

## Metro Mining Ltd Commences Operations CEO Outlines 2023 Ambitions

- **MMI commenced production on 30 March and ship-loading on 6 April**
- **Traded bauxite market starts strongly in 2023**
- **MMI has up to 5 Mt/a offtake under binding terms for 2023 with Q2 FOB prices up 30%**
- **Wet season investment delivers upgrades to floating crane, truck fleet, screens and barge-loading system**
- **US\$20M Nebari first tranche funds received allowing finalization of 7 Mt/a expansion**
- **NAIF approved a 12-month extension of the Financial Close Sunset Date of its funding facility**

Metro Mining Limited (ASX: MMI) (**MMI** or the **Company**) is pleased to announce that 2023 production commenced on 1 April from the Bauxite Hills Mine, located 95kms north of Weipa on Western Cape York. The floating crane barge arrived at site on 4 April after minor delays in completion of the accommodation upgrade and mobilisation from Yamba. Barges were loaded from 4 April and the first Capesize vessel commenced loading on 6 April 2023.

**Bauxite Market:** The traded bauxite market continues to remain firm after a record 2022. Chinese bauxite imports were 23.6 Mt for first 2 months of 2023, a 12.5% increase year-on-year. Demand is expected to remain strong in 2023 as alumina capacity increases and as traded bauxite supply is constrained by reduced production in China and the exit of Indonesia from the market. MMI has agreed offtake agreements for up to 5 Mt for 2023 and has secured Q2 '23 FOB equivalent price outcomes approx. 30% higher than CY 2022 on open volumes.

As well as the floating crane barge accommodation upgrade which will increase utilisation, there have been multiple maintenance and upgrade projects occurring over the shutdown period to underpin the Company's production season ahead.

**New Haulage Fleet:** The new Scania trucking fleet has started to arrive at site and is undergoing payload trials up to 220 tonnes of bauxite. The Scania R770 prime mover is a V8, 16 litre, 770 hp (588 kW) specification with a Gross Combination Mass (GCM) of 360 tonnes conforming to Euro6 emission standards. The truck has been specially modified for Metro Bauxite Hills and is an off-road specification 8x4 wheel configuration with dual steer front axles. The increased engine efficiency and payload will see a significant reduction in emissions per tonne of bauxite produced. All trailers have received maintenance and additional trailers have been procured.



Figure 1. New Scania haulage truck

**Ore screen improvements:** Significant work has been completed on the existing stockpile and screen facility. A revised dumping and loader/excavator protocol has been implemented to choke feed the grizzly feeders and all the conveyor and screen decks have had upgrades to deal with wider variety physical ore characteristics to achieve the increased 2023 production targets.

**The Barge Loading Facility:** has completed a major upgrade from 1,500 to 2,000 tonnes per hour peak capacity through chute modification/replacement and belt speed improvement.

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.

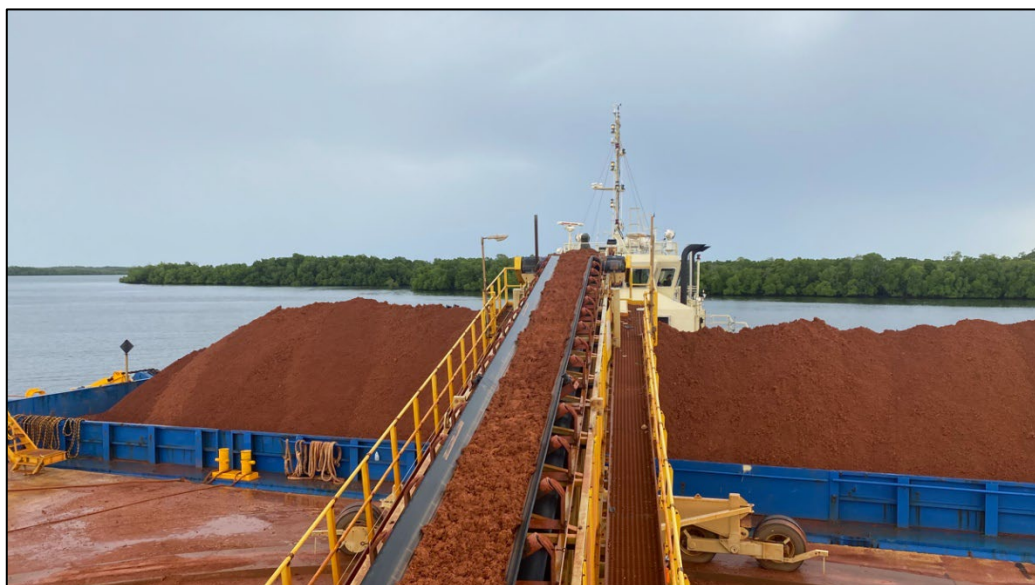


Figure 2. Barge loading facility upgraded by 33%

#### **Simon Wensley, CEO & MD of Metro Mining Outlines his Ambitions for 2023 Operations:**

"2023 is a very important transition year for Metro after executing a number recovery and resilience activities in 2021 and 2022. We have off-take contracts of up to 5M WMT in 2023 on the way to a target of 6 to 7M WMT for 2024. We intend to go as hard as we can to achieve these targets as at these levels the economies of scale of the Bauxite Hills operation really kick in. We have made a strong start to the year towards achieving 2023 targets.

After almost 300cm of rain in the Northern Cape over the wet season, our Metro and Contractor teams have worked hard to prepare the site for operational restart, which has occurred successfully and safely in the first week of April. As outlined above, the haulage fleet is being upgraded and the screens and barge loaders are already demonstrating significant capacity improvements based on the upgrades that have occurred in the last 3 months. With full staffing in place, we plan to get 2 Capesize vessels away before the end of April, weather permitting.

MMI can sell every tonne it produces in this current tight market and we are pushing for increased prices which represent fair value for our refinery customers versus competitive material from Australia and Guinea. We will see this flowing through to CIF and FOB equivalent prices in Q2 and for the rest of the year.

The achievement of the US\$30M Nebari Partners funding is incredibly important for Metro as it gives us the opportunity to fully implement the 7Mt/a expansion. Following receipt of first tranche of the loan funds last week, MMI is finalising project engineering and procurement for the remaining expansion components, the expanded transshipping assets and enhanced screening solution. The project team is working hard to finalise the design and procurement options ready for Final Investment Decision by the Metro Board by the beginning of May. The Nebari facility has been designed to be flexible and I'm pleased to say that the Northern Australia Infrastructure Facility has extended the Financial Close Sunset Date to 31 March 2024, subject to improved financial performance and credit approval.

The year ahead for shareholders should see reward from the Company's transformational growth plans now that our funding for the final phase expansion has been secured. Global bauxite markets are currently strong and look promising into the near term as we see demand for aluminium increasing to meet new markets for this incredibly versatile metal.

Aluminium is a material that is experiencing growing consumption across traditional global markets such as construction and manufacturing and also in the rapid increase in renewable energy, electrification and Electric Vehicle demand. Aluminium is essential for light-weight, strong and efficient vehicle chassis and components and the second largest material input in EV batteries, which means that the outlook for bauxite supply for aluminium production remains very positive. Metro Mining, as Australia's only standalone bauxite producer, is well positioned for today and the years ahead to benefit from the great energy transformation the world is currently undertaking."

**Table 1**

<b>BMH Flow Sheet Capacity (Mt/a)</b>	<b>Q4 '22</b>	<b>Q2 '23</b>	<b>Q3 '23</b>	<b>Q4 '23</b>	<b>Q2 '24</b>
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

## About Bauxite and Metro Mining

Bauxite is the ore used to make aluminium, a critical and strong growth metal in the energy transition. Metro Mining is an independent bauxite producer and explorer, with its 100% owned Bauxite Hills Mine operating on the Weipa bauxite plateau approx. 95 km North of Weipa town, near the coast on the Skardon River. Metro produces a high alumina bauxite shipping direct to customers in very large ore carriers. Metro recognises and has productive agreements with the traditional owners of the land on which it operates and is proud of its high percentage of indigenous employees and the economic impact it has in Cape York and Far North Queensland.



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This ASX Announcement has been authorised by the Board of Directors.

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