

Q3 2019 Highlights

- Total production for the Sept Quarter was 1,420k Wet Metric Tonnes ("WMT") with 1,415K WMT shipped;
- September Quarter shipments exceeded budget by 13%;
- Metro remains on track to meet its 2019 production and shipping guidance of 3.3-3.5M WMT;
- Sales Revenue (net) of A\$79.5M and site EBITDA of A\$22.3M was generated;
- Average price received of A\$56.22/WMT with an average margin of A\$15.77/WMT;
- Continued improvement in onsite operating costs were achieved during the Quarter;
- Metro's available cash on hand and receivables as at 30 Sept 2019 was A\$43.5M (June Qtr A\$29.5M);
- Scheduled amortisation of the Sprott debt facility commenced in July with US\$3.2M (A\$4.7M) repaid during the Quarter;
- Subsequent to Quarter end, Metro announced results from the Definitive Feasibility Study (DFS) for Stage 2 expansion confirming the significant economic benefits of expanding to an annualised rate of 6.0M WMT by 2021.

| Bauxite Hills Production Results | 2019 | | | 2018 | |
|----------------------------------|---------|---------------|--------|----------|-----------|
| | Jun Qtr | Sept Qtr | YTD | Sept Qtr | Full Year |
| Bauxite Mined (WMT) ('000) | 880 | 1,420 | 2,300 | 859 | 2,047 |
| Bauxite Shipped (WMT) ('000) | 836 | 1,415 | 2,251 | 822 | 2,037 |
| Bauxite Mined (WMT per day) | 11,001 | 15,435 | 13,371 | 9,337 | 8,123 |
| Bauxite Shipped (WMT per day) | 10,457 | 15,379 | 13,087 | 8,934 | 8,084 |



Bauxite Hills Mine Operations

SAFETY PERFORMANCE

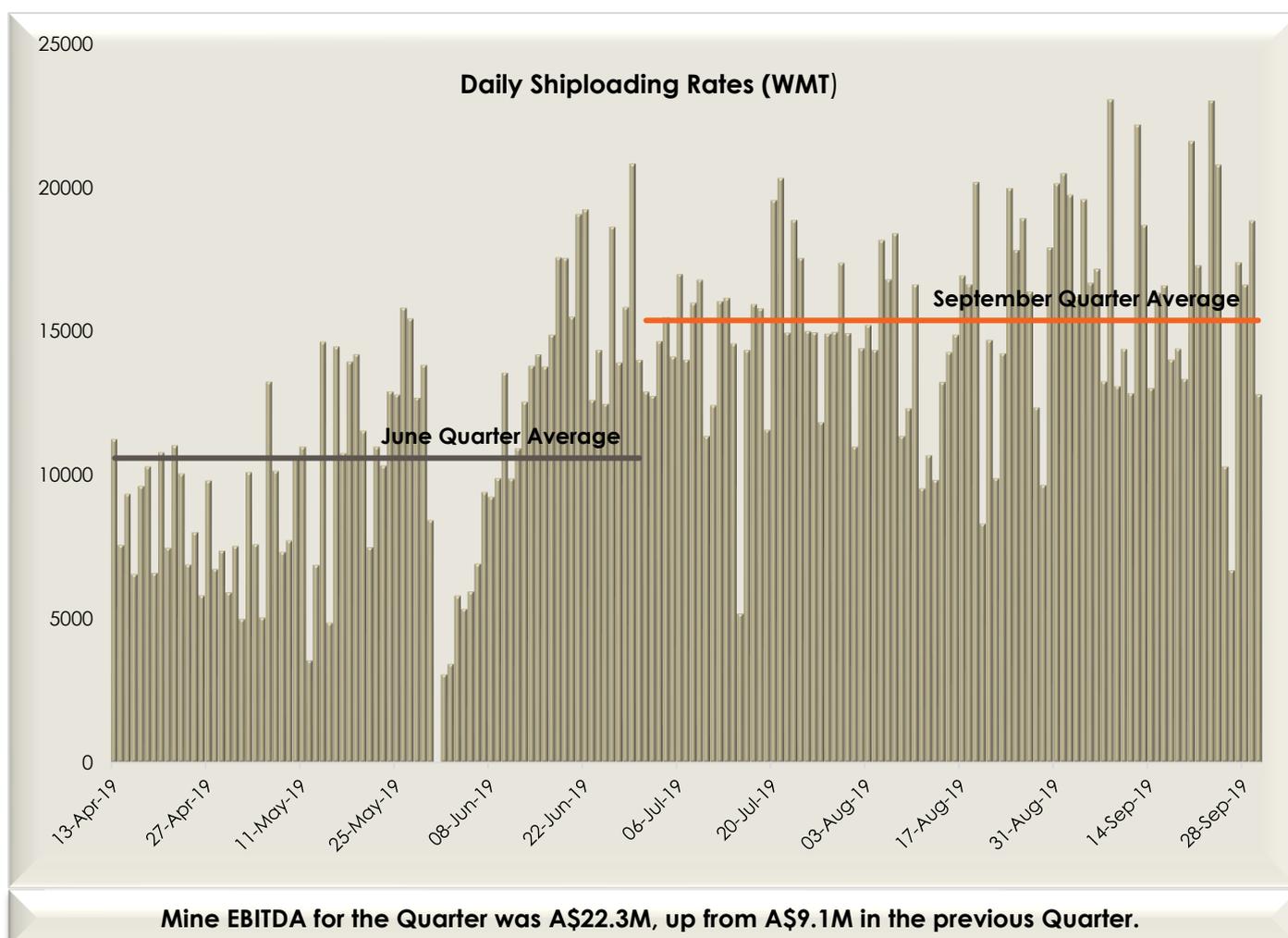
Safety at Bauxite Hills remained a priority during the September Quarter with the mine introducing several initiatives including providing additional benefits to the activities of the site safety committee and improved incident and hazard reporting. Unfortunately, during the period two lost time injury's (LTI's) were recorded. Both incidents were thoroughly investigated and a number of positive improvements have been implemented to prevent a re-occurrence. Continuous improvement to Metro's safety systems remains an ongoing priority.

The industry driven state wide "safety reset program" recently announced by the Queensland State Government was delivered to all onsite within the given timeframes and was well received.

SITE BASED ACTIVITIES

Bauxite mining for the Quarter was 1,420K WMT with 1,415K WMT shipped; both representing record levels since operations commenced.

The Quarter produced another strong result for Bauxite Hills with continued month on month increase in mining and shipping levels. Greater consistency and therefore improved productivity are evident across all aspects of the logistics chain. Mining and haulage are benefitting from excellent machine availabilities, the barge loading facility is now sustainable at higher levels, and shiploading rates have been assisted by better productivity and returning Ocean Going Vessels that have previously performed efficiently. As expected for this period of the year drier operating conditions on land and calmer sea-state conditions have also assisted.



Bauxite Hills Mine Operations

Daily mining rates trended higher during the Quarter, driven by high mechanical availability (+90%) of mining and haulage equipment and ore being sourced from both the BH1 deposit and (closer) BH6 deposit, reducing the average haul distance. Bauxite stocks at port and on water at Quarter end were approximately 68Kt, leaving Metro well positioned to meet its production guidance.

The decision to move to an owner operator model continues to be highly successful generating the planned efficiencies and cost reductions across the business. Blake Machinery Group, Metro's equipment supply and services contractor, is performing as anticipated and the additional equipment available at site is providing greater operational flexibility.

Some engineering modifications at the Barge Loading Facility were completed to the overland conveyor system which resulted in record barge loading rates being achieved in September.

Transshipping activities are currently benefitting from good weather conditions and seasonal high tides which prevail towards the end of the calendar year. With productivity of the crane operators continuing to improve, with experience since operations commenced, and the return of Ocean-Going Vessels (OGVs), which have previously performed strongly, ship loading rates are now operating consistently above budget.

The underlying site unit costs for the Quarter were A\$18.62/WMT, the first Quarter less than A\$20/WMT has been achieved. This is largely attributable to production exceeding budgeted levels and these economies of scale are anticipated to prevail for the remainder of the year.

Unit ocean freight costs were in line with the June Quarter as Metro continued to benefit from the favourable freight contracts secured at the start of the year when bunker prices were lower and the ocean freight market was easing. Whilst the benefit of these contracts will continue to be realised in the December Quarter a small number of planned shipments are exposed to spot prices which have increased over the last month.

Ocean freight rates are denominated in US\$, and benefit of the reduced rates was offset slightly by the weaker A\$ against the US\$. Only minimal unplanned demurrage was incurred during the Quarter.

| Unit Operating Results | 2019 | | | 2018 |
|------------------------------|--------------|--------------|--------------|--------------|
| | Jun Qtr | Sept Qtr | YTD | Full Year |
| Revenue A\$/WMT | 57.29 | 56.22 | 56.61 | 58.20 |
| Costs | | | | |
| Site Cost A\$/WMT | 23.47 | 18.62 | 20.40 | 24.23 |
| Non-Site Cost | | | | |
| ▪ Freight A\$/WMT | 16.79 | 15.87 | 16.21 | 18.06 |
| ▪ Royalties A\$/WMT | 6.15 | 5.95 | 6.02 | 5.73 |
| TOTAL | 46.40 | 40.44 | 42.64 | 48.03 |
| EBITDA MARGIN A\$/WMT | 10.89 | 15.77 | 13.98 | 10.17 |

Bauxite Hills Mine Operations

BAUXITE HILLS MINE STAGE 2 EXPANSION

Subsequent to Quarter end, Metro announced completion of the updated DFS for the Stage 2 Expansion of Annual Production to 6.0M WMTpa by 2021. The DFS has updated the capital cost estimate using experience to date and first principles to estimate operating costs. It also included a review of the bauxite market conditions in China.

The key outcomes were as follows:

- Significant reduction in unit operating costs by the use of a Floating Terminal ("FT") that can load larger, ungeared OGVs, including Cape Size vessels;
- Production target of 4.0M WMT in 2020, followed by 6.0M WMTpa thereafter;
- Reserves of 109.5Mt* at Bauxite Hills and a mine life to 2037;
- Capital Costs of A\$51.4 M (including 10% contingency);
 - The FT comprises approximately 85% of the total expansion capital;
 - Expansion of the accommodation camp, port area modifications and fleet additions (including mobilisation) makes up the remainder of the capital spend;
- Life of Mine unit operating costs are forecast to reduce by approximately 18% delivered to China when operating at the 6.0M WMTpa rate, which will increase operating margins. This will position Bauxite Hills in the lowest quartile of the global cash cost curve for bauxite producers, and;
- Project payback in less than 18 months;

Overall it confirmed the significant economic benefits of expanding to an annualised rate of 6.0M WMT.

Metro has appointed Rocktree Consulting S.r.l. ("Rocktree Consulting") to complete the engineering, design and supplier quotation of the FT which is expected to be completed in November;

Negotiations with debt providers are well advanced and final decision to proceed will follow finalisation of the funding package and completion of the detailed engineering and design work from Rocktree.

BAUXITE SALES

All production during the September Quarter 2019 was sold and shipped to Chinese customers and deliveries were within contractual specifications.

Approximately 2.3M WMT of 2019 production will be sold under the long-term off-take to Xinfa. Under this contract prices received are linked to an RMB denominated alumina price index. Pricing of the remainder of 2019 product sales are linked to the prevailing spot market price.

All of Metro's planned 2019 production of 3.5M WMT has now been sold and interest in Bauxite Hills ore remains strong for delivery from 2020 onwards.

Given all revenue is US\$ denominated, the continuing weak A\$/US\$ exchange rate had a positive impact on Metro's A\$ revenue during the Quarter.

* Refer 14 October 2019 ASX Release

Bauxite Hills Mine Operations

INDIGENOUS ENGAGEMENT

The Bauxite Hills Mine Liaison Committee with Ankamuthi, OMAC and Metro representatives met twice this Quarter. The first meeting was held at the Mine site and included a traditional Kup-murri dinner with Ankamuthi dancers in recognition of NAIDOC week and was enjoyed by all site personnel. The meetings are progressing a number of employment and business opportunities and addressed any community questions.

Metro sponsored the Mapoon NAIDOC week celebrations with a consultation stand where coloured sand art was undertaken by attendees using sand blessed by the Hopevale Ankamuthi people. Metro also sponsored the Northern Peninsula Area's Red Dust Rodeo and Show and had a consultation stand with children's activities. Monthly seed collection workshops continued through the Quarter, with seed numbers increasing and targeted to meet Metros rehabilitation requirements for the 2019 year.

*Bauxite Price Outlook

*Source: CM Group

Price and demand outlook for bauxite continued to be positive during the Quarter despite the temporary closure of Alumina refinery capacity in Shanxi Province after environmental audits by Chinese authorities.

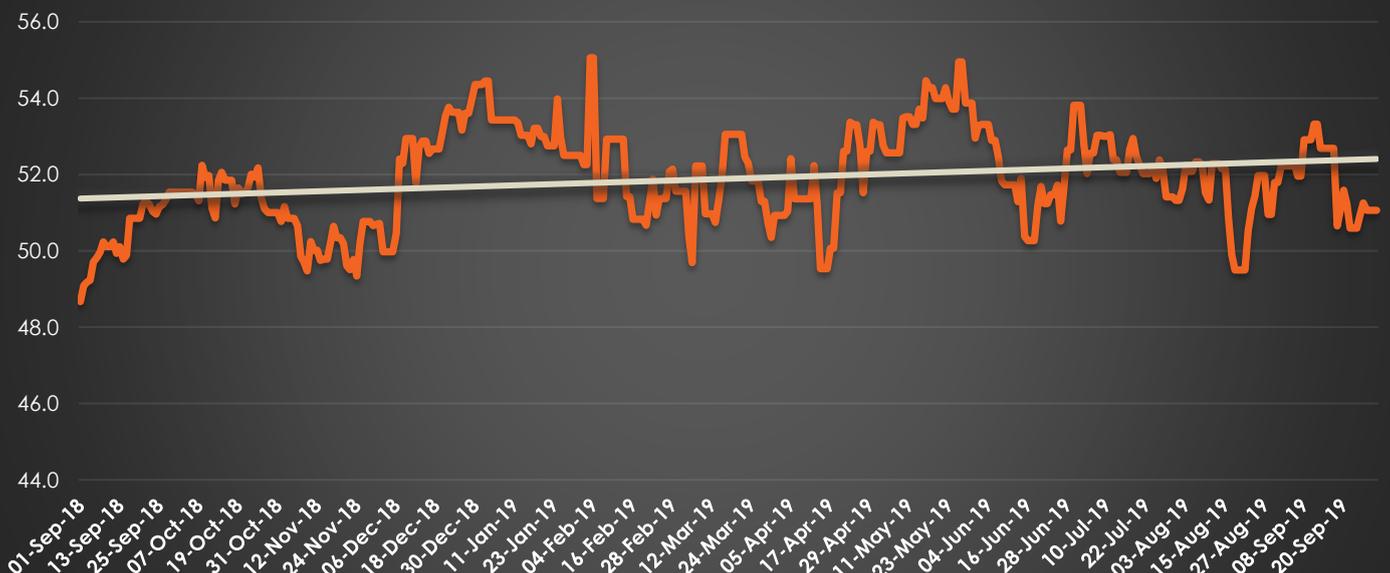
China's August bauxite imports were down 4.5% to 8.6M WMT (month-on-month) as output from Guinea fell, due to their wet season which disrupts loading operations, however the first eight months import total reached 71.3Mt which was up 30.8% (year on year) reflecting strong demand from refineries.

Inland refineries have continued to diversify their bauxite supply and buy product from imported sources. As a result, during August, total Chinese alumina production using domestic ore declined 9.1% month-on-month with its proportion falling below 50% for the first time (at the start of 2019 it was 61%).

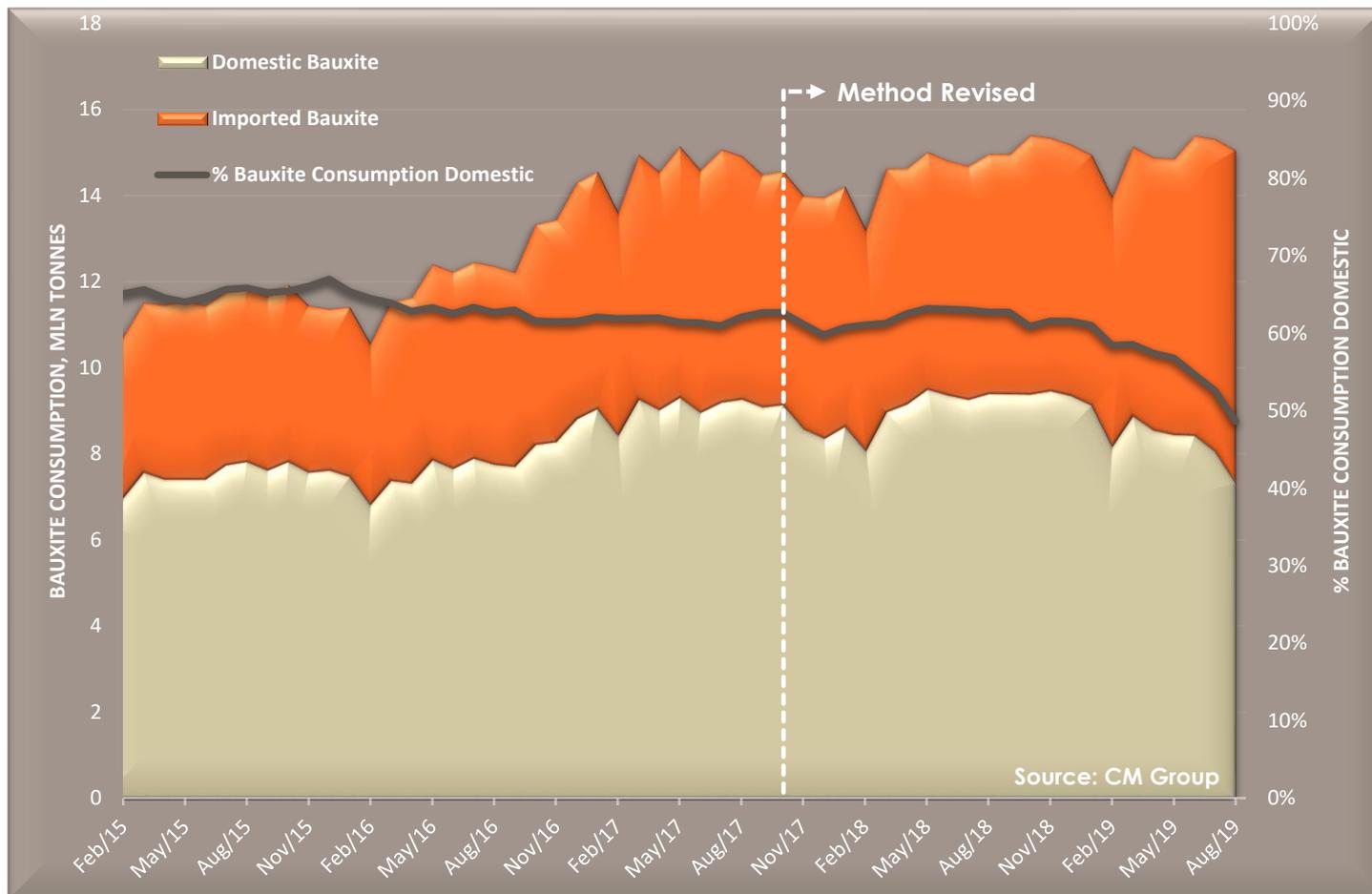
Imported bauxite prices CFR China, as measured by the CBIX bauxite index, remained near their recent year highs at US\$50.70/DMT (dry metric tonne). China's domestic bauxite prices in Henan and Shanxi remained relatively stable with price support being generated from an increasingly strict environment policy in the lead up to China's 70th anniversary celebrations, counterbalanced by increasing imports going to inland refineries.

CBIX Bauxite Index – Last 12 Months

Source: CM Group



Bauxite Price Outlook



Corporate

CASH POSITION

Metro's cash on hand and trade receivables increased during the Quarter and at 30 September 2019 was A\$43.5M compared to \$29.5M at the end of the June 2019 Quarter. In addition, Metro holds A\$7.1M of restricted cash, comprising financial assurance bonds and other security deposits.

DEBT FACILITIES

During the Quarter, Metro had two drawn project debt facilities, including accrued interest, totalling A\$37.9M (at A\$/US\$0.6749).

- The Sprott Private Resources Lending debt facility totalled US\$11.8M (A\$17.5M). The facility began amortising in July with US\$3.2M repaid over the Quarter. Repayments will continue at US\$1.07M per month until the final repayment date in August 2020.
- The A\$20.4M facility with Ingotatus AG Pty Ltd (a related party of Metro's substantial shareholder Balanced Property) was favourably adjusted on improved commercial terms and to better align with the Stage 2 expansion. The facility will now amortise in three equal repayments (due on 1st July 2021, 30th September 2021 and 1st January 2022) with the new repayment date on 1st January 2022. Metro has received a waiver of listing rule 10.1 from the ASX to the extent necessary for it to grant a second ranking security over its Bauxite Hills mine assets in favour of Ingotatus. The terms of the waiver were released to the market earlier today..

Corporate

HEDGING

At end of the Quarter Metro has in place forward sale A\$/US\$ contracts totalling US\$12.0M expiring during the December Quarter at an average exchange rate of 0.7096.

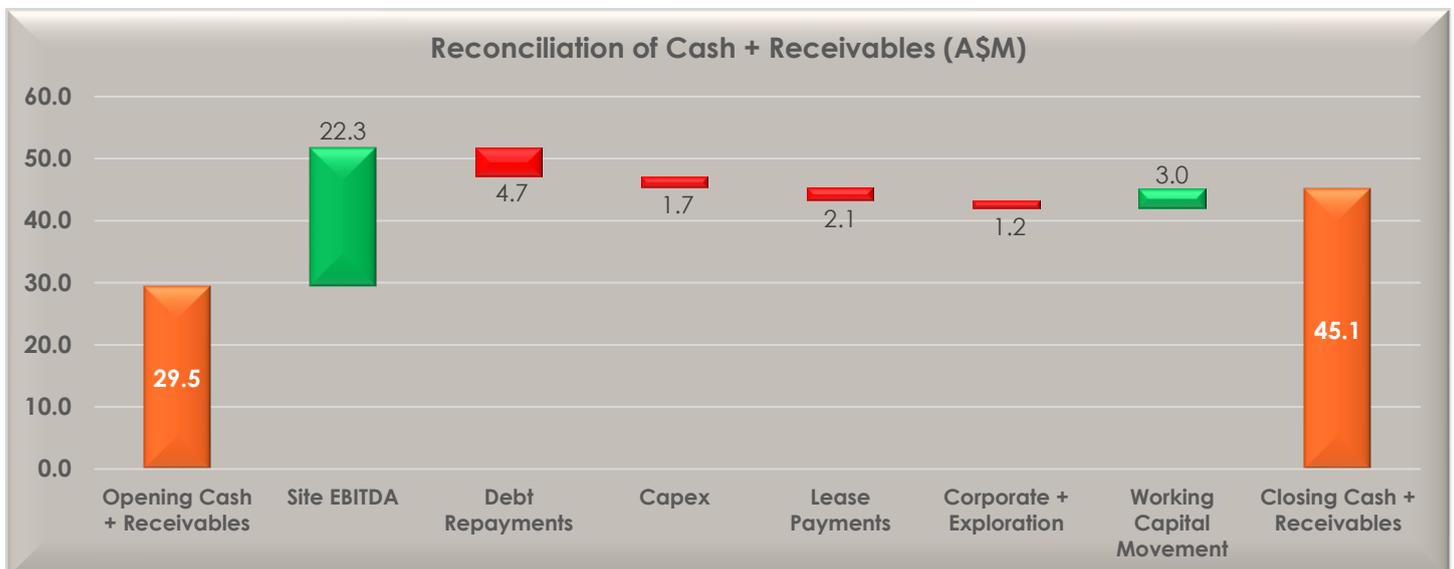
OTHER

Given Metro's current focus on bauxite, opportunities continue to be assessed to divest Metro's coal assets in a value accretive way.

Through Metro's business development initiatives, several opportunities in the bauxite industry are under review and assessment as part of the company's long-term strategic growth plans.

CASHFLOW

The reconciliation of cash and trade receivables movements during the Quarter is outlined below:



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