

Q1 2020 Highlights

- The planned wet season shut-down was successfully managed with planning, maintenance and optimisation work completed during the Quarter.
- Metro has established a number of new Policies and Procedures in response to COVID-19 that have been implemented at Corporate Offices and the Bauxite Hills Mine;
- Operations have re-commenced - the project is performing well and is so far unaffected by COVID-19;
- June Quarter production and shipping guidance has been set at 0.9 to 1.1 Million WMT of bauxite;
- As a result of the COVID-19 Pandemic there was a deterioration in world markets, including the Aluminium supply chain, during the Quarter;
- Metro's available cash on hand and other receivables as at 31 March 2020 was \$11.7 Million;
- After quarter end, Metro was able to opt-in to the Qld Government's Financial Provisioning Scheme which will release \$6.9 Million of restricted cash held under cash-backed Bank Guarantees.
- Financing of Stage 2 Expansion Project remains on track with notification received of the Qld Government's "No Veto" decision of the Loan from the Northern Australia Infrastructure Facility ("NAIF").



Bauxite Hills Mine Operations

SAFETY PERFORMANCE

The first quarter at Bauxite Hills saw 40,225 workhours completed Lost Time Injury (LTI) free. This was mainly a non-operating period through the wet season, with a reduced on-site workforce completing upgrades and preventative maintenance tasks. Given wet season challenges this represented an excellent result from our staff and contractors.

SITE BASED ACTIVITIES

As planned, with the start of the Far North Queensland wet season, mining operations ceased late December 2019. Over the March Quarter, focus was on undertaking planned maintenance of camp and port infrastructure, bed levelling works and expanding accommodation facilities to increase capacity to allow for 2020 operations and the Stage 2 expansion. All mine and maintenance planning work was also completed.

During the Quarter, site staff operated in accordance with the scheduled wet season rotation. It is pleasing to see the majority of Metro's experienced team members have now returned on the normal operating year roster which aided the efficient re-start of the project.

Key Land-based Activities Undertaken During the Quarter included:

- Maintenance of haul roads and creek crossings, post wet season, was completed. This required less work compared with previous years due to successful rebuilding works in 2019;
- Mobilisation of an additional three triple trailer sets (200t capacity each set) increased the fleet to a total of six;
- Upgrades to both screening plants to increase capacity from 550 tph to 850 tph each;
- Addition of 40 rooms at the camp which is now sufficient for Stage 2 production;
- Upgraded the dining and associated facilities to manage increased personnel levels;
- Mine planning and ongoing analysis of drill results to facilitate mining activities for the coming year.

Subsequent to Quarter end, land-based day shift activities commenced on 2 April, moving to the regular 24 hours a day, seven days a week basis on 8 April. Favourable weather conditions allowed excellent mining, haulage and shiploading rates. Currently, there is 150,000 WMT of ROM and screened stockpiles at the Port of Skardon River, and three vessels have already been loaded and have sailed.

Marine Activities:

Annual bed levelling works were successfully completed resulting in an increased channel depth at the Skardon River mouth. In addition the operation was granted some concessions for its transshipment activities providing for increased efficiencies and payloads of the barges. This will result in the operating window, in which tugs and barges safely cross the river mouth channel increasing, with the overall result being fewer barge movements, delivering lower fuel consumption and other operational cost savings.

Bauxite Hills Mine Operations

COVID-19 Response

Metro's response to COVID-19 was outlined in an ASX Release on 23 March 2020.

In summary this included:

- Completion of a detailed Risk Assessment primarily focused on the health and wellbeing of Metro's personnel and our community. The Risk Assessment was also aimed at ameliorating business interruptions and any impact COVID-19 may have on production.
- A review of Policies and Procedures following the Risk Assessment to minimise COVID-19 risks with those changes now implemented and communicated to employees. Procedures on Personal Protective Equipment and, in particular, access to and travel around, the Bauxite Hills Mine site has been significantly modified in response to the review.
- An area of particular focus is the health of our indigenous employees and the threat COVID-19 poses to their communities. Our travel and work procedures take these issues into account and we constantly monitor any changes to travel and other restrictions to these communities so we can adapt accordingly.

At the time of writing these changes have been successful with no disruptions to operations experienced. However, COVID-19 is a rapidly evolving situation and procedures are being constantly monitored and updated as required by Metro's Senior Executives, Health & Safety Professionals, HR and IT teams.

BAUXITE HILLS MINE STAGE 2 EXPANSION

Work has been completed on the detailed engineering and design work related to the Stage 2 Expansion to an annual operating production rate of 6.0 Million WMT. Rocktree Consulting (EPCM Consultants for the Floating Terminal) has tendered for the long lead time items and the project costs remain in line with DFS estimates. Key suppliers have been identified and contractual negotiations with these groups are well advanced.

Financing for the Stage 2 Expansion Project remains on track with notification received from Queensland Treasury for the State Government's "No Veto" decision of the previously announced Loan Facility from the Northern Australia Infrastructure Facility ("NAIF").

Timing for the formal commitment to Stage 2 is being influenced by the uncertainty over the outlook for global growth and associated weakness in aluminium and alumina prices due to the impact of COVID-19. This short-term uncertainty is currently negatively impacting general confidence in the sector and customers' preparedness to enter into offtake agreements. With funding now secured and key supply contracts negotiated, Metro will continue to monitor the market conditions prior to taking the decision to formally proceed.

As a result of these, and any further potential delays, completion of the Stage 2 is not expected to occur prior the 2nd half of 2021. Production next year would therefore likely be between 4.0-5.0M WMT depending on the precise timing of commitment to Stage 2.

Bauxite Hills Mine Operations

BAUXITE SALES

The planned June quarter production is sold and the shipping schedule for that period is now finalised with customers. One customer requested a few vessels be brought forward from the second half of the year into the June Quarter and we have been able to satisfy that request.

Approximately 2.3 Million WMT of planned 2020 production will be sold under the long-term offtake agreement with Xinfu. Under this contract prices received are linked to an RMB denominated alumina price index. The remainder of the planned production is anticipated to be sold via spot or short-term contracts with the sales price linked to the prevailing bauxite market price. The alumina price has dropped during the quarter so the received US\$ Xinfu price will also be lower. Similarly, based on current market conditions, we anticipate lower received US\$ prices for spot contracts as well.

Whilst Metro has a significant proportion of sales contracted for 2020 it should be noted that there are additional factors that may impact on Metro's sales levels and achieved prices over the next few months:

- The travel restrictions related to COVID-19 have impacted Metro's bauxite marketing and sales program making it more difficult to finalise offtake contracts.
- Weak alumina prices have resulted in temporary closures or reduced operating capacity of refineries and de-stocking of bauxite inventory.
- There is general uncertainty and lack of confidence in market conditions which is leading to stagnant trading conditions.
- Continuing weak A\$/US\$ exchange rate will have a positive impact on A\$ sales revenue.



Bauxite Hills Mine Operations

INDIGENOUS ENGAGEMENT

The first quarter of 2020 commenced with a range of Indigenous engagement activities conducted in the Cape York region.

Metro personnel spent time with Community Liaison Officers (CLO) in Injinoo, Bamaga and Mapoon talking with a range of local Government and community groups and attending an Indigenous Women's Workshop in Bamaga organised by Metro's Injinoo CLO.

The Indigenous Women's Workshop focused on Metro employment opportunities for Indigenous women and had over 25 women in attendance discussing issues and opportunities with working remotely. The majority of women who attended also put their names down for additional training opportunities for mining related roles.

Metro CLO, Rebecca Williams, facilitates the Indigenous Women's Workshop



The first Liaison Committee meeting for 2020 was held in Cairns on March 5 and 6 and attended by representatives from the Ankamuthi people, Old Mapoon Aboriginal Corporation and Metro.

Towards the end of the Quarter the COVID-19 related restrictions began to impact on Metro and our communities, and significant engagement was undertaken with the Northern Peninsula Area (NPA) and Cook Shire Councils, as well as Metro workers in these regions. Metro cancelled the March Seed Collection workshop, and with agreement of the Liaison Committee, suspended an Ancillary Agreement and Cultural Heritage Management Agreement Review that had been planned for May. All suspended activities will be reviewed once COVID-19 restrictions are reduced or removed.

Metro also commenced a fortnightly Community Update newsletter to keep our communities and stood-down employees aware of the activities occurring on the mine site, actions taken to keep our employees safe and restrictions to the communities over this time.

Bauxite Price Outlook

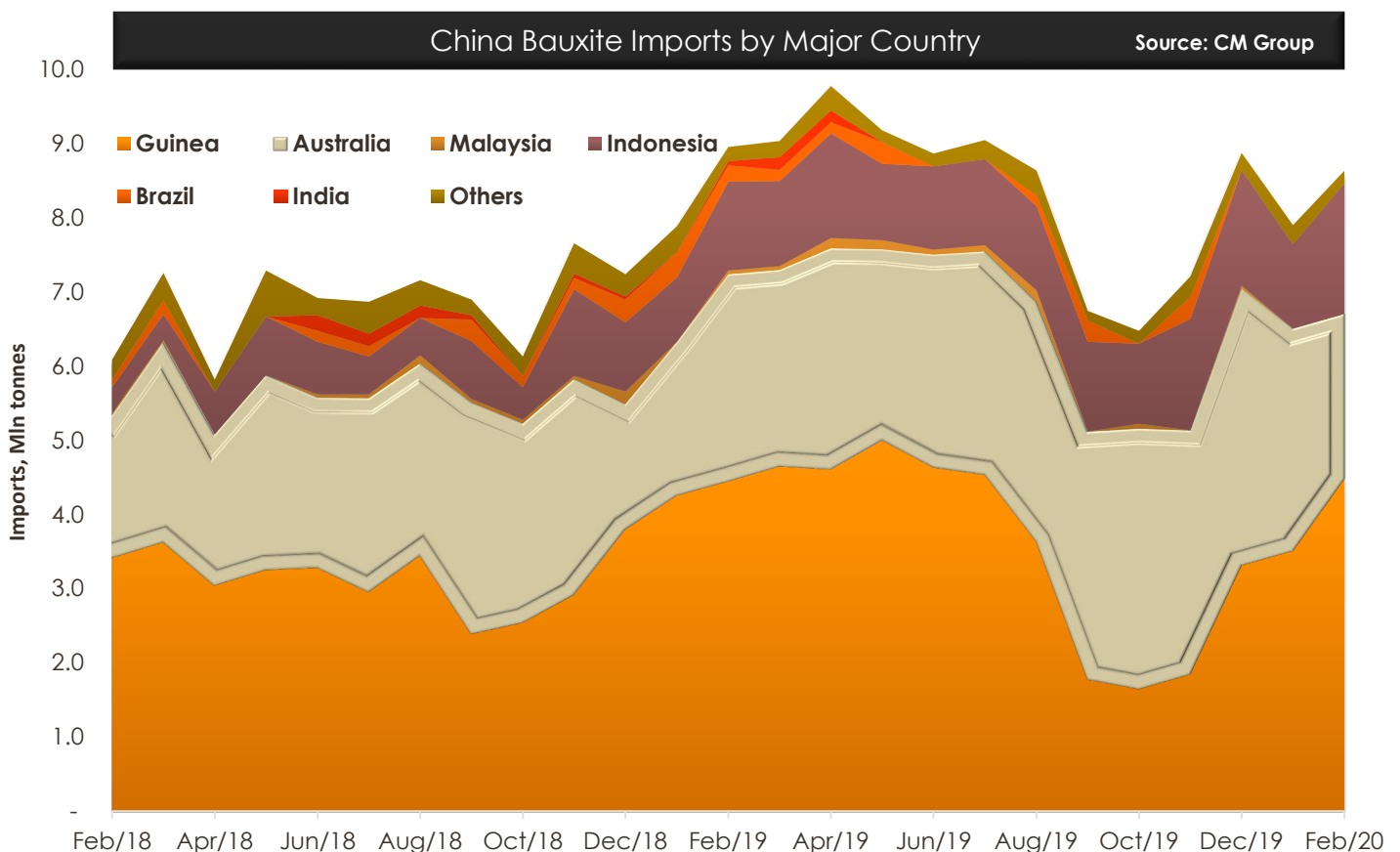
The price and demand outlook for bauxite imports to China became negative during the Quarter:

- Falling alumina and aluminium prices have pushed many refineries into loss making positions resulting in some idling of capacity and maintenance plans have also been brought forward.
- This has resulted in a reduction in bauxite demand and downward pressure on prices as focus shifts to cost cutting initiatives.
- There is pressure from customers for the lower freight rates to be fully/partially passed through to CIF bauxite prices; particularly for Guinea product which has experienced the largest freight reductions.

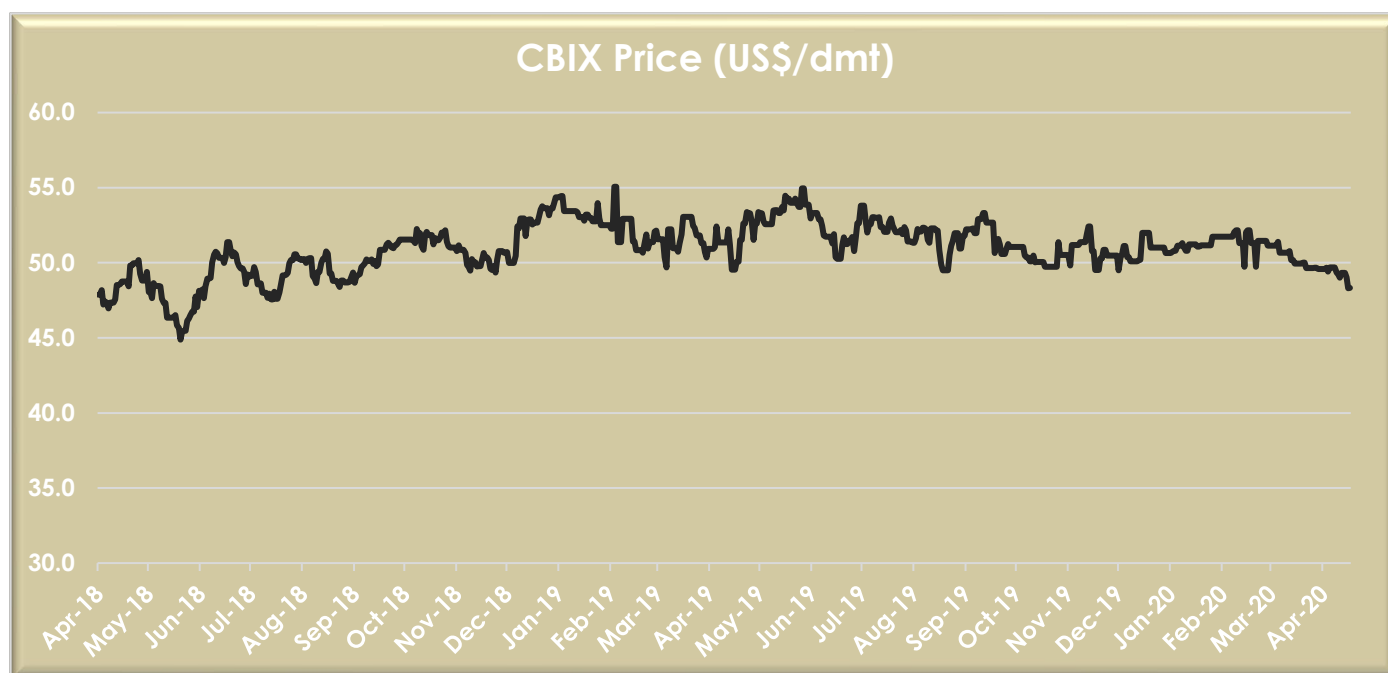
Despite these negative issues, COVID-19 has also resulted in other developments which may over the next few months be more positive for bauxite:

- Domestic bauxite supply remains tight as a number of private mines in China have remained closed due to the COVID-19 outbreak.
- Increasing concern that the spread of COVID-19 throughout the world is a growing risk to supply as more countries implement stricter lockdowns of borders and communities that could lead to supply disruptions to major bauxite exporting countries.

Imported bauxite prices CFR China, as measured by the CBIX Bauxite Index, have weakened modestly over the last month and are currently trading at US\$48.2/DMT (dry metric tonne). However, it should be noted that the index level reflects prices of cargoes negotiated several weeks and perhaps months ago. It is anticipated therefore that CBIX prices in the short term will provide a better reflection of current bauxite price negotiations coupled with the flow through of lower freight rates to reduced CFR prices.



Bauxite Price Outlook



CORPORATE

Cash Position: At the end of the quarter Metro's cash on hand and other receivables (including the GST refund) was A\$11.7Million. This is down from the end of the year position reflecting the planned hiatus of operations and also revenue during the period.

In addition, Metro holds A\$7.1Million of restricted cash, comprising financial assurance bonds and other security deposits. Subsequent to the end of the quarter, Metro was notified by Queensland Treasury that it is able to opt-in to the Financial Provisioning Scheme now operating in Queensland. This will release \$6.9Million of restricted cash currently held under cash- backed Bank Guarantees.

As a result, Metro commences the operating year with available cash and receivables of \$18.6M which puts Metro in a strong cash position.

Debt Facilities: As was reported last quarter Metro has restructured its debt position, repaying the US\$ debt, so at the end of the current quarter, Metro had two fully drawn A\$ project debt facilities, including accrued interest, totalling A\$35 Million.

Given the further weakening of the A\$ this quarter the move away from US\$ debt has resulted in interest payment savings.

Hedging: No forward sale, A\$/US\$ contracts were in place as at Quarter end. However, Metro is monitoring current market conditions and is likely to enter into forward contracts in line with its approved policy.



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