

# First Revenue Received and Ramp-Up Accelerating

## Highlights

- First two shipments to Xinha have arrived in China
- Sales revenue (provisional payment) from those vessels has been received
- Attractive sales price achieved based on high alumina prices
- Operational ramp-up accelerating with ship loading rates continuing to increase
- Three vessels successfully shipped to date and fourth vessel loading underway
- First spot sale finalised and discussions ongoing with other customers for further sales

Metro Mining Ltd (ASX: MMI) (**Metro**) is pleased to announce the receipt of sales revenue (provisional payment) and successful arrival in China of the first two shipments, totaling approximately 123kt of bauxite. Metro is also pleased to provide an update on ramp-up activities at the Bauxite Hills Mine.



## First Shipment & First Revenue

The first shipment on board the bulk carrier Spring Oasis was recently delivered to Metro's foundation and long term off-take partner, Xinha at the Port of Qingdao, China.

Official celebrations commenced at the Xinha head office in Chiping, Shandong Province on Saturday 19 May, and continued at the port, where the ship was officially met by Xinha Chairman, Zhang Gang, Metro Chairman, Stephen Everett and senior Xinha and Metro executives on Sunday 20 May.

Xinha is one of China's largest integrated aluminium companies, with significant refining and smelting operations in Shandong, Shanxi, Guangxi and Xinjiang Provinces.

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 off-take agreement is confidential but is linked to a well-established alumina price index. This price index is currently at high levels and provides Metro with an attractive premium sales price relative to the spot bauxite market prices.

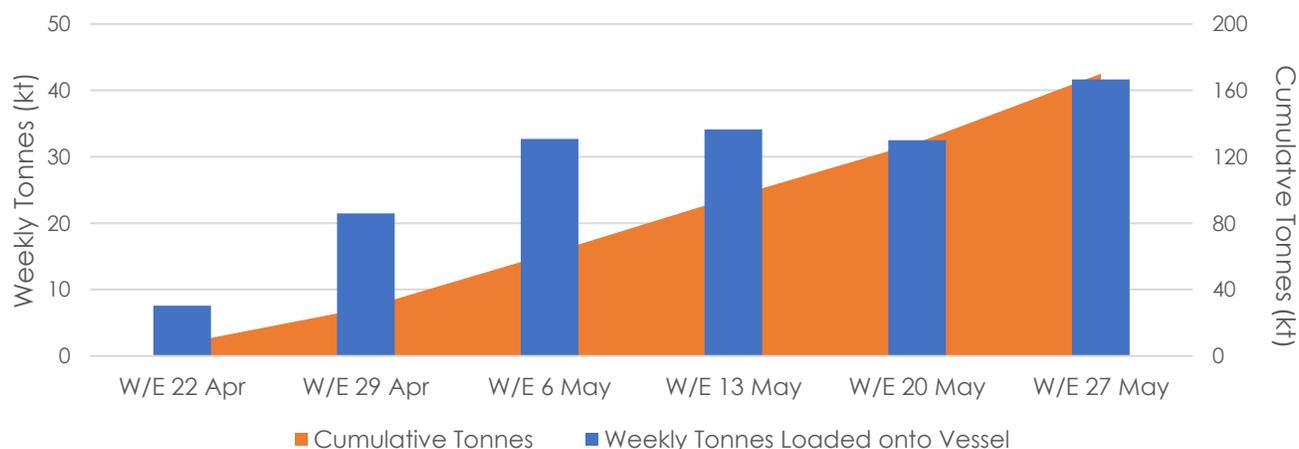
Since this first shipment, Metro has successfully completed a further two shipments with the fourth shipment being loaded after arriving earlier today.

## Ramp-Up Activities

Following a delayed start to operations in mid-April 2018, due to an extended wet season and a site evacuation in response to Tropical Cyclone Nora, Metro is pleased to advise that ramp-up activities at the Bauxite Hills Mine are accelerating, with commissioning issues being steadily resolved and a number of planned operational improvements being implemented.

Mining and barge loading rates are continuing to trend higher, with bauxite loaded from site to ship now averaging over 6,000 tonnes per day. The transshipment process has performed in line with expectations, with no operational issues recorded.

### Ship Loading Statistics



Based on planned mining and shiploading rates, Metro expects to achieve its targeted production rate of around 2Mt for the calendar year 2018.

Operational improvements include the commissioning of a larger barge (7,000t) to augment the three smaller barges (3,000t) and commencement of mining at the second mining area (BH1), where the ore seam is thicker and of better quality.

## Increasing Product Interest & Spot Sales Contracts

With the successful first shipments all being delivered to Xinfu as planned, Metro is pleased to report it is experiencing increasing buying interest in Metro's bauxite. Metro has finalised a spot sale agreement and is in negotiations with other customers for further sales.

Metro Mining Managing Director and CEO Simon Finnis said:

***"I am very happy to see Xinfu receive our first shipment and would like to acknowledge the Xinfu Group for their sustained and dedicated commitment to bringing Bauxite Hills into production. We have had a long and positive relationship, and it is very pleasing that we have been able to fulfil our promise to them. We look forward to continuing the long and now mutually beneficial relationship between our two companies".***

***"Receiving first sales revenue is another exciting milestone for Metro and heralds in a new era for us. I'm pleased with our ramp-up and the improvement in mining and loading rates from pit to ship as the commissioning issues are steadily resolved."***

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 is transitioning into a globally significant bauxite mining operation and will feed the growing seaborne bauxite market.



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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.