

7 March 2023

ASX Limited
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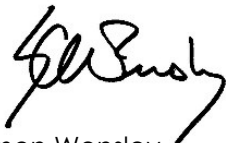
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Update to Earlier ASX Announcement

The attached ASX Announcement is an update to this morning's ASX Announcement. The updated announcement provides the name of the party that Metro Mining has signed a non-binding MOU with, noting also that the material contractual terms are still being agreed between the parties.

The release of this cover page and accompanying announcement has been authorised by the CEO and Managing Director.

Yours sincerely



Simon Wensley
CEO & Managing Director

Metro Mining Ltd Remobilises Operations into firm Bauxite Market and announces MOU for additional offtake

- MMI is mobilising teams back to Bauxite Hills site in preparation for ship-loading on 2 April
- Traded bauxite market continues to firm as demand improves and Indonesia exits
- Up to 5 Mt/a offtake under binding terms for 2023
- Q2 prices forecast to increase by 30% vs 2022
- Wet season investment delivers upgrades to truck fleet, screens and barge-loading system
- MOU signed with a third base load customer from 2024; aligned with 7 Mt/a expansion

Metro Mining Limited (ASX: MMI) (**MMI** or the **Company**) announces it is remobilizing production and services team back to site from next week. The target for mining start is 24 March with ship-loading due to commence on 2 April, one or two weeks earlier than normal, when the floating crane barge, TSA Skardon, returns to site after an accommodation refit.

The traded bauxite market continues to remain firm after a strong 2022 with Chinese bauxite imports breaking previous records of 126 Million tonnes (Mt), up 17% year on year. Demand is expected to remain strong in 2023 as alumina capacity increases and as traded bauxite supply is constrained by the exit of Indonesia from the market. This should see prices for Australian bauxite to continue to rise through the year. MMI has agreed offtake agreements for up to 5 Mt for 2023 and has secured Q2 '23 price outcomes approx. 30% higher than CY 2022 across 1.4 Mt of sales.

MMI has invested in maintenance and upgrade work through the wet season. Scania and Blake Machinery Group have been making necessary modifications to the new prime mover fleet which will be arriving at site from March. All trailers have received maintenance and additional trailers have been procured. Site maintenance has been focused on the screen grizzly feeders, conveyors and chutes to build on the capital spent in 2022 on screen decks.

The Barge Loading Facility will also have completed a major capacity upgrade from 1500 to 2000 tonnes per hour through chute modification and speed improvement in time for operational restart. The planned production rate is 3.5 to 4 Mt/a in Q2 and then ramping up in Q3 to a 5 to 6 Mt/a rate aligned with the already funded capacity upgrades to the relevant parts of the Bauxite Hills flow sheet (Table 1). The production estimate for CY 2023 is 4.5 to 5 Mt, with additional sales above the capacity of the first floating crane barge being loaded via geared vessels.

MMI has been finalizing project engineering, procurement and financing for the remaining elements of the 7 mt/a expansion, the 2nd floating crane barge and enhanced screen solution, and expects to be able to announce an update before the end of March 2023.

MMI is also pleased to announce that it has signed a non-binding MOU with a third base load customer for offtake commencing in 2024 and ramping up in 2025 to 2 Mt per annum. The counterparty is Chifeng Qihui Aluminum Development Limited. This remains subject to entry into long-form binding documentation once material contractual terms have been agreed, but is encouraging confirmation of the value proposition of MMI bauxite in the market and is perfectly aligned to MMI's expansion plans to 7 Mt per annum over the next 2 years, to take advantage of the significant inherent economies of scale.

Table 1

BHM Flow Sheet Capacity (Mt/a)	Q4'22	Q2'23	Q3'23	Q4'23	Q2'24
Mining Equipment	7	7	7	7	7
Prime Movers	4	5	7	7	7
Trailers	4	5	6	7	7
Screens	4	5	5	5	7
Barge Loading Facility	4	7	7	7	7
Tugs / Barges	4	4	6	6	7
Transshipping (FCB)	4	4	4*	4*	7

* Additional geared ships can be loaded in parallel with FCB1



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

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