 14 Resolution 3 seeks approval to set the maximum aggregate sum payable to non-executive directors at \$500,000 per annum. Under rule 39.5 of Metro's Constitution and Listing Rule 10.17, the approval of Metro's Shareholders in general meeting is required for this increase.

- 15 The reasons for requesting the increase to the maximum aggregate remuneration for non-executive directors are as follows:

- (a) the current limit of \$350,000 per annum has been in place for over six years after being approved by Shareholders on 18 November 2010. Since November 2010, Metro has progressed from the exploration phase to the project development phase of its Bauxite Hills project which has required an increase in the number of directors on the Board and a broadening of the Board's skill set;
- (b) as Metro progresses development of the Bauxite Hills Mine and moves toward first production, the mix of skills required on the Board will continue to evolve and may require additional Board appointments with appropriate relevant skills;
- (c) the Board is of the view that the proposed increase to non-executive directors' aggregated remuneration is commensurate with market remuneration paid to non-executive directors at equivalent ASX listed companies in terms of growth and market capitalisation and is necessary to retain and attract appropriately qualified non-executive directors to Metro; and
- (d) the increase reflects the more onerous corporate governance environment, a requirement for more regular Board involvement during the construction phase of Bauxite Hills Mine and also once the Mine is in operation, and a commensurate increase in time and responsibility of non-executive directors.

- 16 Metro does not intend to allocate the full amount immediately. The proposed increase has been calculated to allow for growth over time in both the remuneration and the number of non-executive directors.

- 17 If approved, the maximum amount of \$500,000 is applied to the various non-executive directors under the discretion of the Directors.

- 18 Details of securities issued to non-executive directors of Metro with the approval of Shareholders under Listing Rules 10.11 or 10.14, within the preceding three years, are set out below:

	Securities	Grant date*	Exercise price	Expiry date
Stephen Everett	500,000 options	15 December 2015	\$0.15	14 December 2017
Philip Hennessy	500,000 options	15 December 2015	\$0.15	14 December 2017

Lindsay Ward	500,000 options	15 December 2015	\$0.15	14 December 2017
George Lloyd	500,000 options	15 December 2015	\$0.15	14 December 2017
Dongping Wang	500,000 options	15 December 2015	\$0.15	14 December 2017

*Shareholders approved the grant of options at Metro's annual general meeting held on 24 November 2015. All options will vest and be capable of exercise on the date of grant of the mining lease for Bauxite Hills mine.

Directors' Recommendation

19 The Directors abstain from making a recommendation in relation to Resolution 3.

Glossary

Capitalised terms in this Notice of Meeting and Explanatory Memorandum have the meaning set out below:

\$	means the lawful currency of Australia.
ASX	means ASX Limited ACN 008 624 691 or the securities exchange operated by it (as the case requires).
Board	means the board of directors of Metro.
Company or Metro	means Metro Mining Limited ACN 117 763 443.
Constitution	means the constitution of Metro.
Corporations Act	means the <i>Corporations Act 2001</i> (Cth).
Directors	means the directors of the Company.
Explanatory Memorandum	means the explanatory statement accompanying the resolutions contained in this Notice of Meeting.
First Tranche Shares	has the meaning given to that term in paragraph 2(a).
General Meeting or Meeting	means Metro's general meeting the subject of this Notice of Meeting.
Listing Rules	means the listing rules of ASX.
Metro Shares or Shares	means fully paid ordinary shares in the capital of Metro.
Notice of Meeting	means this notice of meeting and includes the Explanatory Memorandum.
Placement	has the meaning given to that term in paragraph 1 of the Explanatory Memorandum.
Resolution	means a resolution proposed in this Notice of Meeting.
Second Tranche Shares	has the meaning given to that term in paragraph 2(b).
Shareholder	means a person who is a registered holder of Metro Shares.
SGC	means superannuation guarantee charge.



ACN 117 763 443

LODGE YOUR VOTE

ONLINE
www.linkmarketservices.com.au

BY MAIL
Metro Mining Limited
C/- Link Market Services Limited
Locked Bag A14
Sydney South NSW 1235 Australia

BY FAX
+61 2 9287 0309

BY HAND
Link Market Services Limited
Level 12, 680 George Street, Sydney NSW 2000

ALL ENQUIRIES TO
Telephone: +61 1300 554 474



X99999999999

PROXY FORM

I/We being a member(s) of Metro Mining Limited and entitled to attend and vote hereby appoint:

APPOINT A PROXY

the Chairman of the Meeting (mark box)

OR if you are **NOT** appointing the Chairman of the Meeting as your proxy, please write the name of the person or body corporate you are appointing as your proxy

STEP 1

or failing the person or body corporate named, or if no person or body corporate is named, the Chairman of the Meeting, as my/our proxy to act on my/our behalf (including to vote in accordance with the following directions or, if no directions have been given and to the extent permitted by the law, as the proxy sees fit) at the Extraordinary General Meeting of the Company to be held at **11:00am on Monday, 21 August 2017 at the office of McCullough Robertson Lawyers, Level 11, 66 Eagle Street, Brisbane QLD 4000** (the Meeting) and at any postponement or adjournment of the Meeting.

The Chairman of the Meeting intends to vote undirected proxies in favour of each item of business.

VOTING DIRECTIONS

Proxies will only be valid and accepted by the Company if they are signed and executed no later than 48 hours before the Meeting. Please read the voting instructions overleaf before marking any boxes with an

Resolutions

	For	Against	Abstain*
1 Ratification and approval of previous issue of the First Tranche Shares to qualified institutional and sophisticated investors	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2 Approval of issue of the Second Tranche Shares to qualified institutional and sophisticated investors	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3 Increase in directors' fees	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

STEP 2

* If you mark the Abstain box for a particular Item, you are directing your proxy not to vote on your behalf on a show of hands or on a poll and your votes will not be counted in computing the required majority on a poll.

SIGNATURE OF SHAREHOLDERS – THIS MUST BE COMPLETED

Shareholder 1 (Individual)

Joint Shareholder 2 (Individual)

Joint Shareholder 3 (Individual)

Sole Director and Sole Company Secretary

Director/Company Secretary (Delete one)

Director

This form should be signed by the shareholder. If a joint holding, either shareholder may sign. If signed by the shareholder's attorney, the power of attorney must have been previously noted by the registry or a certified copy attached to this form. If executed by a company, the form must be executed in accordance with the company's constitution and the *Corporations Act 2001* (Cth).

STEP 3

MMI PRX1702A



HOW TO COMPLETE THIS SHAREHOLDER PROXY FORM

YOUR NAME AND ADDRESS

This is your name and address as it appears on the Company's share register. If this information is incorrect, please make the correction on the form. Shareholders sponsored by a broker should advise their broker of any changes. **Please note: you cannot change ownership of your shares using this form.**

APPOINTMENT OF PROXY

If you wish to appoint the Chairman of the Meeting as your proxy, mark the box in Step 1. If you wish to appoint someone other than the Chairman of the Meeting as your proxy, please write the name of that individual or body corporate in Step 1. A proxy need not be a shareholder of the Company.

DEFAULT TO CHAIRMAN OF THE MEETING

Any directed proxies that are not voted on a poll at the Meeting will default to the Chairman of the Meeting, who is required to vote those proxies as directed. Any undirected proxies that default to the Chairman of the Meeting will be voted according to the instructions set out in this Proxy Form.

VOTES ON ITEMS OF BUSINESS – PROXY APPOINTMENT

You may direct your proxy how to vote by placing a mark in one of the boxes opposite each item of business. All your shares will be voted in accordance with such a direction unless you indicate only a portion of voting rights are to be voted on any item by inserting the percentage or number of shares you wish to vote in the appropriate box or boxes. If you do not mark any of the boxes on the items of business, your proxy may vote as he or she chooses. If you mark more than one box on an item your vote on that item will be invalid.

APPOINTMENT OF A SECOND PROXY

You are entitled to appoint up to two persons as proxies to attend the Meeting and vote on a poll. If you wish to appoint a second proxy, an additional Proxy Form may be obtained by telephoning the Company's share registry or you may copy this form and return them both together.

To appoint a second proxy you must:

- (a) on each of the first Proxy Form and the second Proxy Form state the percentage of your voting rights or number of shares applicable to that form. If the appointments do not specify the percentage or number of votes that each proxy may exercise, each proxy may exercise half your votes. Fractions of votes will be disregarded; and
- (b) return both forms together.

SIGNING INSTRUCTIONS

You must sign this form as follows in the spaces provided:

Individual: where the holding is in one name, the holder must sign.

Joint Holding: where the holding is in more than one name, either shareholder may sign.

Power of Attorney: to sign under Power of Attorney, you must lodge the Power of Attorney with the registry. If you have not previously lodged this document for notation, please attach a certified photocopy of the Power of Attorney to this form when you return it.

Companies: where the company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the company (pursuant to section 204A of the *Corporations Act 2001*) does not have a Company Secretary, a Sole Director can also sign alone. Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary. Please indicate the office held by signing in the appropriate place.

CORPORATE REPRESENTATIVES

If a representative of the corporation is to attend the Meeting the appropriate "Certificate of Appointment of Corporate Representative" should be produced prior to admission in accordance with the Notice of Meeting. A form of the certificate may be obtained from the Company's share registry or online at www.linkmarketservices.com.au.

LODGEMENT OF A PROXY FORM

This Proxy Form (and any Power of Attorney under which it is signed) must be received at an address given below by **11:00am on Saturday, 19 August 2017**, being not later than 48 hours before the commencement of the Meeting. Any Proxy Form received after that time will not be valid for the scheduled Meeting.

Proxy Forms may be lodged using the reply paid envelope or:



ONLINE

www.linkmarketservices.com.au

Login to the Link website using the holding details as shown on the Proxy Form. Select 'Voting' and follow the prompts to lodge your vote. To use the online lodgement facility, shareholders will need their "Holder Identifier" (Securityholder Reference Number (SRN) or Holder Identification Number (HIN) as shown on the front of the Proxy Form).



BY MOBILE DEVICE

Our voting website is designed specifically for voting online. You can now lodge your proxy by scanning the QR code adjacent or enter the voting link www.linkmarketservices.com.au into your mobile device. Log in using the Holder Identifier and postcode for your shareholding.

QR Code



To scan the code you will need a QR code reader application which can be downloaded for free on your mobile device.



BY MAIL

Metro Mining Limited
C/- Link Market Services Limited
Locked Bag A14
Sydney South NSW 1235
Australia



BY FAX

+61 2 9287 0309



BY HAND

delivering it to Link Market Services Limited*
Level 12
680 George Street
Sydney NSW 2000

* During business hours (Monday to Friday, 9:00am–5:00pm)

**IF YOU WOULD LIKE TO ATTEND AND VOTE AT THE EXTRAORDINARY GENERAL MEETING, PLEASE BRING THIS FORM WITH YOU.
THIS WILL ASSIST IN REGISTERING YOUR ATTENDANCE.**