



21 July 2015

Dear Shareholder

Metro Mining Limited ACN 117 763 443 - non-renounceable rights issue - notice to security holders

Metro Mining Limited (**Metro Mining**) is pleased to announce a non-renounceable rights issue to eligible shareholders, on the basis of 1 new fully paid ordinary share for every 7 shares held, at an issue price of \$0.08 per share (**New Shares**), to raise approximately \$3,600,000 based on Metro Mining's undiluted share capital (**Rights Issue**). Assuming no existing options on issue in the Company are exercised, approximately 44,816,857 fully paid ordinary shares will be offered under the Rights Issue. The Rights Issue follows completion of a placement on 15 July 2015 under which 25,000,000 shares were issued at the same price as New Shares to be issued under the Rights Issue to a group of sophisticated or otherwise exempt investors raising \$2,000,000 (before costs) (**Placement**).

The Rights Issue will be available to all registered shareholders who hold shares on 24 July 2015 (**Record Date**) with registered addresses in Australia, New Zealand, the United Kingdom, Hong Kong and Cyprus (**Eligible Shareholders**).

In accordance with the Listing Rules of the ASX, Metro Mining has considered the number of shareholders with registered addresses in various jurisdictions outside of Australia, New Zealand, the United Kingdom, Hong Kong and Cyprus and the size of the shareholdings held by those shareholders. Taking this into consideration, as well as the costs of complying with the legal requirements and the requirements of the regulatory authorities relating to the shareholders with registered addresses in various jurisdictions outside of Australia, New Zealand, the United Kingdom, Hong Kong and Cyprus, the Company has formed the view that it is unreasonable to extend the Rights Issue to those shareholders. Accordingly, shareholders outside of Australia, New Zealand, the United Kingdom, Hong Kong and Cyprus including the United States will not be entitled to participate in the Rights Issue.

The purpose of the Rights Issue is to raise approximately \$3,600,000, including the costs of the Rights Issue. The funds raised from the Rights Issue will be applied to complete the feasibility study and advance the regulatory approvals required for the Bauxite Hills Project, to provide additional working capital and to fund the costs of the Rights Issue.

A proposed timetable for the Rights Issue is set out in the table below:

Enter into Trading Halt	Prior to commencement of trading on Tuesday 14 July 2015
Share placement commitments finalised during the trading halt period	Tuesday 14 July 2015 and Wednesday 15 July 2015
Announcement of results of Share placement and the Offer to be undertaken which will bring the Company out of trading halt Application for official quotation of Placement Shares and New Shares under the Offer Lodge Prospectus with ASX and ASIC	Prior to commencement of trading on Thursday 16 July 2015
Placement DvP Trade Date	Friday, 17 July 2015
Notice provided to Security Holders with Appendix 3B information	Tuesday 21 July 2015
Settlement of Placement Shares	Wednesday 22 July 2015
Commencement of trading of Placement Shares on ASX	Thursday 23 July 2015
Ex Date	Wednesday 22 July 2015
Record Date for the Issue	7.00pm (AEST time) on Friday 24 July 2015
Dispatch of Prospectus and Acceptance Form	Wednesday 29 July 2015
Opening Date of Offer	9.00am (AEST time) on Friday 31 July 2015
Last day to extend Closing Date	Tuesday 25 August 2015
Closing Date of Offer	5.00pm (AEST time) on Friday 28 August 2015
Notify ASX of any under-subscriptions	Wednesday 2 September 2015
Issue of New Shares	Friday 4 September 2015 (and confirm to ASX by 12pm)
Commencement of trading of New Shares on ASX	Monday 7 September 2015
Despatch of New Shares holding statements	Wednesday 9 September 2015

This timetable is indicative only and may be subject to change subject to the requirements of the Corporations Act 2001 (Cth) (Corporations Act) and the ASX Listing Rules.

The Rights Issue is being made in accordance with section 713 of the Corporations Act. Metro Mining will prepare and send prospectus to shareholders on Wednesday 29 July 2015, as set out in the timetable above. The Prospectus has been lodged with ASIC and ASX on 16 July 2015 and is available on the Company's website www.metromining.com.au and the ASX website.

Further information

The Company anticipates that, approximately 44,816,857 New Shares will be issued (this number may have to be increased to 46,352,571 New Shares if all existing option holders exercise their options prior to the Record Date). The New Shares will be issued for \$0.08 each.

Upon completion of the Rights Issue, and assuming it is fully subscribed and that existing option holders do not exercise their options, the issued capital of Metro Mining will comprise approximately 358,534,856 shares.

The New Shares will rank equally in all respects with Metro Mining's existing shares. If an eligible shareholder's entitlement results in a fraction of a New Share, the shareholder's entitlement will be rounded up to the nearest whole number. There will be no change to the dividend policy of the Company as a result of the Rights Issue.

Trading in the New Shares is expected to commence on Monday 7 September 2015, the first business day following dispatch of the holding statements for the New Shares.

An Appendix 3B applying for quotation of the New Shares was for the Rights Issue and the Placement lodged with ASX on Thursday 16 July 2015.

Metro Mining encourages all eligible shareholders to participate in the capital raising.

Yours faithfully



Scott Waddell
Company Secretary