



**METRO
MINING
LIMITED**

Explore | Define | Mine

ASX ANNOUNCEMENT

25 May 2021

Annual General Meeting
Chair & Managing Director
Address to Shareholders



AGM CHAIRMAN'S ADDRESS

My fellow Shareholders

Again, welcome to Metro Mining's Annual General Meeting.

Firstly, I advise the meeting that Resolution 3 ... re-election of Philip Hennessey ... has been withdrawn. Phil, as announced to the ASX last week, submitted his resignation due to ill-health.

I'll have more to say about the composition of the Board shortly.

It is undeniable that the COVID pandemic had a major effect, and continues to have an effect, on the world economy, which includes the global aluminium supply chain.

It was because of this that we were forced to bring forward our "wet season closure" at Bauxite Hills.

To this day we are continuing to contend with other serious macro-economic factors.

Initially we saw the immediate reaction with most commodity prices crashing - in our space we saw primary aluminium prices recover quickly but alumina and bauxite prices have remained subdued. Then at the start of this year shipping rates jumped up very quickly and remain at unprecedented levels. Nearly double of the rates experienced in 2020. Additionally, the A\$ has strengthened, which is another unfavourable element. All in all, a very difficult and volatile time. Simon Finnis will expand on these headwinds in his address at the end of the meeting.

Having said that, there are signs of improvement with aluminium continuing to be very strong, alumina showing signs of life and now we can see bauxite prices improving. While it remains challenging and we are currently incurring losses, we can see a way forward.

We have a cash flow shortfall, the size of which will be dependent on the foreign exchange rate and ocean freight rates. As a result of the cash flow shortfall we are negotiating a bridge finance facility with existing lenders which is necessary for the short-term liquidity of the company.

As a result as mentioned earlier, we have requested a trading halt of our shares pending the outcome of these negotiations.

We recommenced mining operations at Bauxite Hills on time this year although we have been faced with some inclement weather conditions, which slowed down the loading of the first ship. Given the high ocean freight we are having to be very selective with ships and this

has inevitably caused, and will continue to cause, gaps in our shipping schedule. Until the freight rates abate this is likely to be the case.

Right now, we are fulfilling the contract with Xinfu for 2.3 million WMT, and we are negotiating with a number of other parties for 2021 deliveries. Progress is slow but we are encouraged by the increased interest as compared to last year.

We have signed another LOI (at present non-binding) for the supply of 1 million (dry) tonnes a year - commencing this year - over a term of 3 years.

In addition, we have negotiated 2 additional Xinfu Contract's spanning a total of 4 years. Those Xinfu Contracts total 7 million (dry) tonnes.

The second Xinfu Contract is reliant on the implementation of the Stage 2 Expansion – the floating crane to enable faster loading of larger vessels. This will significantly reduce our shipping costs.

These two contracts when executed, and the flexibility they deliver, show clear support for our expansion strategy from Xinfu.

The Stage 2 Expansion has always been the core strategy for the long-term future of Bauxite Hills.

Debt financing remains in place through the previously announced offer of a Loan Facility from the Northern Australia Infrastructure Facility ("NAIF"). Importantly, the sunset date for Financial Close has been extended to 30 September 2021, and we are currently working through a credit refresh program with NAIF.

So, it is not all doom and gloom.

In spite of the economic headwinds we have continued to reduce our site based operating costs and improved our mining and shiploading rates.

In early 2020 and before the early wet season closure, we were on track to meet our target of 4 million WMT and heading towards the planned Stage 2 Expansion to 6 million WMT. Although Co-vid was responsible for a lot of issues, we are proud of the fact that during this pandemic we kept our workforce safe whilst continuing operations.

We still face headwinds, the most serious of which is the ocean freight cost that currently prevails. To address what we believe to be a short-term issue we have received an offer for bridge finance from our lenders. The board is currently considering this offer and will advise shareholders as soon as possible as to the outcome of that offer.

We recently announced the resignation of our Chief Financial Officer and Joint Company Secretary Duane Woodbury.

Duane joined the company in January 2017 and played a major part in putting in place financing for the construction of Bauxite Hills and the securing of Metro's loan facility with NAIF.

Duane's contribution to the company is appreciated and we understand his desire to return to his home base, and family, in Sydney.

Last week, as I said at the beginning of this address, we announced the resignation of Phil Hennessy as a Non-Executive Director. He has been a long-term member of the Board and we have greatly appreciated his contribution.

On behalf of the Board, I sincerely thank Phil and, of course, we wish him all the very best for his ongoing convalescence.

Also, late last week we announced the appointment of Doug Ritchie and Simon Wensley to the Board effective at the end of this meeting. The effective date of these appointments has been delayed pending the finalisation of the bridge finance facility.

I am sure shareholders will agree these appointments will significantly enhance the experience and skill set available to Metro in successfully managing and growing its bauxite business.

Finally, on the issue of the composition of the Board, it has been announced that after 9 years in the role, I will step down as Chairman, the timing of which has also been deferred to assist with the finalisation of the bridge finance facility.

Many people have contributed to Metro's successes, and I would in particular like to note the contribution made by my fellow Board members and Metro staff. I thank them sincerely for their support and look forward to the company progressing on its journey as a result of the foundations that have been put in place by a very dedicated team.

Thank you!



Explore | Define | Mine

AGM Presentation
25 May 2021

2020 Recap

Positive operational highlights in 2020 but key challenges were also experienced

Key Positives

- ✓ Mine operates at +4Mtpa rate using existing infrastructure
- ✓ Record low site unit costs during the operating season
- ✓ Strong support for Metro shown by foundation customer Xinfu
- ✓ Stage 2 expansion remains the core strategic objective
- ✓ NAIF funding for Stage 2 retained
- ✓ Aluminium prices bounce back from COVID driven slumps

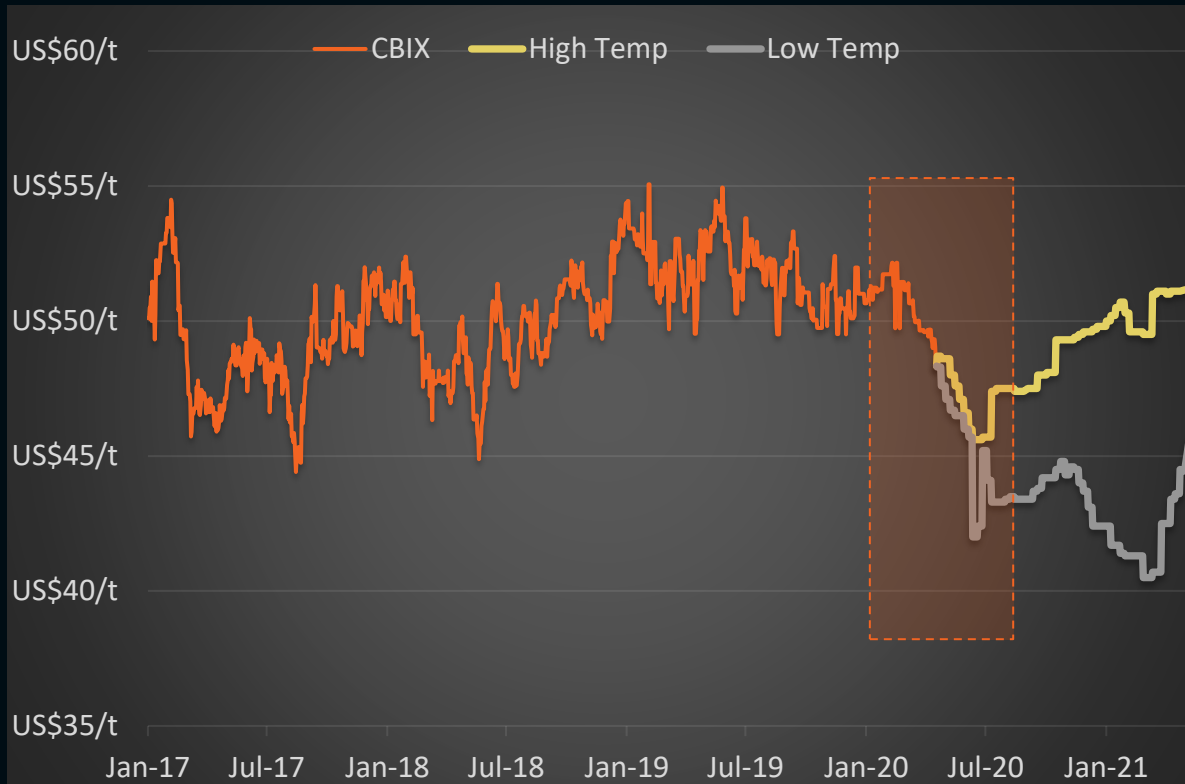
Key Challenges

- COVID continues to negatively impact aluminium supply chain in China
- Guinea bauxite shipments buoyed by low ocean freight creating an oversupplied market
- Customers reluctant to enter into new offtake agreements given this uncertainty
- Unsold cargoes, primarily from Guinea, keep bauxite prices depressed
- Bauxite Hills Mine closed early for wet season

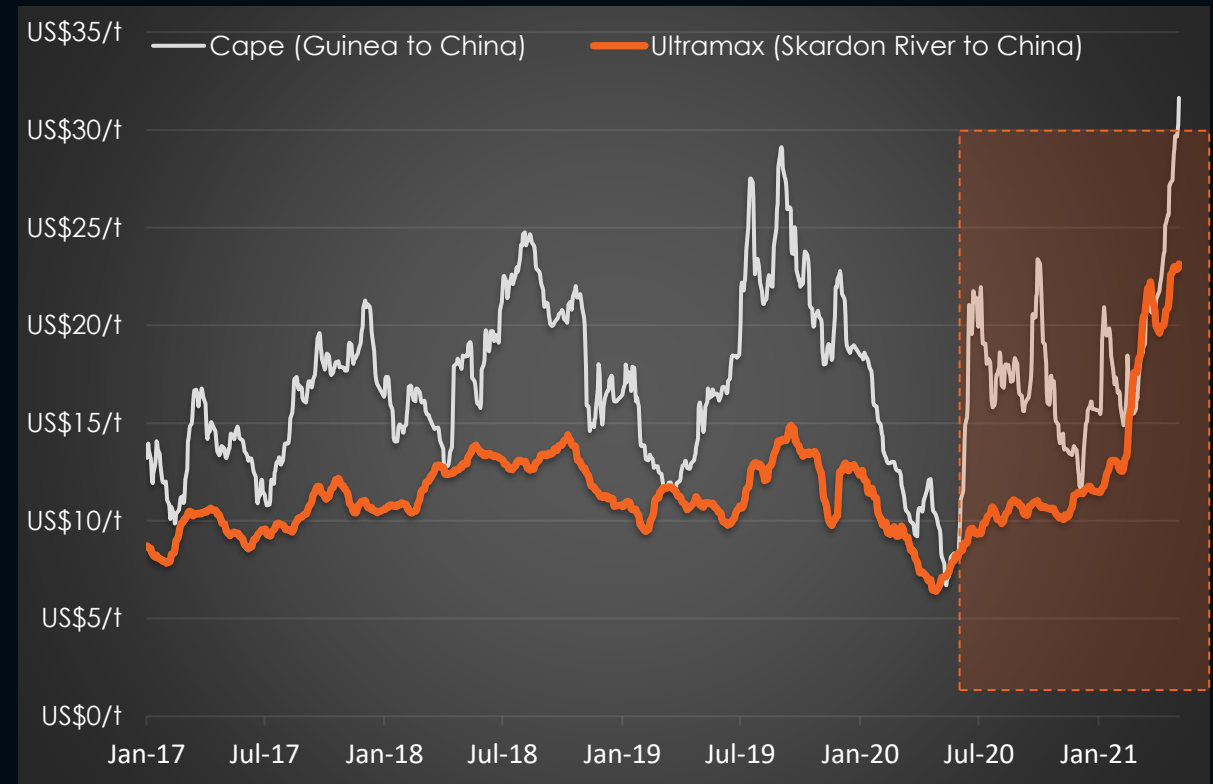
Recent Macro Headwinds

Lower bauxite price & abnormally high freight rates are the key macro headwinds Metro has recently experienced

Weakened Bauxite Price (CFR & ViU Basis)¹



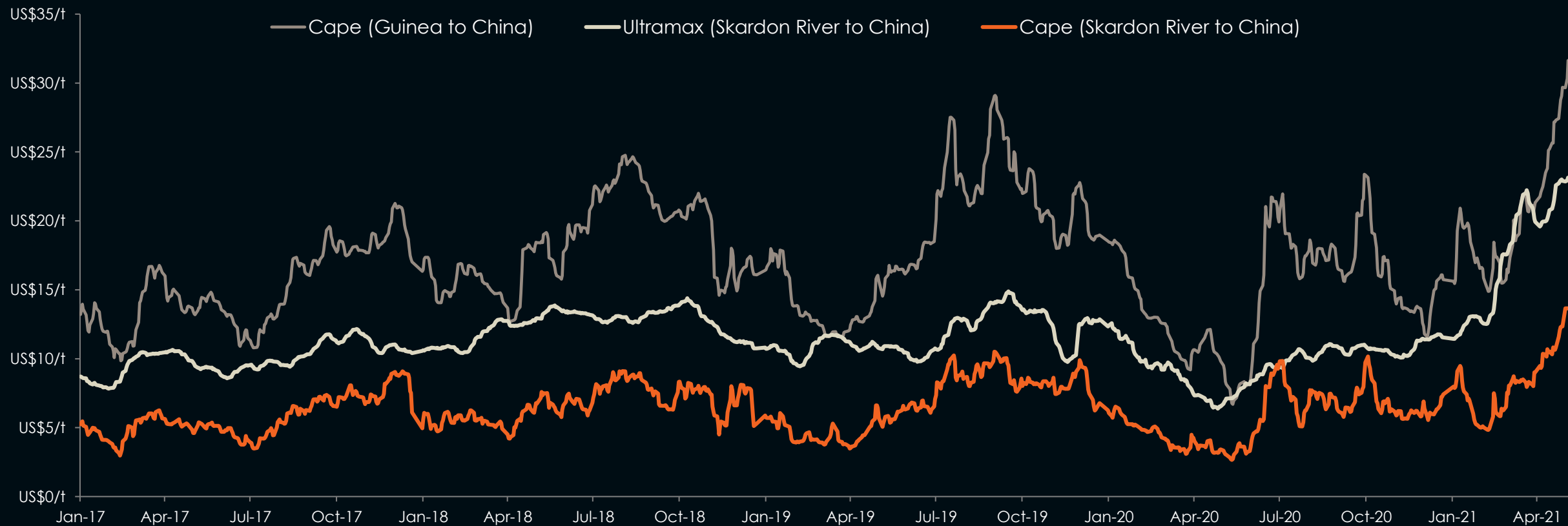
Rising Cape & Ultramax Freight Rates



- To support viability of global seaborne bauxite market, bauxite prices need to rise and/or freight rates normalise
- These headwinds will not abate quickly with gradual decreases in ocean freight predicted over the next year.

Ocean Freight Analysis

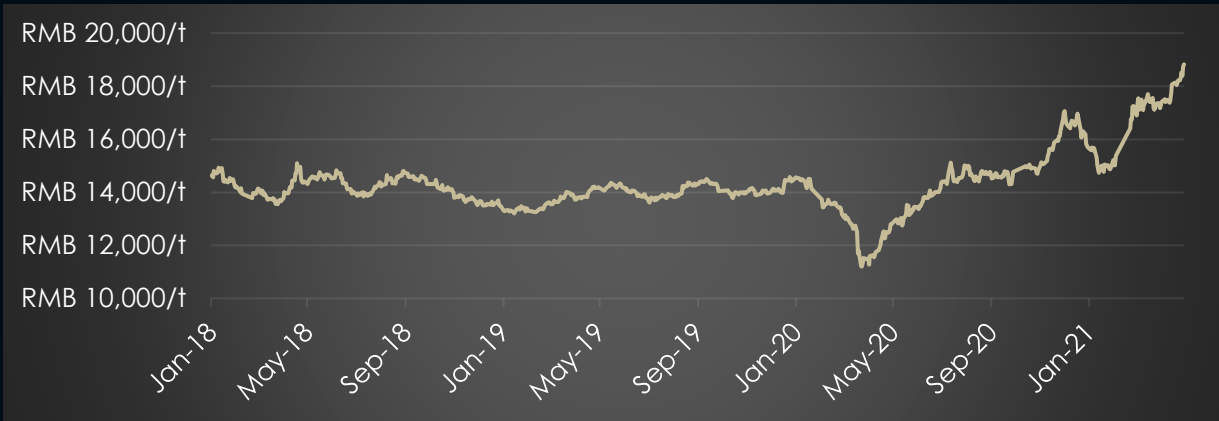
INTERNATIONAL OCEAN FREIGHT



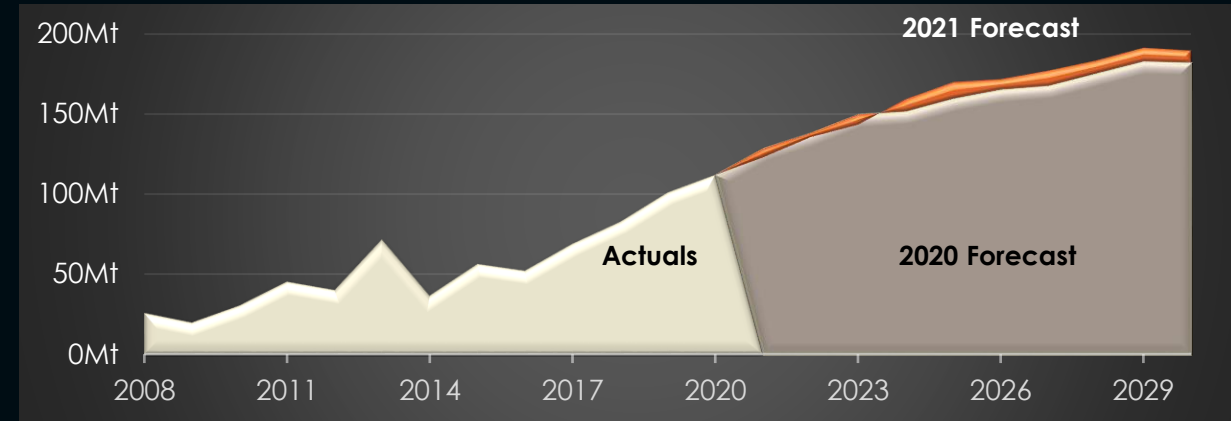
Strong Fundamentals Remain

There remains strong structural demand fundamentals and price outlook is now improving

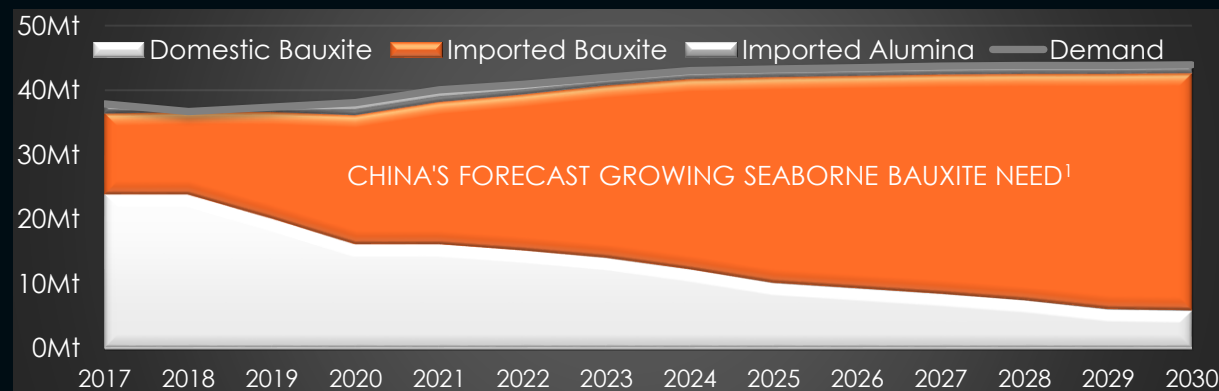
Strengthening Aluminium Price



Increasing China Bauxite Imports Demand



Positive Structural Alumina Demand Change in China

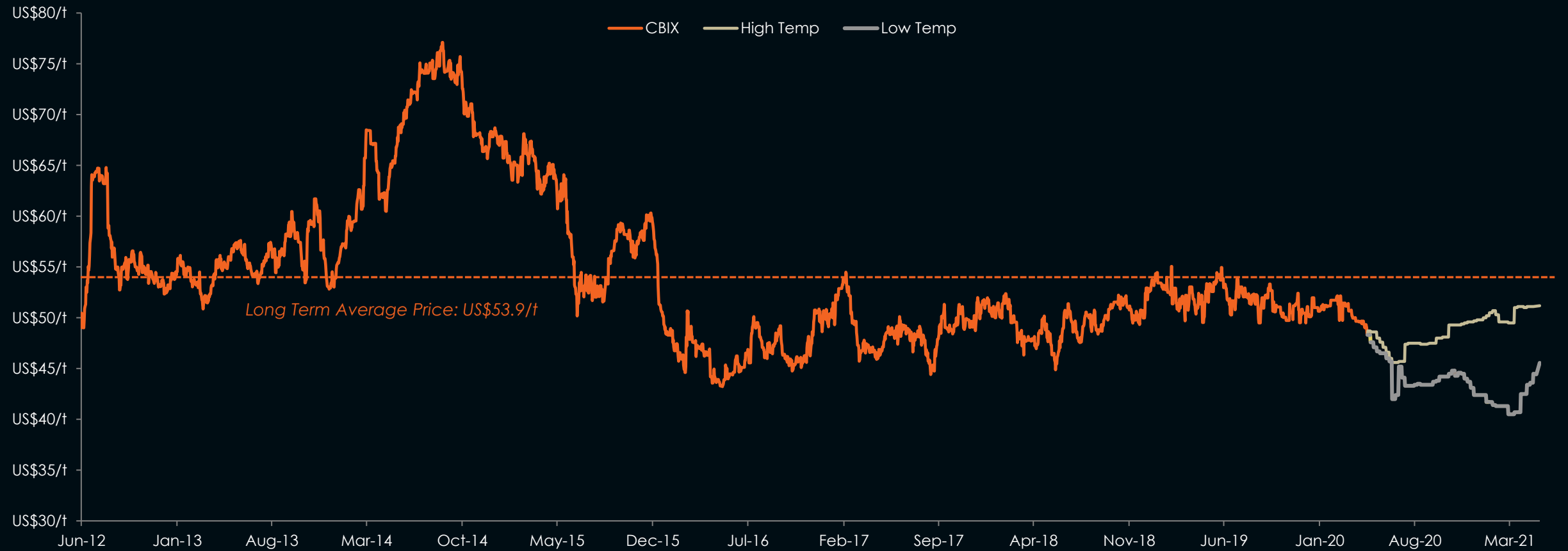


Strengthening Bauxite Price Anticipated – Goldman Sachs Bauxite Price Forecasts for ASX:AWC²



Bauxite Prices

CBIX BAUXITE PRICES

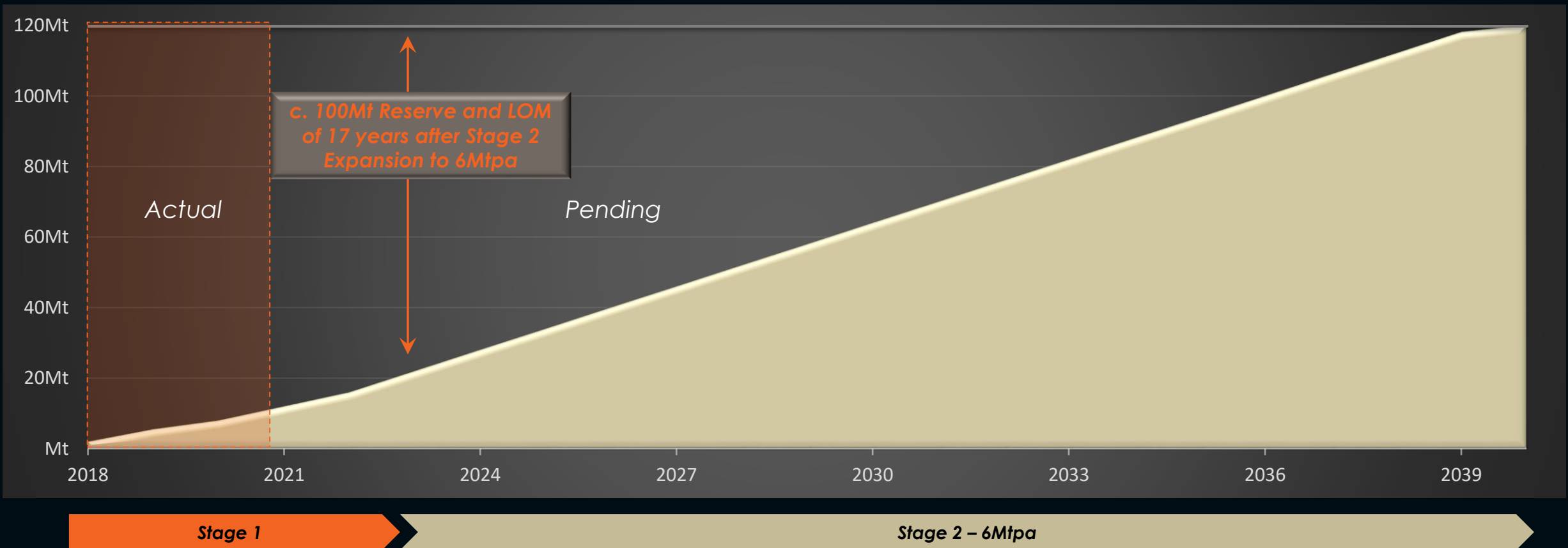


Source: CM Group 1. Emergence of Low and High temp bauxite market has led to the establishment of separate indices from 18 April 2020

Metro is Established & Long Life

Metro has successfully established itself as a strategically well positioned, long-life asset with significant potential

Metro's Bauxite Hills Project Cumulative Life-of-Mine Production Profile



Clear Strategy for 2021

Delivery of ongoing operational improvement, additional offtake & sales and Stage 2 expansion will enable Metro to combat over time the abnormally high ocean freight rates which are significantly impacting profitability

OPERATIONAL IMPROVEMENT

■ Focus on operations

- ▶ Mining and haulage efficiencies
- ▶ Materials handling at the Port
- ▶ Transshipment synergies and systems

■ Lower site costs to:

- ▶ Minimise losses caused by unusually high freight rates and weak bauxite prices
- ▶ Enhance earnings leverage when freight rates normalise and bauxite prices improve
- ▶ Maximise the potential of the mine site

PROGRESS OFF-TAKE & SALES

■ Continue to deliver for Xinf



- ▶ Privately owned fully integrated aluminium company and customer since 2017
- ▶ First off-take contract was 7Mt over 4 years
- ▶ 2.1Mt to be delivered in 2021
- ▶ Second off-take in final stage of negotiation, commencing in 2022

■ Secure other long-term customers for Stage 2

- ▶ Metro's strategy is for 2-3 large offtake agreements to cover +75% of Stage 2 production with remaining production available for spot or short-term sales

■ A new 5-year contract is under negotiation with a new customer what will meet Metro's strategy for Stage 2

STAGE 2 EXPANSION

■ Maintain operational and corporate readiness to commence Stage 2

■ Execute re-financing or restructure of existing loan facilities to provide additional flexibility and support NAIF financing solution

■ Achieve credit refresh to secure NAIF funding

■ FID on Stage 2 expansion to 6Mtpa

Stage 2 Expansion Floating Terminal



Floating Terminal by Rocktree for indicative purposes only

Stage 2 Rationale & Status

Stage 2 expansion has strong rationale and attractive funding solution via NAIF

Compelling Rationale

- ✓ Significant economic benefits confirmed
- ✓ LOM unit operating costs expected to materially reduce – improving margins
- ✓ Significant reduction in freight rates delivered via Floating Terminal loading larger Ocean-Going Vessels (i.e. from Ultramax to Cape Size)
- ✓ Positions Bauxite Hills in lowest quartile of global cash cost curve for bauxite producers
- ✓ Establishes Metro as a baseload supplier to customers

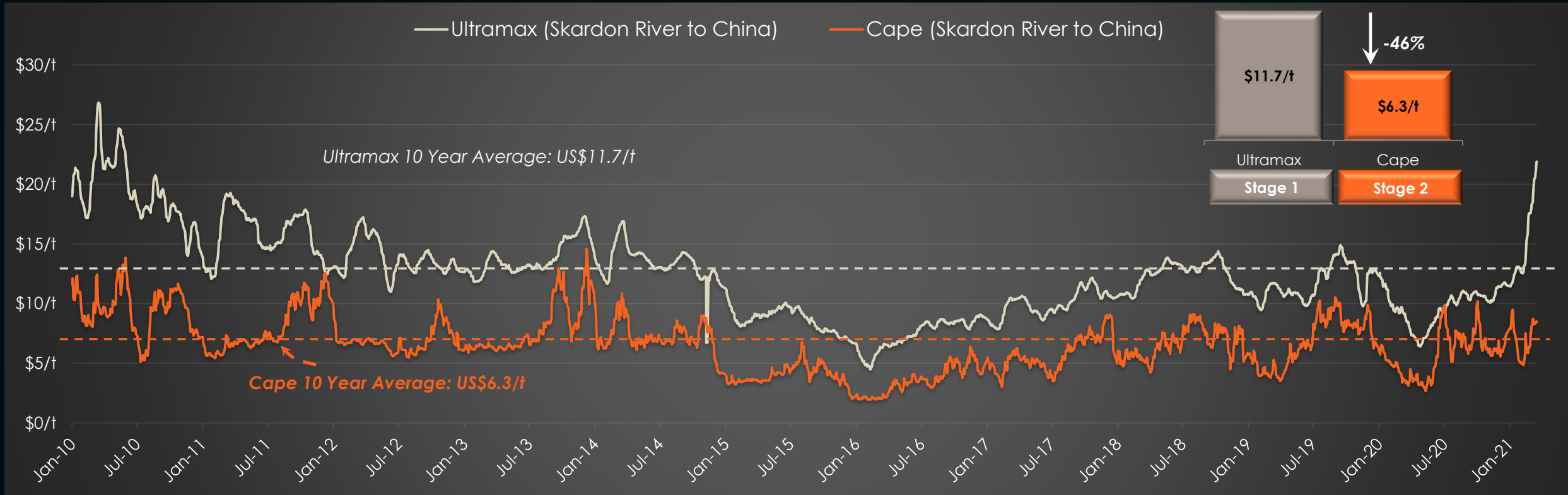
Funding & Development Status

- ✓ Total capital cost A\$51.4m (incl 10% contingency)
- ✓ Approval from NAIF received for A\$47.5m facility
Credit approval refresh underway
- ✓ Detailed engineering & design complete
- ✓ Construction contracts are executed subject to FID
- ✓ FID targeted for September 2021 with 12-14 month construction and delivery period

Significant Reduction in Freight Rates

Stage 2 will enable shipping via larger Cape Class vessels, significantly reducing freight rates and improving margins

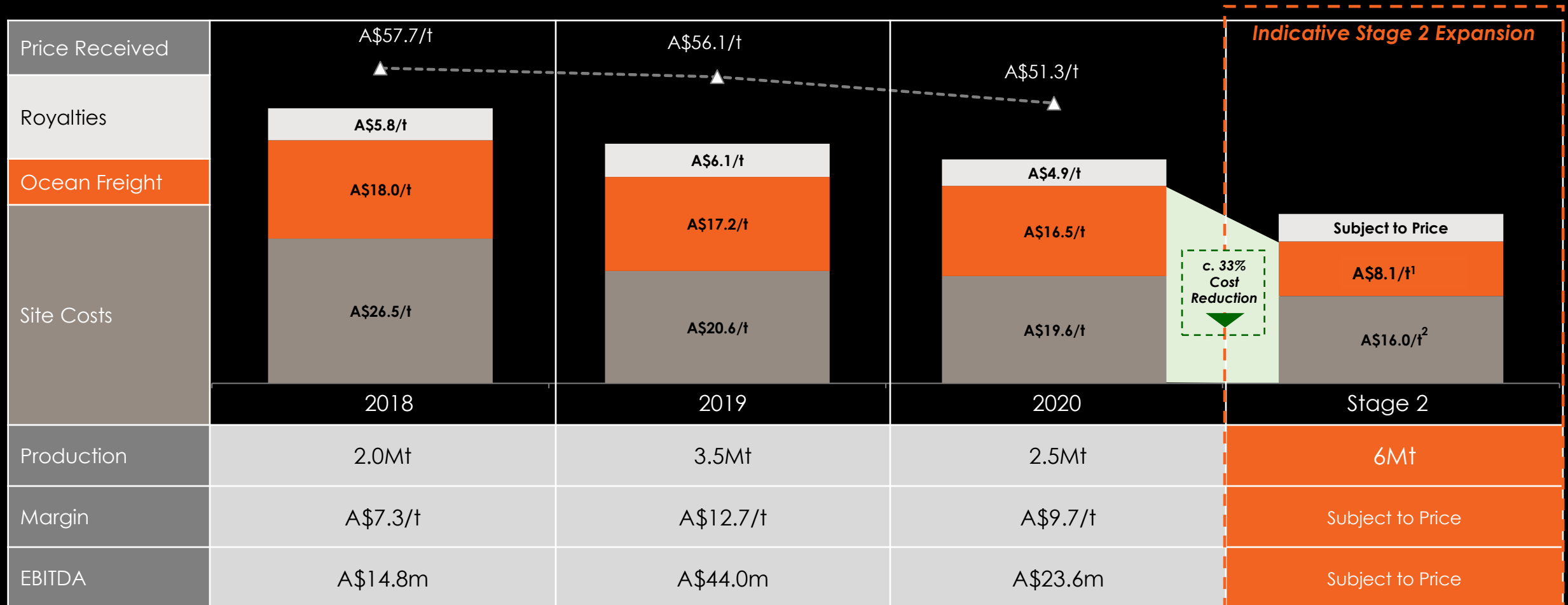
Ultramax (Stage 1) vs. Cape Class (Stage 2) Freight Rates¹



Clear margin benefit with freight rate reduction of US\$5/t delivering +US\$5m in EBITDA for every tonne mined

Transformational Economics

Stage 2 delivers a transformational step change in Metro's economics

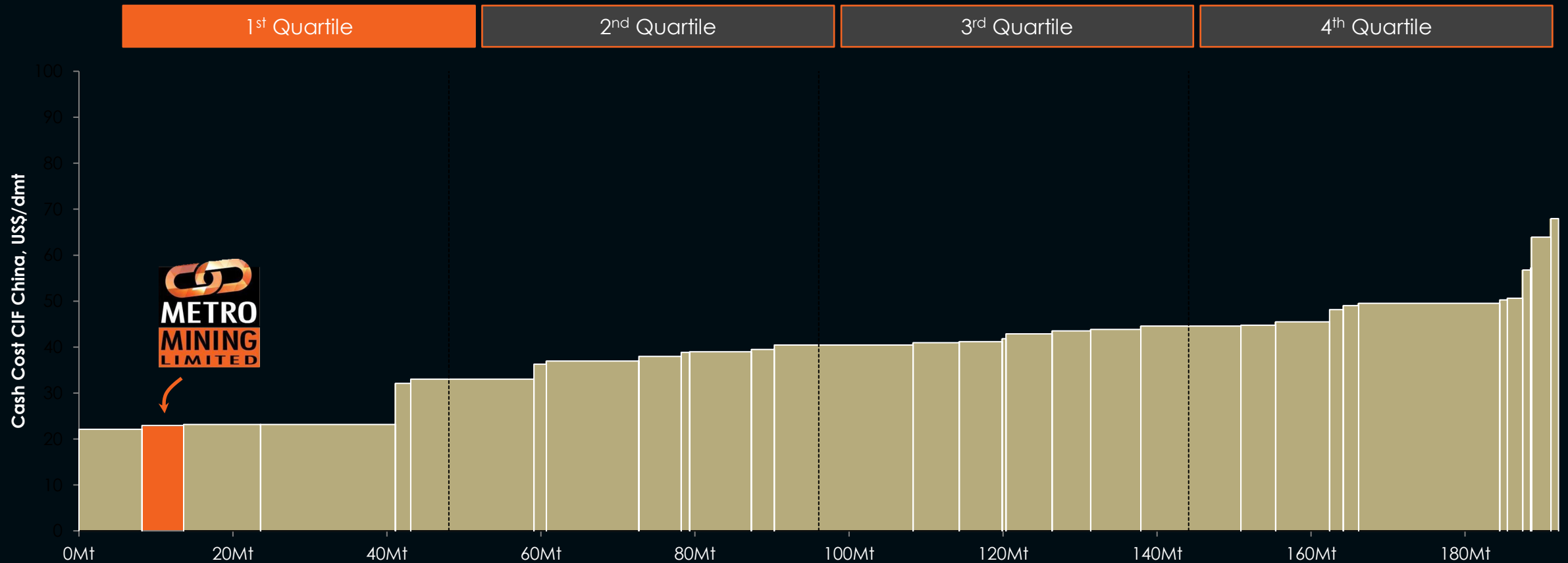


1. Based on theoretical average 10 year freight rate using cape class vessels from Skardon to Qingdao, converted at 0.78 AUD USD | 2. Basis Metro 2018 DFS Operating Costs for operating period

Q1 Cash Cost Positioning

Post Stage 2 Metro will be attractively positioned as a Q1 cost-curve producer

China Seaborne Bauxite Supply Cash Cost Curve 2023



China Seaborne Bauxite Supply

Striving to Contribute to the Cape

Relationship continues to grow & flourish as Metro has become a key participant in the Northern Cape York Community

- Current indigenous employment is above target
- Metro presence at community organized events growing
- Business opportunities for indigenous groups have been identified and one is successfully operating
- COVID management protocols remain in place after liaison with Traditional Owners



Short-term Challenges and mid-term Opportunities

Metro has a strong operational platform but challenging market conditions are eroding value.

1

Proven operating track record since operations commenced in 2018

- YOY unit cost reductions
- YOY increase in mining and shipping rates
- Record monthly operating performance achieved in 2020

2

Strong structural demand fundamentals remain and price outlook is now improving

3

Continued support from foundation customer Xinfu & positive off-take progress as COVID abates

4

Stage 2 expansion will significantly reduce the cost base and enhance long term economics

5

Metro is well positioned to capitalise on improving market dynamics however short -term funding issues must be addressed



APPENDICES

Bauxite Hills Shipping Advantage

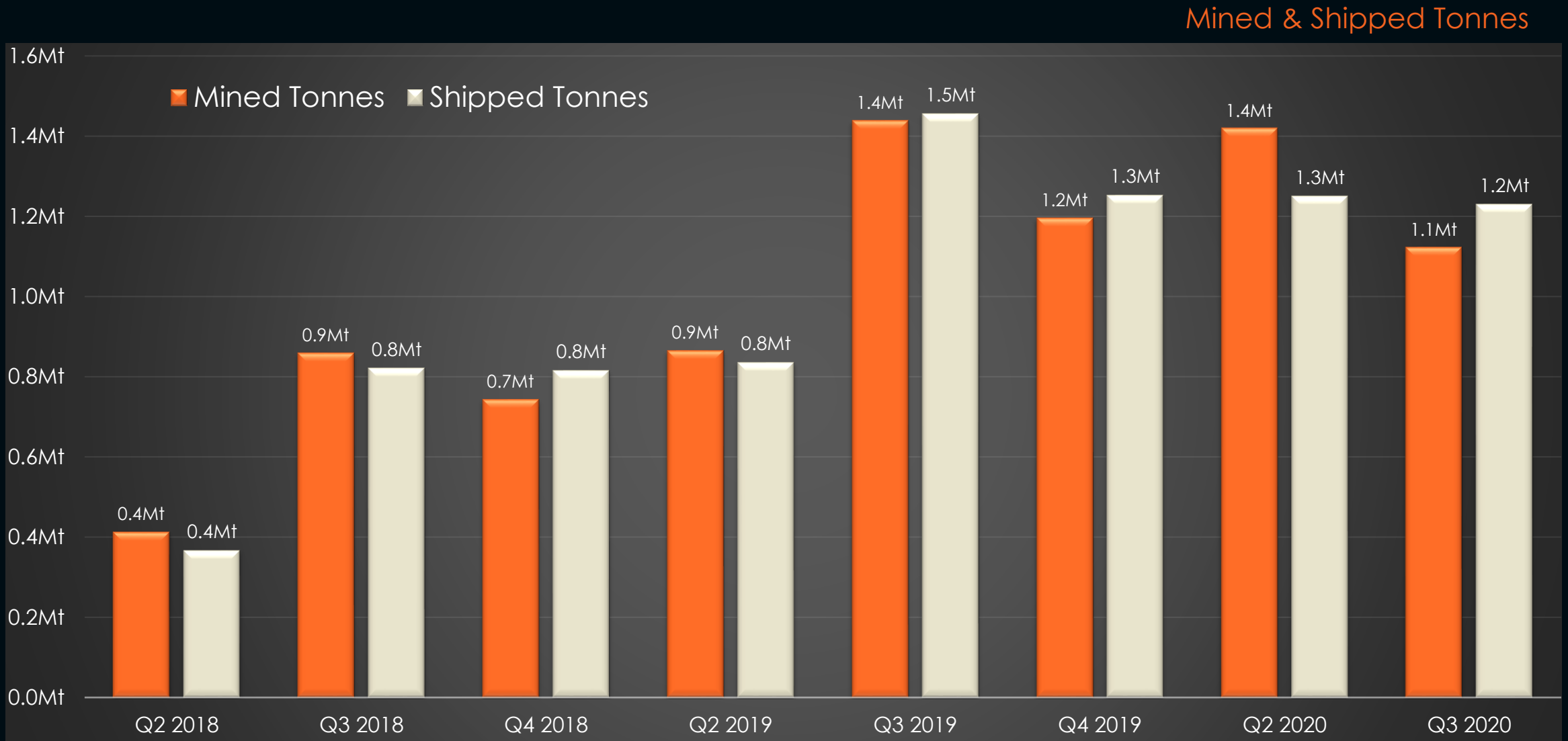
Bauxite Hills has a valuable long-term competitive shipping advantage

KEY COMMENTS

- Location, Location, Location
- Cape York Bauxite is well known and well received by the Chinese market
- Although we've seen anomalous behaviour recently, in general as ocean freight increases, Metro's cost advantage also increases. This will be further improved by Stage 2 freight costs.
- Metro's Stage 2 shipping is a sustainable cost advantage to China relative to competing bauxite producers
- Minimal working capital requirements provided by speed to market

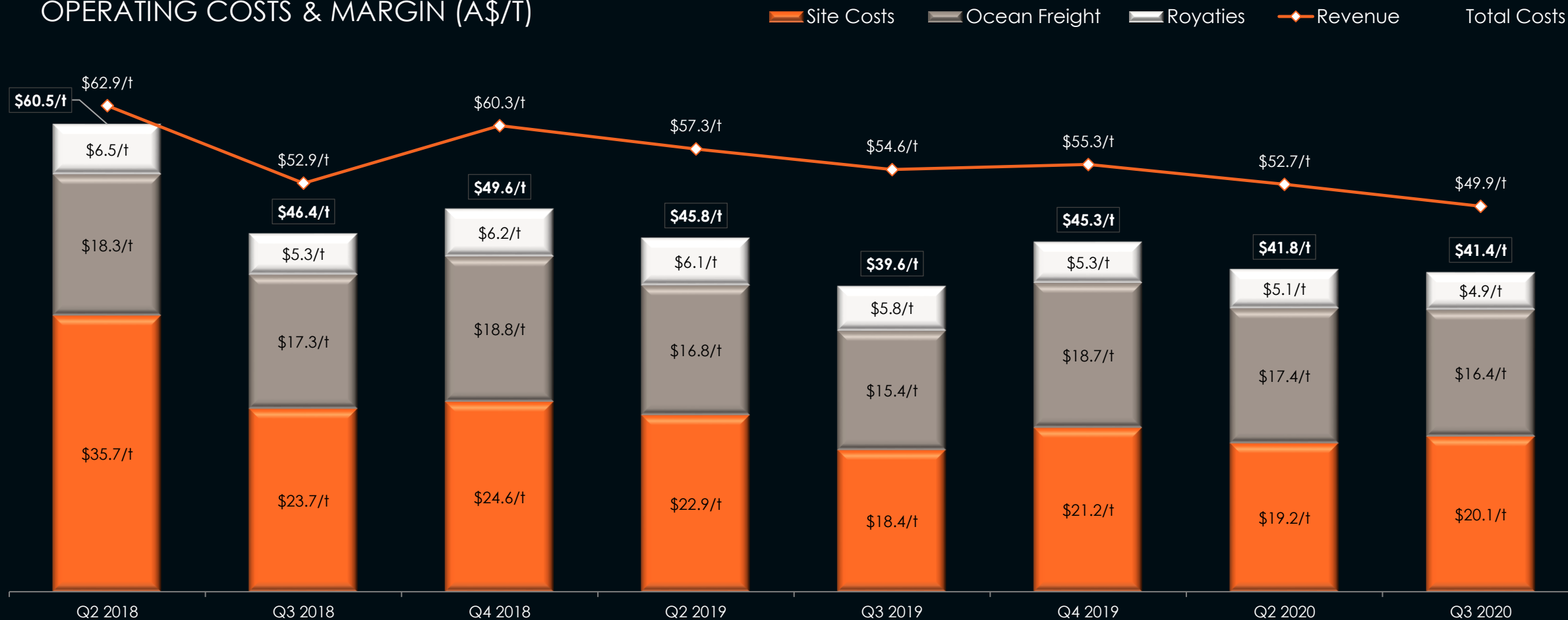


Operational Performance



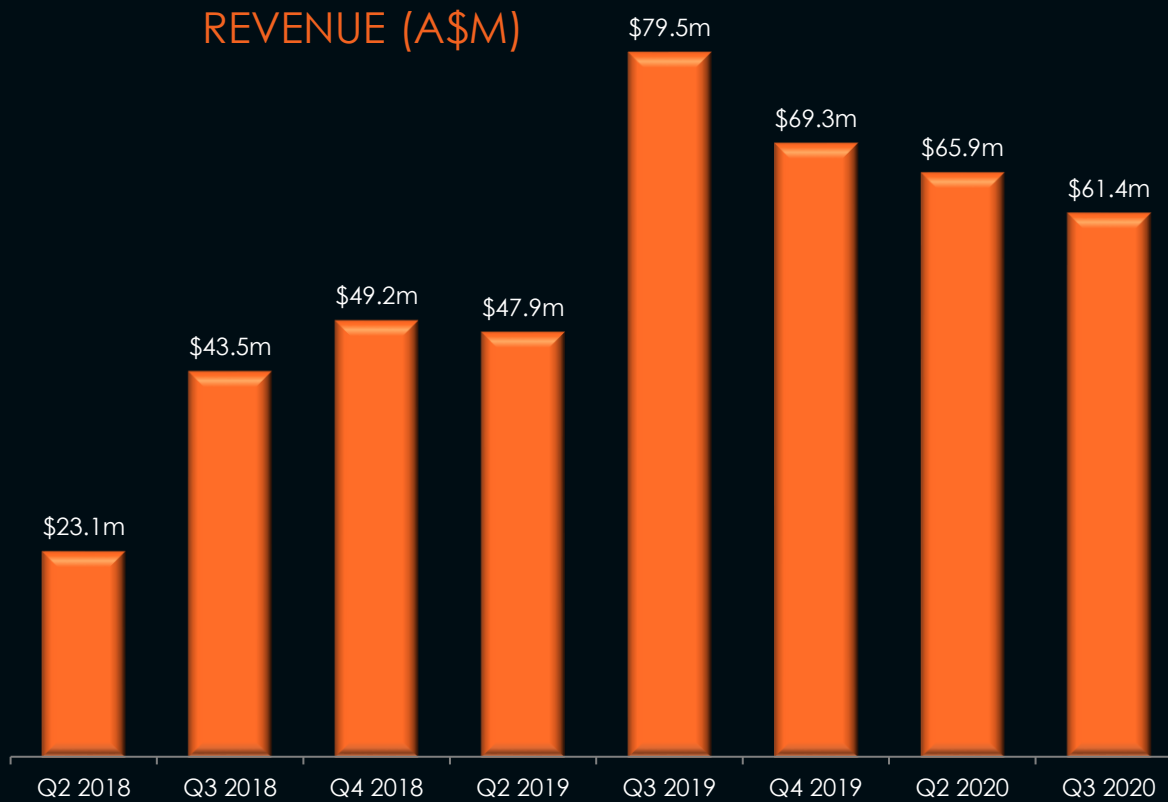
Operating Costs & Margin

OPERATING COSTS & MARGIN (A\$/t)

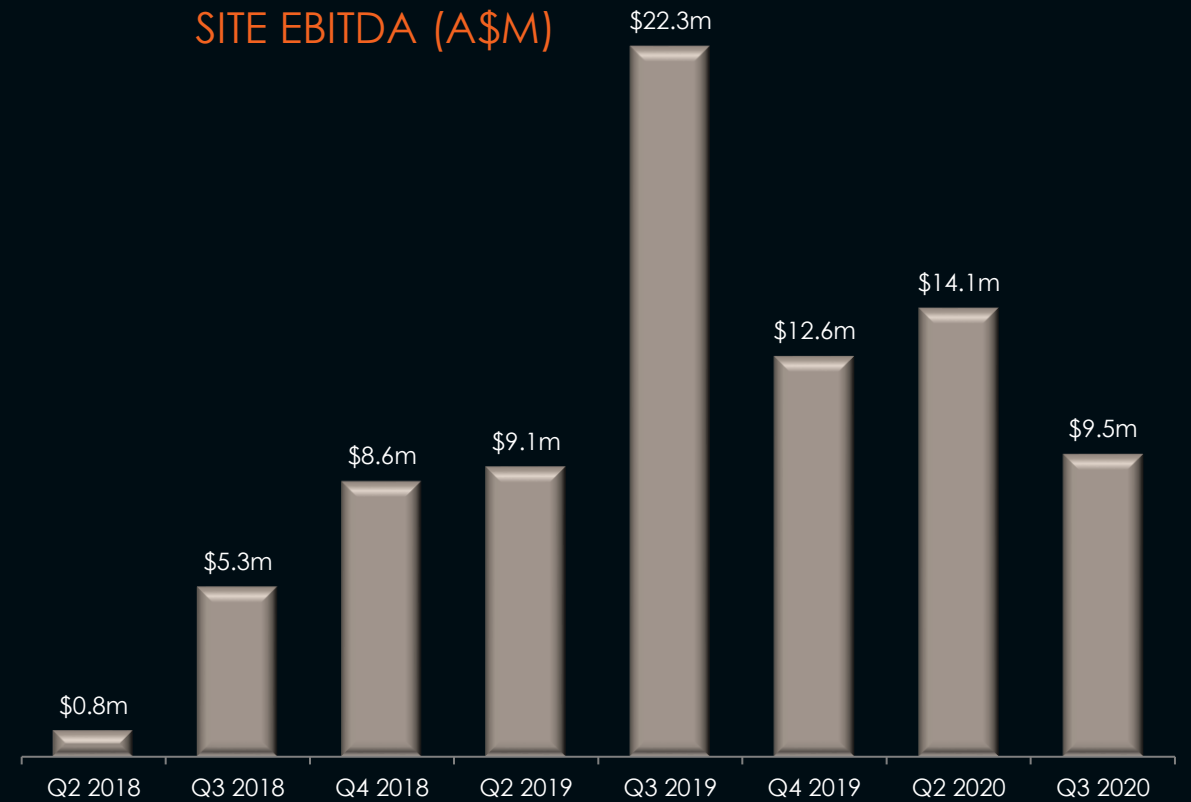


Revenue & Site EBITDA

REVENUE (A\$m)

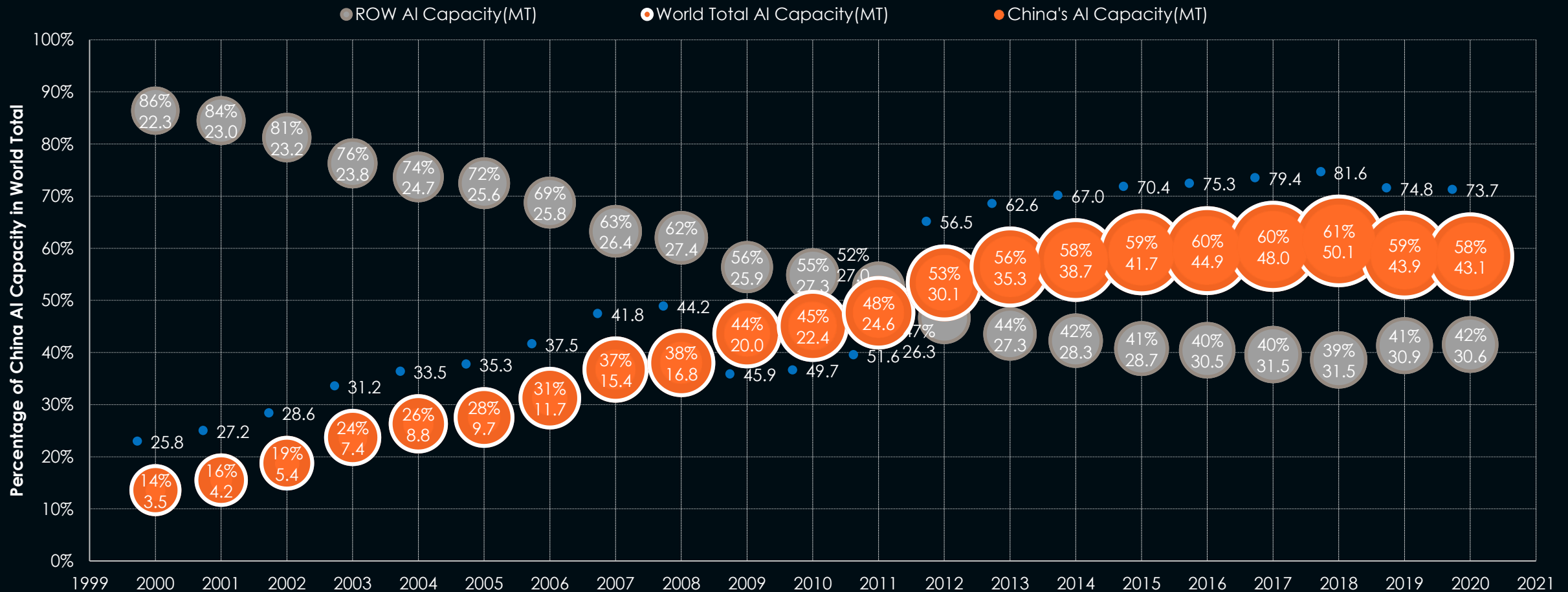


SITE EBITDA (A\$m)



China vs RoW Aluminium Capacity

PRIMARY ALUMINIUM CAPACITY (2000 – 2021)





Explore | Define | Mine

For Further Information Contact:

Simon Finnis MD & CEO | Duane Woodbury CFO
Ph: +61 (0) 7 3009 8000 | Lvl 2, 247 Adelaide St, Brisbane
Postal Address: GPO Box 10955, Brisbane Q 4000



Disclaimer

FORWARD LOOKING STATEMENT

Statements and material contained in this ASX Presentation, 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 Presentation (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 Presentation 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 Presentation should be construed as either an offer to sell or a solicitation of an offer to buy or sell shares in any jurisdiction.

For Further Information:

Contact: Simon Finnis – Chief Executive Officer & Managing Director | Chief Financial Officer – Duane Woodbury

Ph: +61 (0) 7 3009 8000 | Head Office: Lvl 2, 247 Adelaide Street, Brisbane Q 4000 | GPO Box 10955, Brisbane Q 4000

This ASX Presentation has been authorised by Metro Mining Director, Simon Finnis

COMPETENT PERSON'S STATEMENT

The information in this report that relates to the Bauxite Hills Mine Mineral Resource is based on information compiled by Ed Radley who is a consultant to Metro Mining and a Member of the Australian Institute of Mining and Metallurgy (MAusIMM). Mr Ed Radley has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Ed Radley has consented in writing for inclusion in this Report the matters based on the information in the form and context it appears.

COMPETENT PERSON'S STATEMENT

The information in this report to that relates to the "Metro Mining – Bauxite Hills" Reserves is based on information compiled by MEC Mining and reviewed by Edward Bolton, a Competent Person who is a Member of the Australasian Institute of Mining and Metallurgy. Edward Bolton is a full-time employee of MEC Mining Pty Ltd. Edward Bolton has sufficient experience that is relevant to the style of mineralization, type of deposit under consideration and to the activity being undertaken to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Edward Bolton consents to the inclusion in the report of the matters based on his information in the form and context in which it appears. Competent Person Statement:

COMPETENT PERSON'S STATEMENT

The information in this report that relates to Exploration Results is based on information compiled by Neil McLean who is a consultant to Metro Mining and a Fellow of the Australian Institute of Mining and Metallurgy (F.Ausimm). Mr McLean has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaken to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr McLean consents to the inclusion in the report of the matters based on information in the form and context in which it appears.