

First Ship Sails for China

Highlights

- First shipment of 62,000 tonnes of bauxite sets sail for China
- Delivery to China's Xinha Group under 4-year contract
- After some commissioning issues, mining and transshipping activities are operating effectively and will ramp up over coming months
- Second bulk carrier has arrived

Metro Mining Ltd (ASX: MMI) is pleased to announce the departure of the first shipload of approximately 62,000 tonnes of ore to China from the Bauxite Hills Mine.

The Hong Kong flagged bulk cargo vessel "Spring Oasis" has set sail for Shandong, China.



The Xinha Group, one of China's largest integrated aluminium companies, will take delivery of the bauxite.

Xinha has significant refining and smelting operations in Shandong, Shanxi, Guangxi and Xinjiang Provinces and Metro has a 4-year binding off-take agreement to supply Xinha with one million tonnes in the first year followed by 2Mtpa for each of the next 3 years. Pricing under the Agreement is linked to a well-established alumina price index.

Metro started mining at Bauxite Hills in April and experienced some commissioning issues due to a later than normal wet season and hydraulic system operability issues with the truck and haulage fleet. Dry conditions since mid-April have led to much better mining conditions, the hydraulic system issues are being resolved and the production ramp up is progressing well.

Some commissioning problems also occurred with the screen and barge loading facilities. These were mostly related to material handling and exacerbated by the wetter than normal bauxite. These issues have now been resolved with minor plant modifications.

Over the last few days the project loaded bauxite from site to ship at an average rate over 7,000 tonnes per day and we expect to reach our 2018 target average of 10,000tpd by the end of June.

Conditions for the shiploading task have been excellent with gentle breezes from the east contributing to flat water and cool conditions generally. The marine transportation fleet has performed well, and in line with expectations.

"Once again I wish to congratulate the entire Metro team. Whilst the first shipment is an extremely exciting event it is also very demanding and has been another job well done," Mr Finnis said.

The Bauxite Hills Mine has an estimated Ore Reserve of 92.2Mt and a total Resource of 144.8Mt with an estimated 17-year mine life. The mine now becomes a globally significant bauxite mining operation and will feed the growing seaborne bauxite market.

An updated corporate video will be available on Metro Mining's web site in the near future.



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COMPETENT PERSON'S STATEMENT The information in this ASX Announcement 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. McLean 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 ASX Announcement to which this statement is attached that relates to the "Metro Mining – Bauxite Hills" 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.