



# De-Risked Independent Bauxite Supplier

Noosa Mining Conference  
November 2022





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### **COMPETENT PERSON'S STATEMENT**

Any 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**

Any information in this report that relates to the Metro Mining Bauxite Hills Reserves is based on information compiled by MEC Mining and reviewed by Grant Malcolm, a Competent Person who is a Member of the Australasian Institute of Mining and Metallurgy. Grant Malcolm is a full-time employee of MEC Mining Pty Ltd. Grant Malcolm 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 of Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Grant Malcolm consents to the inclusion in the report of the matter based on his information in the form and context in which it appears.

### **COMPETENT PERSON'S STATEMENT**

Any 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.

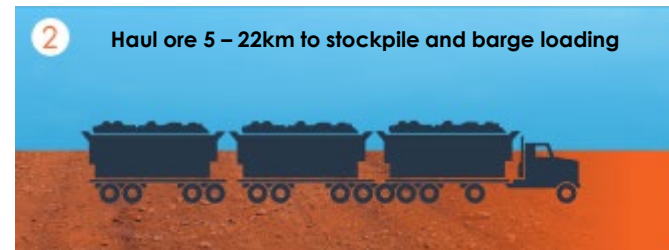
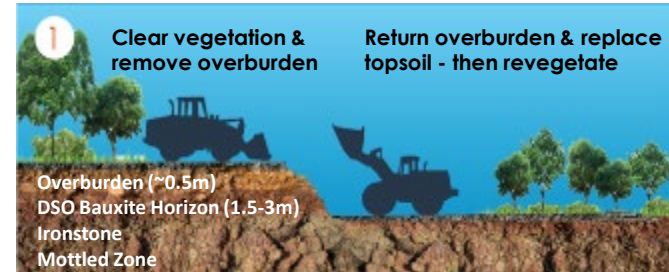
### **KEY RISK FACTORS**

Whilst some changes to operating plans have been outlined in this presentation, Metro directs the reader to the comprehensive description of Key Risk Factors outlined in the Notes to the financial statements for CY 2021 published 25 February 2022.

# Simple High-Quality Bauxite Operation

## Metro second significant exporter of “Weipa” bauxite

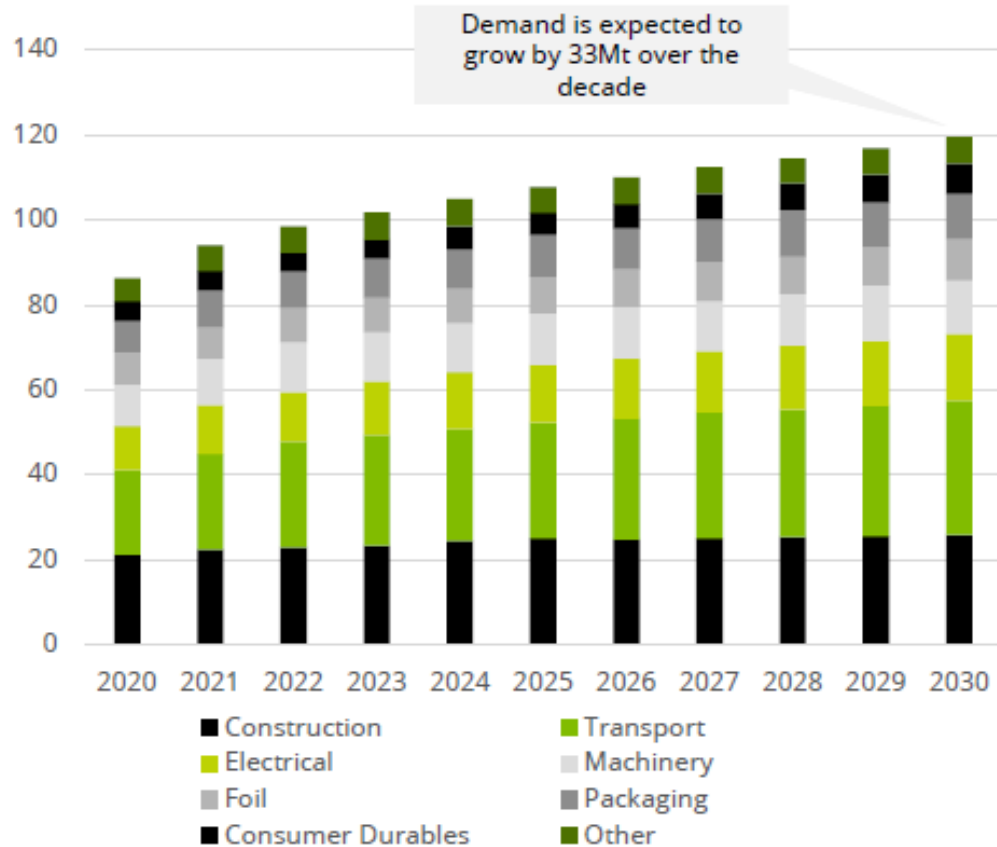
- ✓ 1963 COMALCO starts commercial production in Weipa
- ✓ 2008 First long term Weipa bauxite contracts to China
- ✓ **2018, 100 km North of Weipa, Metro establish Bauxite Hills mine**
- ✓ **Metro has 93 Mt Reserves plus 35 Mt Resources**
- ✓ **High alumina, direct shipping ore** (no processing)
- ✓ **Simple low-cost mining** production process
  - ✓ Clear top-soil/overburden, mine 1.5-3 m, using FEL, rehab
  - ✓ Road train 160 t haul 5 to 22 km to port site
  - ✓ Load and tow barge down river to ocean mooring
  - ✓ Trans-ship using high-capacity floating crane
- ✓ **Current capacity approx. 4 Mt/a; Expansion to 7 Mt/a underway**



# Aluminium demand in structural growth phase

**Demand expected to rise by 40% by 2030 driven by EVs, renewables & transmission**

Estimated Global Aluminium Demand by End Use Sector



An orderly net zero transition depends on aluminium



Solar PV generation is expected to double over the next 4 years.<sup>2</sup> Aluminium makes up 85% of the material used in solar panels by weight.



While only making up 4% of the materials used, wind turbines will require 35 million tons of aluminium per year by 2050.<sup>3</sup>



The rise of EV's will see the car industry go increase its global aluminium consumption by 60% to 31.7Mt in 2030.<sup>4</sup>



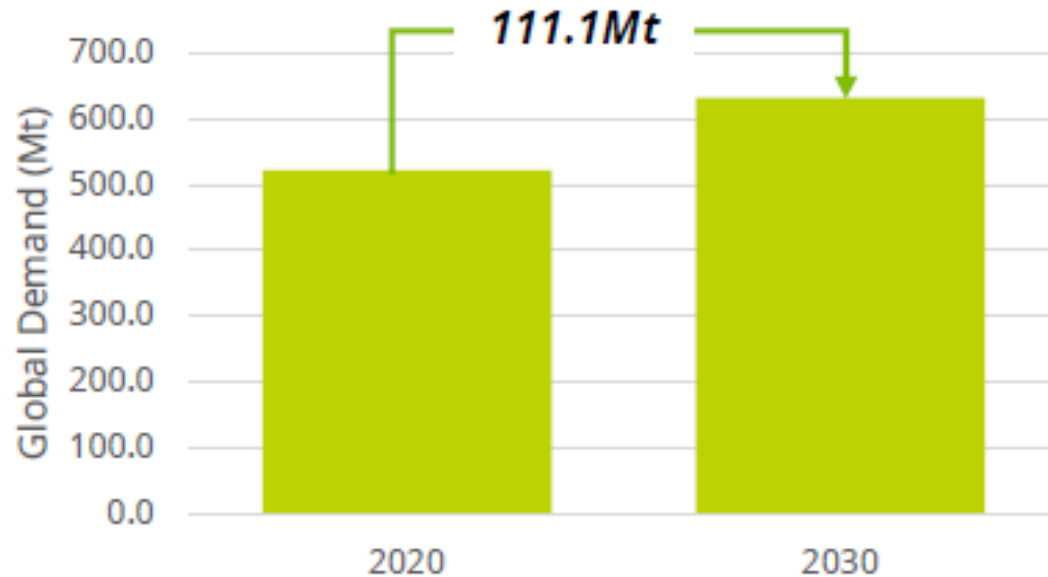
Transitioning the world towards green energy sources will require 50% more aluminium than the electricity sector consumes today.<sup>5</sup>

Note: (1) Data is from CRU (2021), Opportunities for Aluminium in a Post-Covid Economy (2)Source: [iea.org](https://www.iea.org) (3) World Bank Report (4) CRU Report (5) Ibid

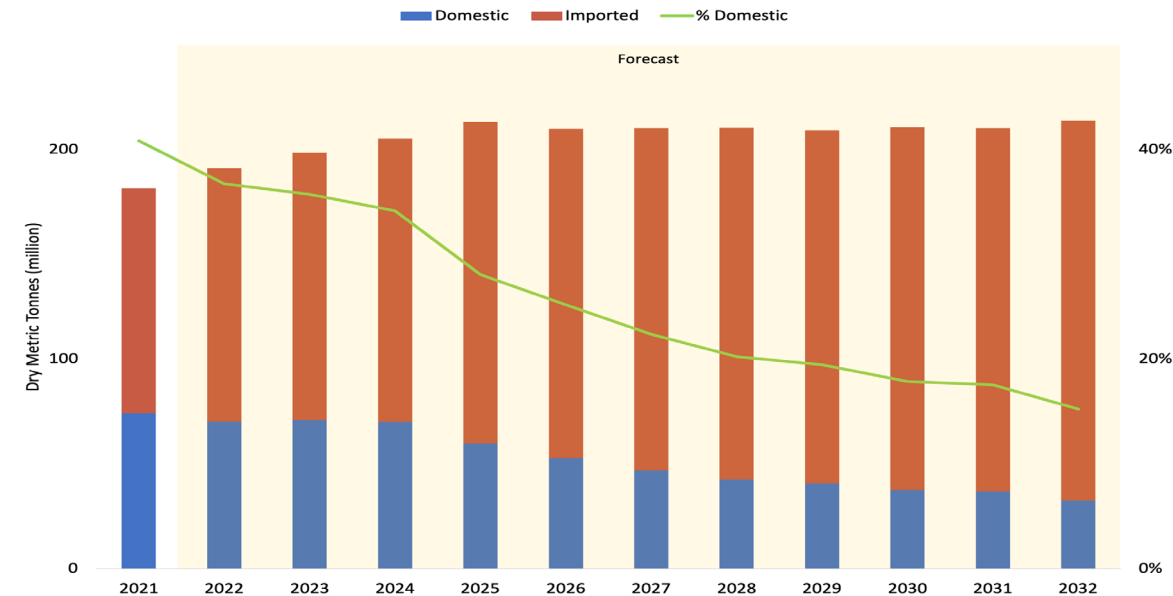
# Traded Bauxite market has very strong future

**Metro perfectly placed as Chinese domestic & Indonesia supply withdraws**

Implied Change in Global Bauxite Demand (2020-2030)



Forecast Sources of Bauxite Consumption China (2021-2032)



✓ **22% forecast growth in Global Bauxite demand (10 yrs)**

✓ Accounts for metal recycling and alumina production



✓ **70% forecast growth in China imports (10 yrs)**

✓ Growing demand to 2025 **PLUS**

✓ Imports take over from domestic bauxite

Sources: CRU, Deloitte Touche Tohmatsu, CM Group

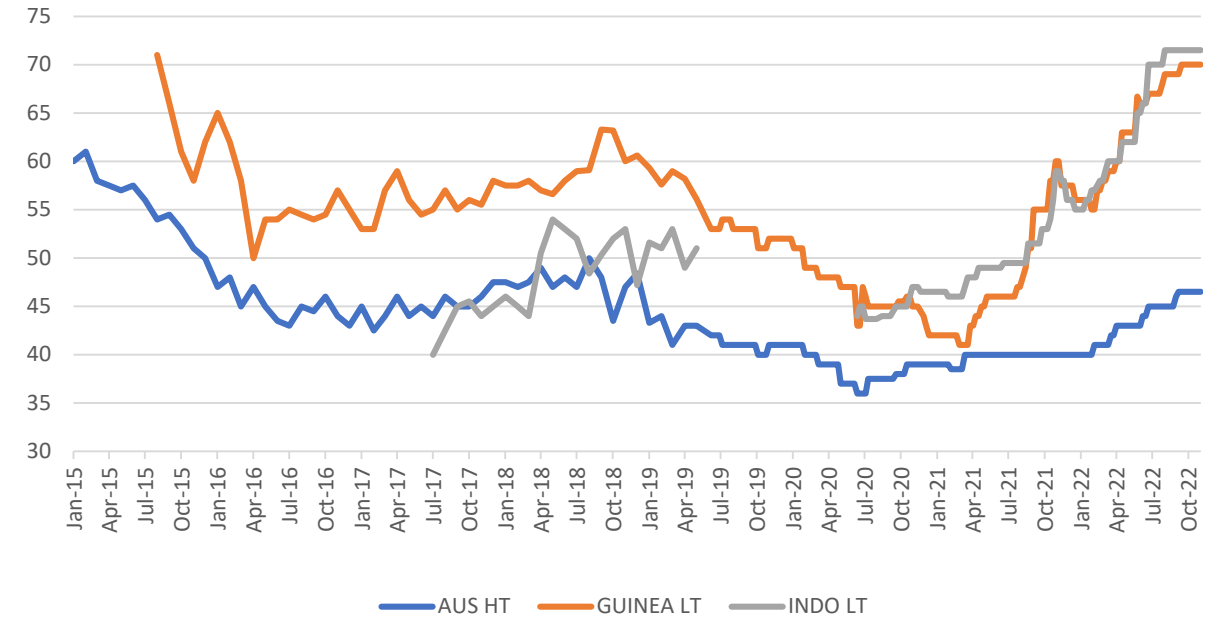
# Metro off-take contracted in rising market

Expansion perfectly timed into growing market as China domestic & Indonesia supply withdrawn

Metro Contract Off-take by Customer



Imported Bauxite Prices  
(US\$/DMT CIF China)



Graphs: CM Group

- ✓ **Metro demand firm:** On track for 3.6 to 3.7 M WMT (CY 2022)
- ✓ **2 base load customers underpin offtake until 2026**
- ✓ **Metro prices rising:** through 2<sup>nd</sup> half 2022 as contracts evolve.

- ✓ **Record bauxite imports to China YTD 2022 drive price recovery**
  - ✓ New refineries commissioned but domestic bauxite / transport impacted by COVID
  - ✓ Indonesia implementing bauxite ban in 2023

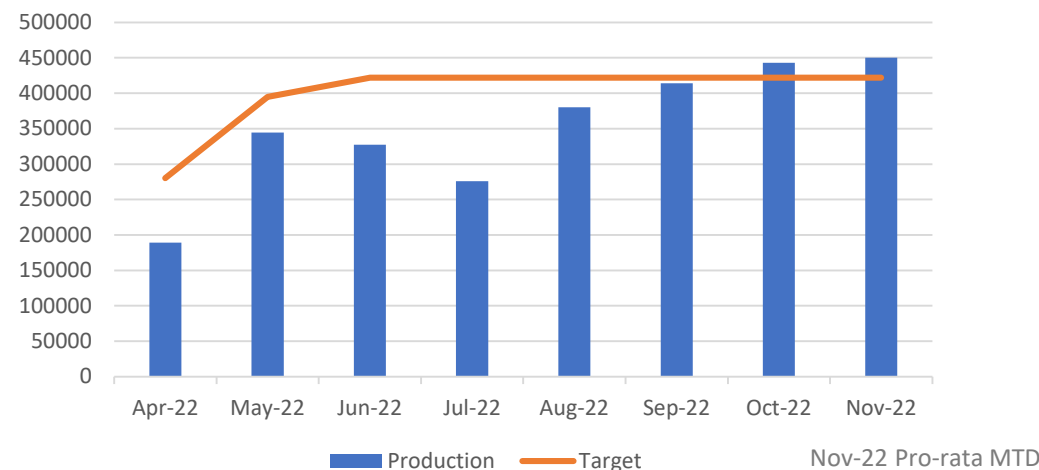


# Metro now more resilient to market forces

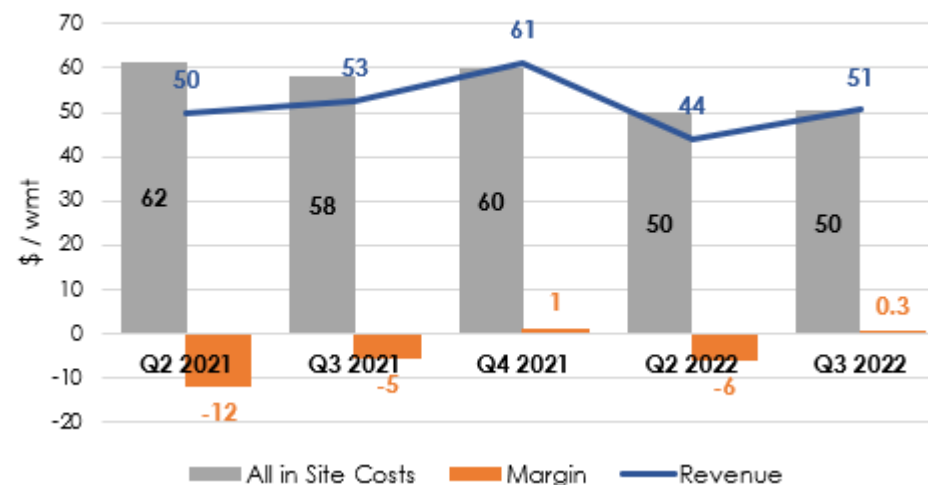
Turnaround complete: operations de-risked in 2021/2022 as market recovers

- ✓ **Offtake security:** Baseload customers underpin off-take to 2026. Additional offtake with Xinfu, a portion FOB. Extended Xiangsen LOI to 5 years
- ✓ **Floating Crane:** Procured floating crane & switched all customers to Capesize vessels.
- ✓ **Freight costs de-risked:** Moving to 50% FOB and 90% of freight/bunker fuel covered until 2024 underpinning production
- ✓ **Productivity, reliability & cost reduction:** Abnormal weather & floating crane ramp up affected Q1/Q2 2022. Executing reliability and productivity measures to offset cost inflation.
  - ✓ Additional truck capacity, screen / conveyor upgrades, larger floating crane grab, cost reduction program
- ✓ **Returned to cash flow positive in August 2022**
- ✓ **Identify organic value growth/de-risk options:** 12-month operation/beneficiation, bulk kaolin studies underway.

2022 Production vs Target (WMT/month)



Quarterly Site Unit Rates



# Expansion transforms Metro from good to great



*Low capex, low risk, brownfield expansion delivering payback in less than 2 years*

- ✓ Board approved expansion of Bauxite Hills mine from **4 to 7 Mt/a** capacity
  - Procure a 2<sup>nd</sup> floating crane barge & upgrade fixed & mobile plant
  - 6 M WMT pa DFS production/sales rate for a 15-year mine life
- ✓ Contracted sales ramp up to **5 Mt in 2023 and 6 Mt in 2024**
  - Mix of FOB and CIF- a portion of additional tonnage is high silica blend
  - Additional 1 MWMT pa of spot sale opportunity
- ✓ Outstanding economics: Site EBITDA margin of **A\$ 14 /t** at current pricing; **IRR of 78 %**; NPV increment of **\$249 M**
  - Capital paid off by end of 2024
- ✓ Capex is **A\$ 28.3 Million**, procurement process currently under budget
  - \$11 M of Jul 2022 placement for long lead time items, wet season site upgrades, FEED studies/ engineering and owners team costs
  - NAIF facility in final stages of due diligence/credit approval

| Key Statistics       |         |      |
|----------------------|---------|------|
| Capacity             | M WMT   | 7.0  |
| Production rate      | M WMT   | 6.0  |
| NPV                  | A\$ M   | 372  |
| IRR                  | %       | 78   |
| Payback              | Years   | 2    |
| Capital Cost         | A\$ M   | 28.3 |
| Reserve              | M WMT   | 92.9 |
| Mine Life            | Years   | 15   |
| LOM Revenue          | A\$ Bn  | 4.6  |
| LOM EBITDA           | A\$ Bn  | 1.3  |
| Avg Annual Revenue   | A\$ M   | 292  |
| Avg Unit Site Opex   | A\$/WMT | 16.4 |
| Avg Unit Site Margin | A\$/WMT | 13.7 |



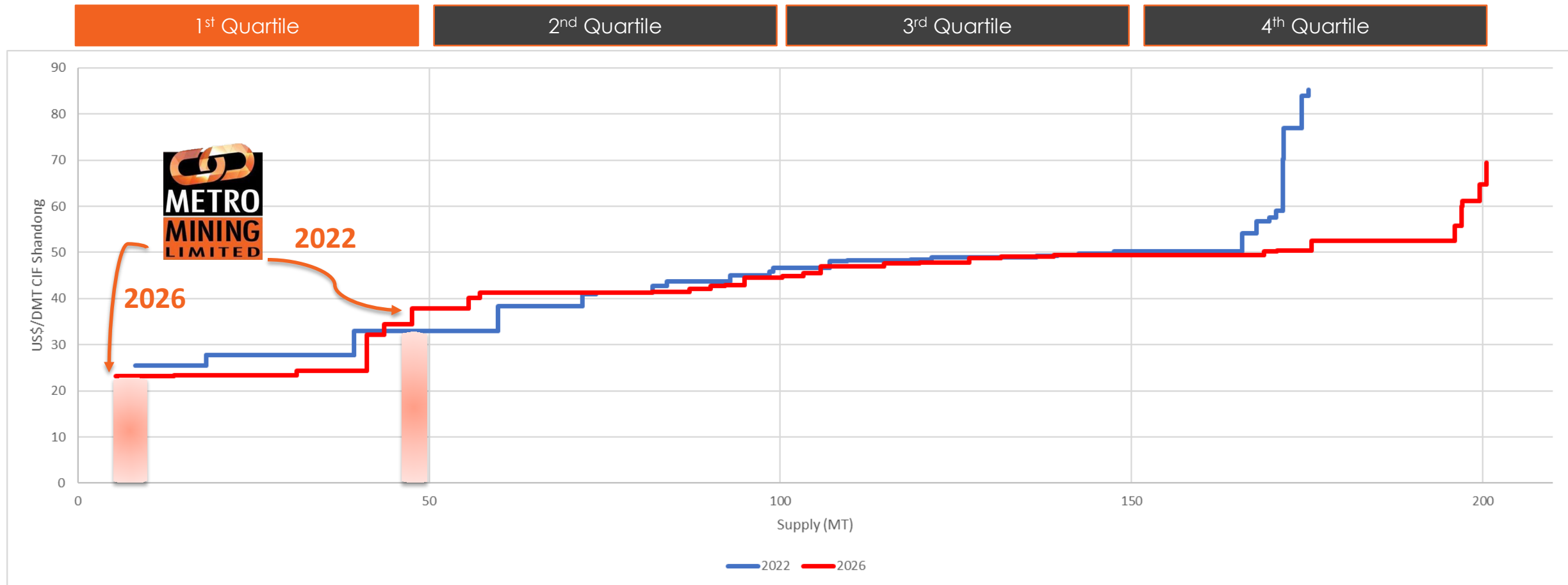


# Lowest Global Delivered Cash Cost Positioning



Become worlds lowest cost global quality bauxite supplier into China

Independent consultant, CM Group, places Metro, at 6 Mt/a scale, as No 1 on the 2026 delivered China seaborne cost curve



# Well Credentialed Board & Management

Significant top-tier mining value chain experience delivering expansion & future shareholder value



## Highly Experienced Resources Board



**Douglas Ritchie**  
Non-Executive Chairman



**Fiona Murdoch**  
Non-Executive Director



**Mark Sawyer**  
Non-Executive Director



**Andy Lloyd**  
Non-Executive Director



## Capable Management Team



**Simon Wensley**  
CEO & Managing Director



**Nathan Quinlin**  
CFO



**Cherie Everett**  
GM People & Culture



**Gary Battensby**  
GM Bauxite Hills/SSE

# Exciting time to invest in Metro

**Existing operations de-risked, market recovering, expansion underway**

✓ **We have the Resource and Operating Mine**

High-grade 15+ year resource from the renowned Weipa bauxite province. Mine operating for 5 years.

✓ **We have the market and the customers**

Record bauxite trade in 2022 and forecast to grow strongly @ 7% pa. Two large baseload customers underpin off-take until 2026

✓ **We have the low-cost, low-risk business model**

Simple low strip mine & flow-sheet, trans-shipping to Capesize vessels to market. At 7 Mt pa scale, costs will be bottom of cost curve.

✓ **We have the People**

Dedicated local workforce including 30% indigenous participation. Experienced & capable top-tier board and management.

✓ **We have the transformational expansion strategy**

Low-cost A\$ 28 M expansion to 7 Mt pa underway to deliver in Q4 2023. Economies of scale utilize latent capacity to deliver 78% IRR

✓ **We have the funding pathway**

A\$ 27 M placement in July 2022 for long lead items, working capex and debt reduction. NAIF finalizing due diligence, approval expected Q1 2023.



# ASX: MMI- Corporate Snapshot



## Share Price

**A\$ 0.017**

- As at 4/11/22
- 52 week high \$0.039, low 0.013

## Cash

**A\$ 19 Million**

- As at 30/09/22

## Market Cap

**A\$ 74.2 Million**

- As at 4/11/22
- Shares on issue 4,364 Million

## Q3 2022 Revenue

**A\$ 54 Million**

- From 1.1 MWMT sold



| Top Shareholders          | %    |
|---------------------------|------|
| Greenstone Management LLC | 19.1 |
| Lambhill Pty Ltd /Willims | 6.0  |
| Balanced Property         | 5.6  |
| Dadi Engineering          | 1.8  |

| Broker Target Price                   | A\$/shr |
|---------------------------------------|---------|
| Andrew Hines (Shaw & Partners) 10/22  | 0.06    |
| Colin McLelland (Petra Capital) 07/22 | 0.08    |



Explore | Define | Mine



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