

21 March 2022

Metro locks in 3.8 m WMT sales and 2.0 m WMT of sea freight for 2022

Highlights

- **Metro agrees a further 1.0 million DMT offtake with Xinfu Group**
- **Sales for 2022 upcoming operating season now at 3.8 million WMT**
- **Contracts of Affreightment (COA) with Berge Bulk agreed for 2.0 million WMT for 2022**

Metro Mining Limited (ASX: MMI) (Metro) is pleased to announce it has secured additional offtake agreements with China's Xinfu Aluminium Group for the equivalent of 1.0 million Dry Metric Tonnes (DMT), half on a CIF basis and half FOB. Metro's contracted tonnage for 2022 now totals 3.8 million Wet Metric Tonnes (WMT) with approx. 40% to be priced through the balance of the year.

In addition, since January 2022, Metro has been active in the ocean freight market and has secured Contracts of Affreightment (COA's) to the level of 2.0 million WMT for 2022. This includes a three-year contract with Berge Bulk for approximately 1.5 million WMT per year with fixed price and bunkers. These agreements substantially mitigate Metro's exposure to the freight market.

Berge Bulk is a privately-owned shipping company based in Singapore, which owns and operates a fleet of over 85 ships with a carrying capacity of over 14.5 million dwt. Berge Bulk has committed to be carbon neutral by 2025 at the latest and has already started offering carbon neutral voyages. Their fleet ranges from handy-size to cape-size to some of the largest vessels ever built, serving the major miners, steel mills and charterers of the world. www.bergebulk.com

Metro Mining Managing Director and CEO Mr Simon Wensley said:

"As Metro approaches the operations restart in early April, almost all of 2022 target production is now under contract. An allowance for the steady recovery of Bauxite market prices from COVID lows has been built into the structure of the contracts. We are assessing incremental sales on a margin basis in parallel with a review of Floating Crane capacity, wet season productivity and expansion timing as we target a minimum of 4 million WMT for 2022 and 5 million WMT for 2023.

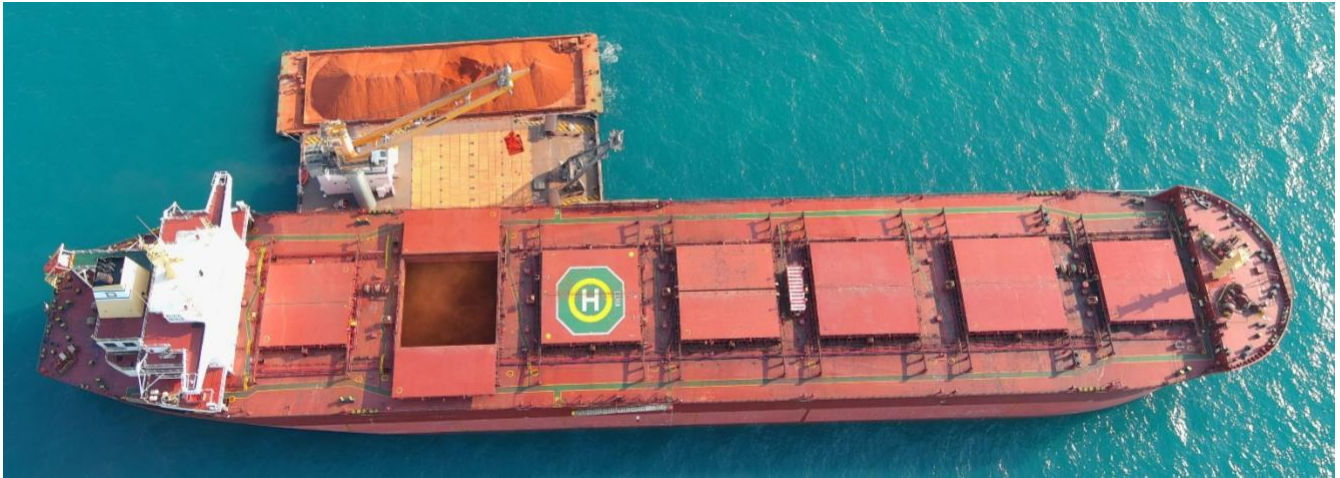
Although Metro substantially mitigated exposure to the freight market in 2021 through accessing Capesize vessels, bulk freight costs remain significant. To further mitigate risk, our strategy is to move a proportion of sales to FOB and to build a rolling book of forward freight contracts. With the freight and fuel market still tight and increasingly volatile as the Ukraine crisis develops, the COAs with Berge Bulk result in favourable rates compared with 2022 forward prices which are critical to help lock in the margin at the vessel level.

The strategic evolution of the sales and freight book continue to de-risk the company and provide a foundation for the expansion decision in 2022"

Important information

FORWARD LOOKING STATEMENT

Statements & material contained in this ASX Release, particularly those regarding possible or assumed future performance, production levels or rates, commodity prices, resources or potential growth of Metro Mining, industry growth or other trend projections are, or may be, forward looking statements. Such statements relate to future events & expectations and, as such, involve known and unknown risks & uncertainties. Although reasonable care has been taken to ensure facts stated in this Release are accurate and/or that the opinions expressed are fair & reasonable, no reliance can be placed for any purpose whatsoever on the information contained in this document or on its completeness. Actual results & developments may differ materially from those expressed or implied by these forward looking statements depending on a variety of factors. Nothing in this Release should be construed as either an offer to sell or a solicitation of an offer to buy or sell in any jurisdiction.



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This ASX Announcement has been authorised by Metro Mining Managing Director, Simon Wensley.