



Notice of Annual General Meeting and Explanatory Memorandum

Metro Mining Limited ACN 117 763 443

Date of Meeting: 22 November 2016
Time of Meeting: 11:00 am (Brisbane time)
Place of Meeting: BDO
Level 10,
12 Creek Street,
Brisbane QLD 4000

Notice of Annual General Meeting

Notice is hereby given that the Annual General Meeting of shareholders of **Metro Mining Limited ACN 117 763 443 (Metro Mining or Company)** will be held at the offices of BDO at Level 10, 12 Creek Street, Brisbane QLD 4000 on 22 November 2016, commencing at 11:00 am (Brisbane time).

Terms used in this Notice of Meeting are defined in Section 7 of the accompanying Explanatory Memorandum.

The Explanatory Statement and the Proxy Form accompanying this Notice of Meeting are incorporated in and comprise part of this Notice of Meeting.

Agenda

The agenda for the meeting is as follows:

1. Opening of meeting
2. Consideration and discussion of Audited Financial Statements for the year ended 30 June 2016.
3. Consideration of adoption of the Remuneration Report for the year ended 30 June 2016 (see **Resolution 1**) – *advisory resolution*.
4. Re-election of Mr Stephen Everett as a Director (see **Resolution 2**).
5. Re-election of Mr Dong Ping Wang as a Director (see **Resolution 3**).
6. Re-election of Mr Mark Sawyer as a Director (see **Resolution 4**).
7. Ratification of previous issues of Securities (see **Resolutions 5(a) and 5(b)**).
8. Approval for the Company to issue an additional 10% of the issued capital of the Company over a 12 month period pursuant to Listing Rule 7.1A (see **Resolution 6**) – *special resolution*.
9. Other business.
10. Close of meeting.

Notice of Annual General Meeting

Ordinary business

1. Financial Report

Consideration and discussion of the audited Annual Financial Statements for the Company (**Financial Statements**) for the financial year ended 30 June 2016, which are being circulated to Shareholders who have elected to receive a paper copy of the Company's reports in the attached Annual Report. Shareholders who have given the Company an election to receive an electronic copy of the Company's reports and Shareholders from whom the Company has not received an election as to how they wish to receive the Company's reports can directly access the Financial Statements on the Company's website at www.metromining.com.au and by selecting the link titled "Investor & Media Centre> Announcements > Annual/Quarterly and Financial Reports", which was released to the ASX on 31 August 2016.

2. Resolution 1: Remuneration Report

To consider and, if thought fit, pass the following advisory resolution:

"That the Remuneration Report for the year ended 30 June 2016 be adopted".

Terms used in this Notice of Meeting are defined in Section 7 of the accompanying Explanatory Memorandum.

The vote on this Resolution 1 is advisory only and does not bind the Directors of the Company.

Voting Restriction pursuant to Section 250R(4) of the Corporations Act

A vote on Resolution 1 must not be cast (in any capacity) by or on behalf of either of the following persons:

- (a) a member of the Key Management Personnel details of whose remuneration are included in the Remuneration Report;
- (b) a Closely Related Party of such a member.

However, the above persons may cast a vote on Resolution 1 if:

- (a) the person does so as a proxy; and
- (b) the vote is not cast on behalf of a member of the Key Management Personnel details of whose remuneration are included in the Remuneration Report or a Closely Related Party of such a member; and
- (c) either:
 - (1) the voter is appointed as a proxy by writing that specifies the way the proxy is to vote on the resolution; or
 - (2) the voter is the chair of the meeting and the appointment of the chair as proxy:
 - (A) does not specify the way the proxy is to vote on the resolution; and
 - (B) expressly authorises the chair to exercise the proxy even if the resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel for the Company or, if the Company is part of a consolidated entity, for the entity.

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Voting Intention of Chair

Shareholders should be aware that any undirected proxies given to the Chair will be cast by the Chair and counted in favour of the Resolutions the subject of this Meeting, including Resolution 1, subject to compliance with the Corporations Act.

3. Resolution 2: Re-election of Mr Stephen Everett as a Director

To consider and, if thought fit, pass the following resolution, as an Ordinary Resolution of the Company:

“That, in accordance with Listing Rule 14.4 and Article 38.1(c) of the Constitution, Mr Stephen Everett, having retired by rotation and being eligible offers himself for re-election, be appointed as a Director of the Company.”

4. Resolution 3: Re-election of Mr Dong Ping Wang as a Director

To consider and, if thought fit, pass the following resolution, as an Ordinary Resolution of the Company:

“That, in accordance with Listing Rule 14.4 and Article 38.1(c) of the Constitution, Mr Dong Ping Wang, having retired by rotation and being eligible offers himself for re-election, be appointed as a Director of the Company.”

5. Resolution 4: Re-election of Mr Mark Sawyer as a Director

To consider and, if thought fit, pass the following resolution, as an Ordinary Resolution of the Company:

“That Mr Mark Sawyer, who was appointed to the Board on 28 July 2016 and in accordance with article 36.2 of the Constitution, holds office as a casual appointee until the conclusion of the next annual general meeting, and being eligible offers himself for re-election, be re-appointed as a Director of the Company.”

6. Resolutions 5(a) and 5(b): Ratification of previous issue of Securities to Greenstone

To consider and, if thought fit, pass the following resolution, as an Ordinary Resolution of the Company:

(a) *“That in accordance with the provisions of Listing Rule 7.4, and for all other purposes, the Shareholders ratify the previous issue of 250,000 Shares in the Company to Greenstone Metro Holdings LP, an affiliated nominee of Greenstone Resources II LP (**Greenstone**) under the Company’s capacity to issue 15% of its capital pursuant to Listing Rule 7.1 on such terms as set out in the Explanatory Memorandum accompanying this Notice of Meeting.”*

(b) *“That in accordance with the provisions of Listing Rule 7.4, and for all other purposes, the Shareholders ratify the previous issue of 41,068,046 Shares in the Company to Greenstone under the Company’s capacity to issue 10% of its capital pursuant to Listing Rule 7.1A on such terms as set out in the Explanatory Memorandum accompanying this Notice of Meeting.”*

Voting Exclusion Statement

The Company will disregard any votes cast on Resolutions 5(a) and 5(b) by:

- (a) Greenstone; and
- (b) Any associate of Greenstone.

However, the Company need not disregard a vote if:

- (a) It is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- (b) It is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with the direction on the proxy form to vote as the proxy decides.

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Special Business

7. **Resolution 6: Approval for the Company to issue an additional 10% of the issued capital of the Company over a 12-month period pursuant to Listing Rule 7.1A**

To consider and, if thought fit, to pass the following resolution with or without amendment, as a Special Resolution:

*“That, pursuant to Listing Rule 7.1A the Shareholders approve the issue of securities of up to 10% of the issued capital of the Company calculated in accordance with the formula prescribed in Listing Rule 7.1A.2 on the terms and conditions in the Explanatory Memorandum (**10% Securities**).”*

Voting Exclusion Statement

The Company will disregard any votes cast on this Special Resolution by:

- (a) a person who may participate in the issue of the 10% Securities; and
- (b) a person who might obtain a benefit if this Special Resolution is passed, except a benefit solely in their capacity as a holder of Shares, if the resolution is passed and
- (c) an associate of those persons.

However, the Company need not disregard a vote if:

- (a) it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions in the proxy form; or
- (b) it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with the direction on the proxy form to vote as the proxy decides.

General business

To consider any other business as may be lawfully put forward in accordance with the Constitution.

By order of the board



Scott Waddell
Company Secretary

14 October 2016

Explanatory Memorandum

1. Introduction

The following information is provided to Shareholders of Metro Mining Limited ACN 117 763 443 (**Metro Mining or Company**) in connection with the business to be considered at the Annual General Meeting of Shareholders to be held at the offices at Level 10, 12 Creek Street, Brisbane QLD on 22 November 2016, commencing at 11:00 am (Brisbane time).

The Notice of Meeting, which is also enclosed, sets out details of proposals concerning the Resolutions to be put to Shareholders.

The Directors recommend shareholders read the accompanying Notice of Meeting and this Explanatory Memorandum in full before making any decision in relation to the resolutions.

Terms used in this Explanatory Memorandum are defined in Section 7.

2. Resolution 1: Adoption of Remuneration Report

The Board has submitted its Remuneration Report to Shareholders for consideration and adoption by way of a non-binding Advisory Resolution.

The Remuneration Report is set out in the Directors' Report section of the Annual Financial Report.

The Report, amongst other things:

- explains the Board's policy for determining the nature and amount of remuneration of Key Management Personnel of the consolidated entity;
- explains the relationship between the Board's remuneration policy and the Company's performance;
- sets out remuneration details for each Key Management Personnel of the consolidated entity including details of performance related remuneration and options granted as part of remuneration; and
- details and explains any performance conditions applicable to the remuneration of Key Management Personnel of the Company.

A reasonable opportunity will be provided for discussion of the Remuneration Report at the meeting.

The Board unanimously recommends that Shareholders vote in favour of adopting the Remuneration Report. A vote on this Resolution 1 is advisory only and does not bind the Directors of the Company.

There are restrictions on members of the Key Management Personnel and their Closely Related Parties and their proxies voting on Resolution 1, details of which are set out in the Voting Restriction Statement included in Resolution 1 of the Notice of Meeting.

Shareholders should be aware that any undirected proxies given to the Chair will be cast by the Chair and counted in favour of the Resolutions the subject of this Meeting, including Resolution 1 subject to compliance with the Corporations Act. In exceptional circumstances, the Chair may change his/her voting intention on any resolution, in which case an ASX announcement will be made.

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ORDINARY BUSINESS

3. Resolutions 2 and 3: Re-election of Directors

Article 38.1(c) of the Company's Constitution and Listing Rule 14.4 require that at each AGM, one-third of the Directors in office (excluding directors appointed to fill casual vacancies or a Managing Director) must stand for re-election, with Directors required to retire being those longest in office since their election or last re-election.

3.1 Resolution 2: Re-election of Mr Stephen Everett as a Director

Mr Everett retires in accordance with the Company's Constitution and Listing Rule 14.4 and, being eligible, offers himself for re-election as a Director.

Mr Everett was initially appointed as a director of the Company on 12 July 2012.

Mr Everett has forty years' management and board experience in the resources and construction industries and has held Chairman and non-executive director positions in Government Development Boards, Private, ASX listed and TSX listed companies. Mr Everett has also held senior executive positions included Managing Director and Chief Executive Officer of private and publicly listed companies.

In the last three years, Mr Everett has also held the following Board positions:

- Non-Executive Chairman of Cape Alumina Limited (from May 2014 to Feb 2015).
- Non-Executive Chairman of Global Resources Corporation Limited (from April 2009 to April 2016).
- Non-Executive Chairman of IronRidge Resources Limited (from May 2011 to October 2012).

The Directors (with Mr Everett abstaining) recommend that you vote in favour of this Ordinary Resolution.

3.2 Resolution 3: Re-election of Mr Dong Ping Wang as a Director

Mr Wang retires in accordance with the Company's Constitution and Listing Rule 14.4 and, being eligible, offers himself for re-election as a Director.

Mr Wang was initially appointed as a director of the Company on 8 December 2011.

Mr Dongping Wang graduated from the China Mining University in 1981, with a Major in Coal Processing Technology. Mr Dongping Wang was Process Plant Manager, and later Director of Operations at PingshuoAntaibao coal mine for many years; a World Bank funder USA – China joint venture project. Mr Dongping Wang then worked for a time in the China Coal Ministry. He later became General Manager of Long-Airdox (Tianjin), where from 1997 he was instrumental in introducing modern coal process technology from Australia to China. Mr Dongping Wang became General Manager of Schenck (Tianjin) and worked there until 2007.

He then helped establish the Dadi Engineering Group, now China's largest coal industry engineering group. Mr Dongping Wang is now Chairman of Dadi Engineering Development Group. He has worked at the highest level within the Chinese coal industry for 30 years and is a highly renowned coal processing expert, and a prominent figure in the Chinese coal industry. Mr Dongping Wang brings extensive Management experience and an intimate knowledge of modern process technology to Metro Mining.

The Directors (with Mr Wang abstaining) recommend that you vote in favour of this Ordinary Resolution.

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3.3 Resolution 4: Re-election of Mr Mark Sawyer as a Director

Mr Sawyer was appointed as a director of the Company on 28 July 2016 as an additional Director.

Under Article 36.2 of the Constitution and Listing Rule 14.4, any Director who is appointed by the other Directors as an additional Director shall hold office only until the next following AGM of the Company and will then be eligible for re-election.

Mr Sawyer co-founded Greenstone in 2013 after a 16 year career in the mining sector. Prior to establishing Greenstone, Mr Sawyer was general manager and co-head Group Business Development at Xstrata plc where he was responsible for originating, evaluating and negotiating new business development opportunities. Prior to Xstrata plc, Mr Sawyer held senior roles at Cutfield Freeman & Co, a boutique corporate advisory firm in the mining industry, and at Rio Tinto plc. Mr Sawyer holds a law degree and is also a graduate of the College of Law program (First Class Honours).

Mr Sawyer is a director and a joint 50% owner of Greenstone Management Limited (GML). GML is the indirect owner of 100% of Greenstone Management (Delaware) II LLC which holds 94,800,000 ordinary shares in the Company as at the date of this report.

The Directors (with Mr Sawyer abstaining) recommend that you vote in favour of this Ordinary Resolution.

4. Resolutions 5(a) and 5(b) – Ratification of previous issues of Securities

4.1 Securities issued by the Company in the previous 12 months

In the previous 12 months the Company has issued securities without Shareholder approval as set out below. These securities were issued within the capacity of the Company to issue not more than 15% of its capital in any 12 months period without Shareholder approval under Listing Rule 7.1 and under the Company's capacity to issue a further 10% of its capital in any 12 months period under Listing Rule 7.1A.

Pursuant to Resolutions 5(a) and 5(b), the Company is seeking the ratification by the Shareholders of the issue of the securities noted below.

4.2 Listing Rule 7.4 – Ratification of issue of Securities

Listing Rule 7.1 prohibits a company, except in certain cases, from issuing new shares equivalent in number to more than 15% of its capital in any 12 month period without the prior approval of its shareholders. Securities issued with shareholder approval under ASX Listing Rule 7.1 do not count towards the 15% limit.

At the Company's 2015 Annual General Meeting, Shareholder approval was given for the Company to be able to issue the Additional 10% Issue (see Section 5.1) under Listing Rule 7.1A. This extra capacity is in addition to the ability of the Company to issue 15% of its issued capital without Shareholder approval over a 12 month period pursuant to Listing Rule 7.1.

ASX Listing Rule 7.4 provides that an issue of securities made without prior approval under ASX Listing Rule 7.1 can be treated as having been made with that approval if shareholders subsequently approve it. The notes to Listing Rule 7.1A.2 provides that any securities issued under Listing Rule 7.1A will be counted when working out the Company's remaining capacity under Listing Rule 7.1A until their issue has been ratified under Listing Rule 7.4 or 12 months have passed since their issue.

In accordance with Listing Rule 7.4, Shareholder approval is sought under Resolutions 5(a) and 5(b) to ratify the issue of the securities set out below.

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If Resolution 5(a) is approved it will have the effect of refreshing the Company's ability to issue up to a further 15% of its capital under Listing Rule 7.1 and a further 10% of its during the next 12 months without the need to obtain further Shareholder approval. If Resolution 5(b) is approved it will have the effect of refreshing the Company's ability to issue up to a further 10% (in addition to its 15% capacity under Listing Rule 7.1) during the next 12 months under Listing Rule 7.1A.

4.3 Listing Rule Information

For the purposes of Listing Rule 7.5:

(a) Number of Securities issued

Under the Company's 15% capacity pursuant to Listing Rule 7.1, 250,000 fully paid ordinary Shares were issued on 19 September 2016.

Under the Company's 10% capacity pursuant to Listing Rule 7.1A, 41,068,046 fully paid ordinary Shares were issued on 28 July 2016.

(b) Price at which Securities issued

2500,000 Shares and 41,068,046 Shares were issued at 8.5 cents per Share.

(c) Terms of the Securities

The Shares issued rank parri passu with all other fully paid ordinary shares on issue in the Company.

(d) Names of the persons to whom the Securities were issued or the basis upon which those persons were determined

The 250,000 Shares were issued to Greenstone under Greenstone's previously disclosed anti-dilution right. The 41,068,046 Shares were Tranche 1 shares issued to Greenstone under the investment announced by the Company to the ASX on 11 July 2016.

(e) Use or intended use of the funds raised

Funds raised from the issue of the Shares to Greenstone will be used for:

- (1) the development of the Bauxite Hills Project; and
- (2) working capital and general corporate purposes of the Company.

(f) Voting Exclusion Statement

A voting exclusion statement is included in the Notice of Meeting for Resolutions 5(a) and 5(b).

By approving Resolutions 5(a) and 5(b) and ratifying of the previous issue of Shares to Greenstone will permit the Company to rely on Listing Rule 7.1 and Listing Rule 7.1A to raise further capital if required.

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SPECIAL BUSINESS

5. Resolution 6: Approval for the Company to issue an additional 10% of the issued capital of the Company over a 12 month period

5.1 Introduction

Pursuant to this Resolution, the Company is seeking shareholder approval to issue an additional 10% of issued capital over a 12 month period in accordance with Listing Rule 7.1A. If passed, this resolution will allow the Company to issue and allot, based on the issued capital of the Company as at 5 October 2016, up to 6,646,452 Shares (**10% Securities**) each at an issue price of at least 75% of the volume weighted average price (**VWAP**) for the Company's quoted class of Securities (calculated over the last 15 days on which trades in the quoted Securities are recorded, and immediately before the date on which the price at which the Shares are to be issued is agreed, or if not within 5 trading days of that date, the date on which the Shares are issued) (**Issue Price**).

This approval is sought pursuant to Listing Rule 7.1A which enable small and mid-cap listed entities that meet the eligibility threshold and who have obtained the approval of their ordinary Shareholders by special resolution at the annual general meeting (**AGM**) to issue an additional 10% of issued capital over a 12 month period from the date of the AGM (**Additional 10% Issue**). The Additional 10% Issue under Listing Rule 7.1A is in addition to the ability of the Company to issue 15% of its issued capital without Shareholder approval over a 12 month period pursuant to Listing Rule 7.1. The Company may issue the 10% Securities to raise funds for the Company and for non-cash consideration (further details of which are set out below).

If funds are raised from the issue of 10% Securities, those funds are intended to be used as follows:

- Development of the Bauxite Hills Project;
- Working capital; and
- Additional exploration and / or development activities at the Company's projects.

5.2 Listing Rule 7.1A – Further Information

(a) General

(1) Eligibility

An entity is eligible to undertake an Additional 10% Issue if at the time of its AGM it has a market capitalisation of \$300 million or less and it is not included in the S&P/ASX300 Index (**Eligibility Criteria**).

As required by the Listing Rules, the Company's market capitalisation will be based on the closing price on the Trading Day before the AGM, and will be released by the Company to the ASX at that time. The calculation of market capitalisation will be based on the Closing Price of the Shares in the main class of Shares of the Company, on the last Trading Day on which trades in the Shares were recorded before the date of the AGM, multiplied by the number of Shares on issue (in that main class, but excluding restricted securities and securities quoted on a deferred settlement basis).

The Company is an eligible entity and, subject to Shareholder approval, able to undertake an Additional 10% Issue under Listing Rule 7.1A.

(2) Shareholder approval

The ability to issue the 10% Securities under the Additional 10% Issue is conditional upon and subject to the Company obtaining Shareholder approval by way of a Special Resolution at the AGM. Pursuant to Listing Rule 7.1A, no Shares will be issued in

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reliance on Listing Rule 7.1A until and unless this Special Resolution is passed at Annual General Meeting.

(b) **Calculation for Additional 10% Issue – Listing Rule 7.1A.2**

Listing Rule 7.1A.2 provides that eligible entities which have obtained Shareholder approval at AGM may issue or agree to issue, during the 12 month period after the date of the AGM, a number of Equity Securities calculated in accordance with the following formula:

$$(A \times D) - E$$

A is the number of Shares on issue 12 months before the date of issue or agreement:

- (1) plus the number of fully paid ordinary shares in the Company issued in the 12 months under an exception in Listing Rule 7.2;
- (2) plus the number of partly paid ordinary shares in the Company that became fully paid in the 12 months;
- (3) plus the number of fully paid ordinary shares in the Company issued in the 12 months with approval of holders of Shares under Listing Rule 7.1 or rule 7.4. This does not include an issue of fully paid ordinary shares in the Company under the entity's 15% placement capacity without Shareholder approval;
- (4) less the number of fully paid ordinary shares in the Company cancelled in the 12 months.

D is 10 percent.

E is the number of Equity Securities issued or agreed to be issued under Listing Rule 7.1A.2 in the 12 months before the date of the issue or agreement to issue that are not issued with the approval of Shareholders under Listing Rule 7.1 or 7.4

(c) **Listing Rule 7.1A.3**

(1) **Shares**

Equity Securities issued under the Additional 10% Issue must be in the same class as an existing quoted class of Equity Securities of the Company.

(2) **Minimum Issue Price**

The issue price for the 10% Securities issued under Listing Rule 7.1A must be not less than 75% of the VWAP of Shares in the same class calculated over the 15 Trading Days immediately before:

- (A) the date on which the price at which the 10% Securities are to be issued is agreed; or
- (B) if the 10% Securities are not issued within 5 Trading Days of the date in paragraph (A) above, the date on which the 10% Securities are issued.

(d) **Listing Rule 7.1 and 7.1A**

The ability of an entity to issue Equity Securities under Listing Rule 7.1A is in addition to the entity's 15% placement capacity under Listing Rule 7.1.

As at 5 October 2016, the Company had on issue 358,535,856 Shares and, on this basis, would have the capacity to issue:

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- (1) 71,321,747 Equity Securities under Listing Rule 7.1 (or 71,571,747 Equity Securities if Resolution 5 is approved by Shareholders); and
- (2) 6,646,452 Shares under Listing Rule 7.1A.

The actual number of Shares that the Company will have the capacity to issue under Listing Rule 7.1A will be calculated at the date of issue of the Shares in accordance with the formula prescribed in Listing Rule 7.1A.2 (as above).

5.3 Specific Information required by Listing Rule 7.3A

(a) Minimum Price of securities issued under Listing Rule 7.1A – Listing Rule 7.3A.1

Pursuant to and in accordance with Listing Rule 7.3A.1, the 10% Securities issued pursuant to approval under Listing Rule 7.1A must be not less than 75% of the VWAP for the Company's Shares over the 15 Trading Days immediately before:

- (1) the date on which the price at which the 10% Securities are to be issued is agreed; or
- (2) if the 10% Securities are not issued within 5 Trading Days of the date in paragraph (1) above, the date on which the 10% Securities are issued.

The Company will disclose to the ASX the issue price on the date of issue of any 10% Securities.

(b) Risk of economic and voting dilution – Listing Rule 7.3A.2

As provided by Listing Rule 7.3A.2, if Resolution 13 is passed by Shareholders and the Company issues any 10% Securities, there is a risk of economic and voting dilution to the existing ordinary Shareholders of the Company. The Company currently has on issue 526,713,028 Shares. On this basis, upon the Additional 10% Issue, the Company will have approval to issue an additional 52,671,303 Shares.

The exact number of additional Shares to be issued under the Additional 10% Issue will be calculated in accordance with the formula contained in Listing Rule 7.1A.2 and set out above.

Any issue of 10% Securities will have a dilutive effect on existing Shareholders. There is a specific risk that:

- (1) the market price for the Company's Shares may be significantly lower on the date of the Issue than it is on the date of the AGM; and
- (2) the 10% Securities may be issued at a price that is at a discount to the market price for the Company's Shares on the issue date,

which may have an effect on the amount of funds raised by the issue of any 10% Securities.

As required by Listing Rule 7.3A.2, Table 2 below shows the potential economic and voting dilution effect, in circumstances where Variable A (on the basis that it is the current issued capital) has doubled and the Market Price of the Shares has halved. Table 2 also shows additional scenarios in which the number of issued Shares have increased and the Market Price of the Shares has decreased.

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Table 2

Issued Capital (Variable A)	50% decrease in Market Price		Current Market Price		100% increase in Market Price	
	\$0.06		\$0.12		\$0.24	
	10 % Voting Dilution (Shares)	Capital Raised	10 % Voting Dilution (Shares)	Capital Raised	10 % Voting Dilution (Shares)	Capital Raised
Present Issued Capital = 526,713,028 Shares	52,671,303	\$3,160,278	52,671,303	\$6,320,556	52,671,303	\$12,641,113
50% Increase in Capital = 790,069,542 Shares	79,006,954	\$4,740,417	79,006,954	\$9,480,835	79,006,954	\$18,961,669
100% Increase in Capital = 1,053,426,056 shares	105,342,606	\$6,320,556	105,342,606	\$12,641,113	105,342,606	\$25,282,225

Assumptions and explanations

- The Market Price is \$0.12 based on the closing price of the Shares on ASX on 5 October 2016.
- The above table only shows the dilutionary effect based on the Additional 10% Issue and not the 15% under Listing Rule 7.1
- The 10% voting dilution reflects the aggregate percentage dilution against the issued share capital at the time of issue.
- The Company issues the maximum number of 10% Securities available to it under the Additional 10% Issue.
- The Issued Capital has been calculated in accordance with the formula in Listing Rule 7.1A(2) as at 19 September 2016.
- The issue price of the 10% Securities used in the table does not take into account the discount to the Market Price (if any).

(c) Final date for issue – Listing Rule 7.3A.3

As required by Listing Rule 7.3A.3, the Company will only issue and allot the 10% Securities during the 12 months after the date of this AGM. The approval under Resolution 5 for the issue of the 10% Securities will cease to be valid in the event that Shareholders approve a transaction under Listing Rule 11.1.2 (a significant change to the nature or scale of activities of the Company) or Listing Rule 11.2 (the disposal of the main undertaking of the Company) before the anniversary of the AGM.

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(d) **Purpose – Listing Rule 7.3A.4**

As noted above, the purpose for which the 10% Securities may be issued include to raise funds for the Company and for non-cash consideration (further details of which are set out below). It is intended that any funds raised from the issue of 10% Securities are to be used as follows:

- Development of the Bauxite Hills Project;
- Working capital; and
- Additional exploration and / or development activities at the Company's projects.

(e) **Shares Issued for Non-cash consideration – Listing Rule 7.3A.4**

The Listing Rules permit the Company to issue 10% Securities for non-cash consideration, such as the acquisition of new assets or investments. If the Company issues Shares for non-cash consideration, the Company will release to the market a valuation of the non-cash consideration that demonstrates that the issue price of the Shares complies with Listing Rule 7.1A.3.

(f) **Company's Allocation Policy – Listing Rule 7.3A.5**

The Company's allocation policy is dependent on the prevailing market conditions at the time of any proposed issue of 10% Securities pursuant to the Additional 10% Issue. The identity of the allottees of Shares will be determined on a case-by-case basis having regard to the factor including but not limited to the following:

- (1) the methods of raising funds that are available to the Company, including but not limited to, rights issue or other issue in which existing Shareholders can participate;
- (2) the effect of the issue of the 10% Securities on the control of the Company;
- (3) the financial situation and solvency of the Company; and
- (4) advice from corporate, financial and broking advisers (if applicable).

The allottees of the 10% Securities under the Additional 10% Issue have not been determined as at the date of this Notice but may include existing substantial shareholders and/or new Shareholder who are not Related Parties or associates of a Related Party of the Company.

Further, if the Company is successful in acquiring new assets or investments, it is likely that the allottees under the Additional 10% Issue will be the vendors of the new assets or investments.

(g) **Company has previously obtained shareholder approval under listing rule 7.1A – Listing Rule 7.3A.6**

The Company previously obtained Shareholder approval under Listing Rule 7.1A at the previous annual general meeting held on 24 November 2015 and has issued shares under this authority.

As the Company has previously obtained Shareholder approval under Listing Rule 7.1A, the following information is provided to Shareholders, in accordance with Listing Rule 7.3A.6, regarding the equity securities issued in the previous 12 months preceding the date of the AGM:

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Listing Rule 7.3A.6(a): Total equity securities issued in previous 12 months

Number of equity securities on issue at commencement of 12 month period	358,535,856
Equity securities issued in prior 12 month period	174,724,665
Percentage previous issues represent of total number of equity securities on issue at commencement of 12 month period	48.73%

Listing Rule 7.3A.6(b): Details of equity securities issued in previous 12 months

The details of equity securities issued during the previous 12 months preceding the date of the AGM, are set out in the Schedule to this Notice of Meeting.

(h) Voting Exclusion Statement

A voting exclusion statement is included in this Notice. At the date of the Notice, the proposed allottees of any 10% Securities are not as yet known or identified. In these circumstances (and in accordance with the note set out in Listing Rule 14.11.1 relating to Listing Rules 7.1 and 7.1A), for a person's vote to be excluded, it must be known that that person will participate in the proposed issue.

Where it is not known who will participate in the proposed issue (as is the case in respect of the 10% Securities), Shareholders must consider the proposal on the basis that they may or may not get a benefit and that it is possible that their holding will be diluted and there is no reason to exclude their votes.

5.4 Director Recommendation

The Board recommends that Shareholders vote in favour of this Special Resolution.

6. Voting entitlement

For the purposes of determining voting entitlements at the Meeting, shares will be taken to be held by the persons who are registered as holding the shares at 11am (Brisbane Time) on Sunday 20 November 2016. Accordingly, transactions registered after that time will be disregarded in determining entitlements to attend and vote at the Meeting.

7. Interpretation

The following terms used in the Notice of Meeting and the Explanatory Memorandum are defined as follows:

AGM means annual general meeting;

ASIC means the Australian Securities & Investments Commission;

Associated Entity has the meaning given to that term in the Corporations Act;

ASX means the ASX Limited;

Business Day means a day on which all banks are open for business generally in Brisbane;

Chair means the person chairing the Meeting.

Explanatory Memorandum

Closely Related Party (as defined in the Corporations Act) of a member of the Key Management Personnel for an entity means:

- (a) a spouse or child of the member; or
- (b) a child of the member's spouse; or
- (c) a dependant of the member or the member's spouse; or
- (d) anyone else who is one of the member's family and may be expected to influence the member, or be influenced by the member, in the member's dealings with the entity; or
- (e) a company the member controls; or
- (f) a person prescribed by the regulations for the purposes of the definition of closely related party;

Company means Metro Mining Limited ACN 117 763 443 (ASX: MMI);

Constitution means the constitution of the Company from time to time;

Corporations Act means the *Corporations Act 2001* (Cth);

Directors means the board of directors of the Company as at the date of the Notice of Meeting;

Eligible Entity has the meaning given to that term in the Listing Rules;

Equity Securities has the meaning given to that term in the Listing Rules;

Explanatory Memorandum means the explanatory statement accompanying this Notice;

Greenstone means Greenstone Metro Holdings LP, an affiliated nominee of Greenstone Resources II LP;

Key Management Personnel has the definition given in the Accounting Standard AASB 124 *Related Party Disclosure* as 'those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly and indirectly, including any director (whether executive or otherwise) of that entity';

Listing Rules means the official listing rules of the ASX as amended from time to time;

Market Price has the meaning given to that term in the Listing Rules;

Meeting means the Annual General Meeting to be held on 22 November 2016 as convened by the accompanying Notice of Meeting;

Notice of Meeting or **Notice** means the notice of meeting giving notice to shareholders of the Meeting, accompanying this Explanatory Memorandum;

Options means options to acquire Shares;

Ordinary Resolution means a resolution passed by more than 50% of the votes at a general meeting of shareholders;

Related Party has the meaning in section 228 of the Corporations Act.

Resolutions means the resolutions set out in the Notice of Meeting;

Shares means fully paid ordinary shares in the Company from time to time;

Explanatory Memorandum

Shareholder means a shareholder of the Company;

Special Resolution means a resolution:

- (a) of which notice has been given as set out in paragraph 249L(1)(c) of the Corporations Act; and
- (b) that has been passed by at least 75% of the votes cast by members entitled to vote on the resolution.

Subsidiaries has the meaning given to that term in the Corporations Act;

Trading Day has the meaning given to that term in the Listing Rules.

Any inquiries in relation to the Resolutions or the Explanatory Memorandum should be directed to:

Scott Waddell (Company Secretary):

Post: Attn: Scott Waddell
PO Box 10955
Brisbane Adelaide Street QLD 4000

Tel: +617 3009 8000
Fax +617 3221 4811

Explanatory Memorandum

Schedule – DETAILS OF EQUITY SECURITIES ISSUED FOR THE PURPOSES OF LISTING RULE 7.3A.6

Date of issue:	Number issued:	Class/Type of equity security and summary of terms:	Names of persons who received securities or basis on which those persons was determined:	Issue Price and discount to market price (if any):	Issue for cash consideration, cash spent, intended use for remaining cash	Issue for non-cash consideration and current value of non-cash consideration
26/11/2015	3,000,000	Unlisted options exercisable at 15 cents and expiring approximately 15/12/2017	Issued to directors following shareholder approval at AGM	N/A	N/A	N/A
4/12/2015	8,250,000	Ordinary shares rank pari passu with all existing Shares of the Company from the date of issue.	Issued to sophisticated or otherwise exempt investors under section 708 of the Corporations Act	N/A	N/A	Issued as consideration for the acquisition of 2,500,000 shares in Gulf Alumina Ltd. Current value based on market price of 12 cents is \$990,000
15/12/2015	2,500,000	Unlisted options exercisable at 15 cents and expiring on 14/12/2017	Issued to employees under Employee Options Scheme	N/A	N/A	N/A
6/5/2016	1,047,493	Unlisted options exercisable at 4.3 cents and expiring on 5/5/2018	Issued to employees under Employee Options Scheme	N/A	N/A	N/A
14/4/2016	53,786,040	Ordinary shares rank pari passu with all existing Shares of the Company from the date of issue.	Issued to shareholders of Gulf Alumina Ltd as consideration under the off-market takeover bid for all of the shares in Gulf	N/A	N/A	Issued as consideration for the acquisition of shares in Gulf. Current value based on market price of 12 cents is \$6,454,325
25/7/2016	891,132	Ordinary shares rank pari passu with all existing Shares of the Company from the date of issue.	Issued to shareholders of Gulf Alumina Ltd as consideration under the off-market takeover bid for all of the shares in Gulf	N/A	N/A	Issued as consideration for the acquisition of shares in Gulf. Current value based on market price of 12 cents is \$106,936
28/7/2016	94,800,000	Ordinary shares rank pari passu with all existing Shares of the Company from the date of issue.	Issue of Tranche 1 shares to Greenstone	8.5 cents	Use of funds is to continue to develop Bauxite Hills Project	N/A
19/09/2016	10,450,000	Ordinary shares rank pari passu with all existing Shares of the Company from the date of issue.	Issue to Greenstone of Tranche 2 shares and additional shares under Greenstone's anti-dilution right	8.5 cents, when price was agreed the issue price was at a premium to the market price. On the date of issue, the issue price was a discount of 29.17%	Use of funds is to continue to develop Bauxite Hills Project	N/A



ABN 45 117 763 443

LODGE YOUR VOTE

 **ONLINE**
www.linkmarketservices.com.au

 **BY MAIL**
Metro Mining Limited
C/- Link Market Services Limited
Locked Bag A14
Sydney South NSW 1235 Australia

 **BY FAX**
02 9287 0309

 **BY HAND**
Link Market Services Limited
1A Homebush Bay Drive, Rhodes NSW 2138; or
Level 12, 680 George Street, Sydney NSW 2000

 **ALL ENQUIRIES TO**
Telephone: 1300 554 474



X99999999999

PROXY FORM

I/We being a member(s) of Metro Mining Limited and entitled to attend and vote hereby appoint:

APPOINT A PROXY

☐ **the Chairman of the Meeting (mark box)**

OR if you are **NOT** appointing the Chairman of the Meeting as your proxy, please write the name of the person or body corporate you are appointing as your proxy

or failing the person or body corporate named, or if no person or body corporate is named, the Chairman of the Meeting, as my/our proxy to act on my/our behalf (including to vote in accordance with the following directions or, if no directions have been given and to the extent permitted by the law, as the proxy sees fit) at the Annual General Meeting of the Company to be held at **11:00am on Tuesday, 22 November 2016 at BDO Level 10, 12 Creek Street, Brisbane QLD 4000 (the Meeting)** and at any postponement or adjournment of the Meeting.

Important for Resolution 1: If the Chairman of the Meeting is your proxy, either by appointment or by default, and you have not indicated your voting intention below, you expressly authorise the Chairman of the Meeting to exercise the proxy in respect of Resolution 1, even though the Resolution is connected directly or indirectly with the remuneration of a member of the Company's Key Management Personnel (**KMP**).

The Chairman of the Meeting intends to vote undirected proxies in favour of each item of business.

VOTING DIRECTIONS

Proxies will only be valid and accepted by the Company if they are signed and received no later than 48 hours before the Meeting. Please read the voting instructions overleaf before marking any boxes with an ☒.

Resolutions

1 Remuneration Report

For Against Abstain*

☐	☐	☐
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2 Re-election of Mr Stephen Everett as a Director

☐	☐	☐
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3 Re-election of Mr Dong Ping Wang as a Director

☐	☐	☐
--------------------------	--------------------------	--------------------------

4 Re-election of Mr Mark Sawyer as a Director

☐	☐	☐
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5a Ratification of previous issue of Securities

For Against Abstain*

☐	☐	☐
--------------------------	--------------------------	--------------------------

5b Ratification of previous issue of Securities

☐	☐	☐
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6 Approval for the Company to issue an additional 10% of the issued capital of the Company over a 12 month period pursuant of Listing Rule 7.1A

☐	☐	☐
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* If you mark the Abstain box for a particular Item, you are directing your proxy not to vote on your behalf on a show of hands or on a poll and your votes will not be counted in computing the required majority on a poll.

SIGNATURE OF SHAREHOLDERS – THIS MUST BE COMPLETED

Shareholder 1 (Individual)

Joint Shareholder 2 (Individual)

Joint Shareholder 3 (Individual)

Sole Director and Sole Company Secretary

Director/Company Secretary (Delete one)

Director

This form should be signed by the shareholder. If a joint holding, either shareholder may sign. If signed by the shareholder's attorney, the power of attorney must have been previously noted by the registry or a certified copy attached to this form. If executed by a company, the form must be executed in accordance with the company's constitution and the *Corporations Act 2001* (Cth).

MMI PRX1601C

HOW TO COMPLETE THIS SHAREHOLDER PROXY FORM

YOUR NAME AND ADDRESS

This is your name and address as it appears on the Company's share register. If this information is incorrect, please make the correction on the form. Shareholders sponsored by a broker should advise their broker of any changes. **Please note: you cannot change ownership of your shares using this form.**

APPOINTMENT OF PROXY

If you wish to appoint the Chairman of the Meeting as your proxy, mark the box in Step 1. If you wish to appoint someone other than the Chairman of the Meeting as your proxy, please write the name of that individual or body corporate in Step 1. A proxy need not be a shareholder of the Company.

DEFAULT TO CHAIRMAN OF THE MEETING

Any directed proxies that are not voted on a poll at the Meeting will default to the Chairman of the Meeting, who is required to vote those proxies as directed. Any undirected proxies that default to the Chairman of the Meeting will be voted according to the instructions set out in this Proxy Form, including where the Resolution is connected directly or indirectly with the remuneration of KMP.

VOTES ON ITEMS OF BUSINESS – PROXY APPOINTMENT

You may direct your proxy how to vote by placing a mark in one of the boxes opposite each item of business. All your shares will be voted in accordance with such a direction unless you indicate only a portion of voting rights are to be voted on any item by inserting the percentage or number of shares you wish to vote in the appropriate box or boxes. If you do not mark any of the boxes on the items of business, your proxy may vote as he or she chooses. If you mark more than one box on an item your vote on that item will be invalid.

APPOINTMENT OF A SECOND PROXY

You are entitled to appoint up to two persons as proxies to attend the Meeting and vote on a poll. If you wish to appoint a second proxy, an additional Proxy Form may be obtained by telephoning the Company's share registry or you may copy this form and return them both together.

To appoint a second proxy you must:

- (a) on each of the first Proxy Form and the second Proxy Form state the percentage of your voting rights or number of shares applicable to that form. If the appointments do not specify the percentage or number of votes that each proxy may exercise, each proxy may exercise half your votes. Fractions of votes will be disregarded; and
- (b) return both forms together.

SIGNING INSTRUCTIONS

You must sign this form as follows in the spaces provided:

Individual: where the holding is in one name, the holder must sign.

Joint Holding: where the holding is in more than one name, either shareholder may sign.

Power of Attorney: to sign under Power of Attorney, you must lodge the Power of Attorney with the registry. If you have not previously lodged this document for notation, please attach a certified photocopy of the Power of Attorney to this form when you return it.

Companies: where the company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the company (pursuant to section 204A of the *Corporations Act 2001*) does not have a Company Secretary, a Sole Director can also sign alone. Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary. Please indicate the office held by signing in the appropriate place.

CORPORATE REPRESENTATIVES

If a representative of the corporation is to attend the Meeting the appropriate "Certificate of Appointment of Corporate Representative" should be produced prior to admission in accordance with the Notice of Meeting. A form of the certificate may be obtained from the Company's share registry or online at www.linkmarketservices.com.au.

LODGEMENT OF A PROXY FORM

This Proxy Form (and any Power of Attorney under which it is signed) must be received at an address given below by **11:00am on Sunday, 20 November 2016**, being not later than 48 hours before the commencement of the Meeting. Any Proxy Form received after that time will not be valid for the scheduled Meeting.

Proxy Forms may be lodged using the reply paid envelope or:



ONLINE

www.linkmarketservices.com.au

Login to the Link website using the holding details as shown on the Proxy Form. Select 'Voting' and follow the prompts to lodge your vote. To use the online lodgement facility, shareholders will need their "Holder Identifier" (Securityholder Reference Number (SRN) or Holder Identification Number (HIN) as shown on the front of the Proxy Form).



BY MAIL

Metro Mining Limited
C/- Link Market Services Limited
Locked Bag A14
Sydney South NSW 1235
Australia



BY FAX

02 9287 0309



BY HAND

delivering it to Link Market Services Limited*
1A Homebush Bay Drive
Rhodes NSW 2138
or
Level 12
680 George Street
Sydney NSW 2000

* During business hours (Monday to Friday, 9:00am–5:00pm)

**IF YOU WOULD LIKE TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING, PLEASE BRING THIS FORM WITH YOU.
THIS WILL ASSIST IN REGISTERING YOUR ATTENDANCE.**