



Bauxite Hills Operations Update

Highlights

- Fleet equipment (7,000t barges & triple-set trailers) for the expansion has been commissioned on-site and performing as expected;
- 462Kt shipped through to the end of May, including 311Kt within May;
- June quarter production is expected to be lower than previously forecast principally due to recent large swell conditions disrupting shiploading;
- Metro updates 2019 Production Guidance to 3.3 – 3.5Mt (previously 3.4 - 3.6Mt); reduction of 3%.

Metro Mining Ltd (ASX: MMI) (Metro) is pleased to provide an update on operations at the Bauxite Hills Mine.

After a delay due to a late cyclone, operations have recommenced for the 2019 operating year and activities relating to the expansion of production in 2019 are complete. The installation of duplicate screening infrastructure at the port was on time and while integration of new 7,000t barges and triple-set trailers was slightly delayed, their addition has resulted in a demonstrable increase in production levels.

Mining Activities

Daily mining rates were initially hindered by the wet conditions and delays to the delivery of the new triple trailers. Focus on mining from the BH1 deposit located 25km from the port also caused limitations to haulage operations. However, with commissioning of the new triple-trailer sets mining rates have increased significantly and have been consistently between 12,000 and 14,000tpd. Further increases are anticipated as the June mining plan dictates that bauxite will also be mined from the BH6 deposit, located only 6km from the port.

Transshipment and Shiploading Activities

Transshipment and shiploading activities commenced on 13 April. Bauxite Hills has a nominal 8/9-month operating season and to achieve guidance an average ship-loading rate of 13.5Kt per day is required. This rate was being achieved in mid to late-May following commissioning of the new 7,000t barges, and increased ore availability from increased mining and haulage rates.

However, towards the end of May, unexpected large and sustained swell conditions caused by an unusual south-easterly wind pattern resulted in disruption to ship loading.

Such long and sustained swell events are unusual during Metro's operating season and has reduced daily loading rates during the affected period.

It should be noted that mining and haulage has been unaffected resulting in stockpiles in excess of 100Kt of bauxite either loaded onto barges or located at the port facility. Given the transshipping rates being achieved in late May Metro anticipates that some (but not all) of the June quarter production shortfall can be recovered during the remainder of the 2019 operating season.

The expectation is that the previous June quarter production guidance will likely be missed by approximately 220-240Kt. Therefore, it is appropriate to update Metro's 2019 Production Guidance to 3.3 – 3.5Mt which incorporates an allowance during the year for adverse swell conditions. Our expectation is that swell conditions will revert back to what was experienced during 2018. A further update will be provided in the June quarterly production report.

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

"Whilst these weather events are frustrating, I am really pleased to see how the operations are now performing following commissioning of all elements of the expansion and upgrade program. We remain committed to achieving our updated 2019 Production Guidance".



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 | Mitchell Petrie: 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. Although reasonable care has been taken to ensure that the facts stated in this ASX Announcement are accurate and or 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.