

Bauxite Hills Operations Update

Highlights

- Mining due to recommence mid-late March (subject to weather)
- Loading of first Ocean Going Vessel planned for mid-April
- Transition to owner operator progressing as planned with recruitment on target
- The expansion and upgrade program is on time and on budget
- 3.5Mtpa Production Guidance for 2019 is re-affirmed



Metro Mining Ltd (ASX:MMI) (Metro) is pleased to provide an update on operations at the Bauxite Hills Mine 95 kms north of Weipa on western Cape York.

As planned, with the start of the Far North Queensland wet season, mining operations ceased in late December 2018. Over the last two months, focus has been on undertaking planned maintenance on site infrastructure and completing preparatory work for installation of the capital items associated with the expansion and upgrade program.

The company's transition to owner operator is progressing as planned. All senior management positions have been filled and recruitment of operators is well advanced. Mining is scheduled to commence in mid-March with the intention of building significant stockpiles of screened and unscreened material prior to transshipping operations commencing.

The upgrade to the 3.5Mtpa production rate remains on time and on budget. The duplicate screen and grizzly will be commissioned in late March, the triple trailer sets will be delivered to the Port of Darwin for barging to Skardon River in time to coincide with the ramp-up in mining rates and the larger tug and barges will be introduced to the marine fleet in April.

Refreshment of the Definitive Feasibility Study (DFS) for the Stage 2 Expansion to 6Mtpa is progressing well and expected to be delivered in Q2 this year. If approved by the Board, the expansion would represent a scale step-change in the project providing the opportunity to lower unit costs and significantly enhance operational efficiencies.



The bauxite market remains strong with Chinese Imports in January at 5-year highs and the CBIX bauxite Index remaining strong at US\$51.90/DMT. Whilst there has been commentary about the market impact of the Malaysian export ban being lifted, given Government requirements that only washed bauxite can be exported, any impact on the seaborne market is likely to be gradual.

Metro's Managing Director and Chief Executive Officer Simon Finnis said:

"The inclement weather hasn't dampened the performance of our site maintenance and operations team, and I congratulate them and the support teams working in Cairns and Brisbane for their efforts. Everything is on track to achieve our 2019 Production Guidance of 3.5Mtpa of bauxite.

We are looking forward to seeing the results of the updated DFS for the 6Mt expansion which, if approved, would represent a major step change in our Bauxite Hills operation".



ASX: MMI | ACN 117 763 443

For Further Info: P: +61 (0) 7 3009 8000 | E: info@metromining.com.au | W: www.metromining.com.au

Contact: Simon Finnis, MD & CEO | Amy Treble: Company Secretary | Duane Woodbury: CFO

Registered Office & Head Office: Lvl 2, 247 Adelaide St, Brisbane | GPO Box 10955, Brisbane Q 4000

FORWARD LOOKING STATEMENT Statements and material contained in this ASX Announcement, particularly those regarding possible or assumed future performance, production levels or rates, commodity prices, resources or potential growth of Metro Mining Limited, industry growth or other trend projections are, or may be, forward looking statements. Such statements relate to future events and expectations and, as such, involve known and unknown risks and uncertainties. Graphs used in this ASX Announcement (including data used in the graphs) are sourced from third parties and Metro Mining has not independently verified the information. Metro Mining is at an early development stage and while it does not currently have an operating bauxite mine it is taking early and preliminary steps (such as but not limited to Prefeasibility studies etc.) that are intended to ultimately result in the building and construction of an operating mine at its project areas. Although reasonable care has been taken to ensure that the facts stated in this ASX Announcement are accurate and that the opinions expressed are fair and reasonable, no reliance can be placed for any purpose whatsoever on the information contained in this document or on its completeness. Actual results and developments may differ materially from those expressed or implied by these forward-looking statements depending on a variety of factors. Nothing in this ASX Announcement should be construed as either an offer to sell or a solicitation of an offer to buy or sell shares in any jurisdiction.