

MARCH QUARTER 2023 HIGHLIGHTS

OPERATIONS

- **Bauxite Hills remobilises into strong traded bauxite market**
- **First vessel loaded in good time with funds for the cargo received**
- **Chinese demand for imported bauxite at record levels; Metro prices rising**
- **Wet season maintenance executed on mobile equipment, screens ready for season start**
- **BLF expansion completed up to peak capacity 2000 tonnes per hour**
- **New high powered Scania prime movers have started to arrive**

CORPORATE

- **MOU signed with third base load customer from 2024 aligned with expansion plans**
- **\$45 million Financing Facility for expansion of Bauxite Hills executed with Nebari Partners LLC**
- **Funding supports Bauxite Hills expansion to 7 Mt per annum from 2024**

Metro Mining Limited (ASX: MMI, 'Metro', the Company) is pleased to deliver the March 2023 Quarterly Activities Report covering operational and corporate activities for the Company and the Bauxite Hills Mine, located 95kms north of Weipa on Western Cape York. Bauxite ore is the mineral processed into aluminium, an essential and high growth metal in the energy transition. Metro Mining is Australia's only pure play bauxite miner, currently operating a 4 Mt/a mining operation in North Queensland.

As forecast, there was no production or shipping at the Bauxite Hills Mine during the quarter due to the annual wet season. However, activity was significant as the company and its contractors undertook maintenance on key mobile equipment and fixed plant. The first element of the Metro expansion to 7 Mt/a was executed on the Barge Loading Facility (BLF).

Production started successfully for the 2023 season in early April. Despite storms most days, the first vessel departed fully loaded on schedule (load time of 13.5 days). However, the vessel has encountered difficulties enroute to the discharge port as previously reported (ASX Announcement on 27 April 2023). Payment has been received and Metro is working with owners' representatives, the customer and insurance providers to ensure safe cargo delivery. The production and shipping guidance for the 2023 season is 4.5 to 5 Million Wet Metric Tonnes.

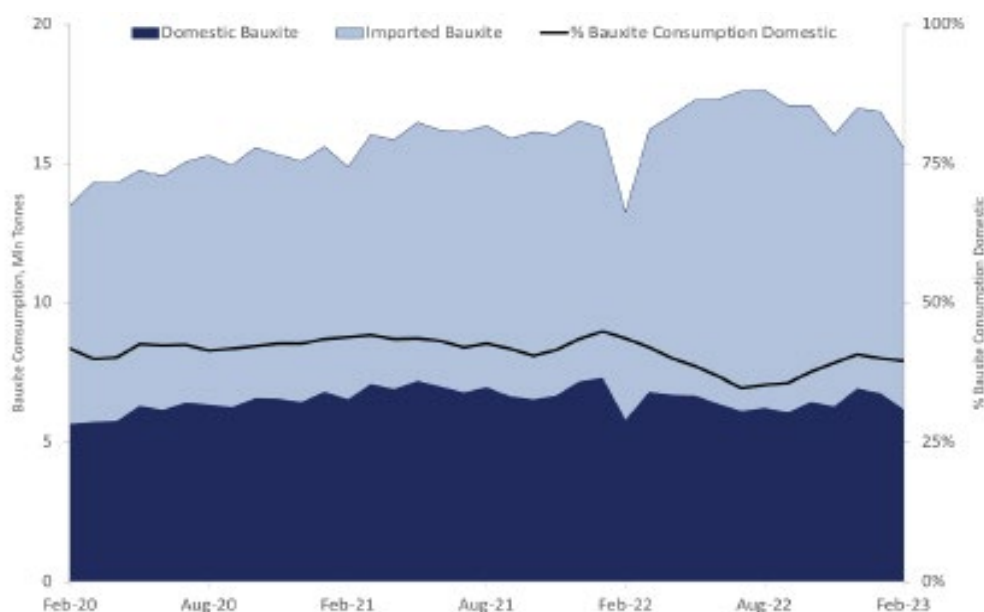
The traded market for bauxite is robust with a record first quarter imports into China. At the same time Indonesian shipments appear to be ceasing with the ban coming into force with the extra demand likely to be taken up by Guinea and Australia in 2023. During the quarter, Metro signed an MOU with a prospective third base load customer, for bauxite supply from 2024 aligned with the commissioning of a greenfield refinery and MMI's own expansion plans.

Metro's expansion plans remain on track with elements of the flow sheet already in an expanded state, some delivered during the last quarter, with further steps over the next 12 months to reach the target capacity of 7 Mt/a. The remaining elements of the expansion will be underpinned by a two tranche US\$30M (A\$45M) loan facility from Nebari Partners LLC. The first tranche of funds (US\$20M / A\$20M) has been drawn down and received.

Bauxite market and Metro sales

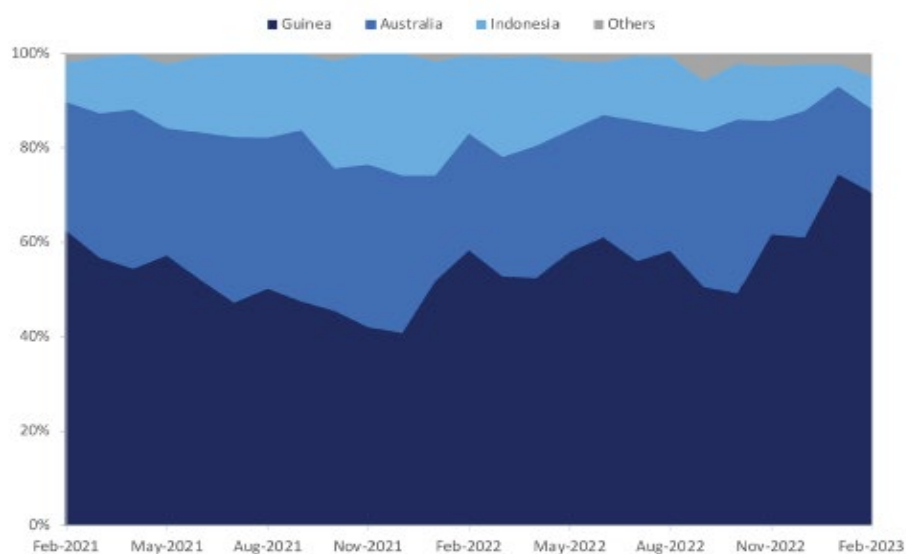
After a record 2022 of 125.7 Mt, first quarter 2023 bauxite imports to China were 35.7 Mt. CM Group believe this could lead to an annual 2023 import demand of 135 Mt, 7% up on 2022.

Bauxite consumption (Mt/month. CM Group)

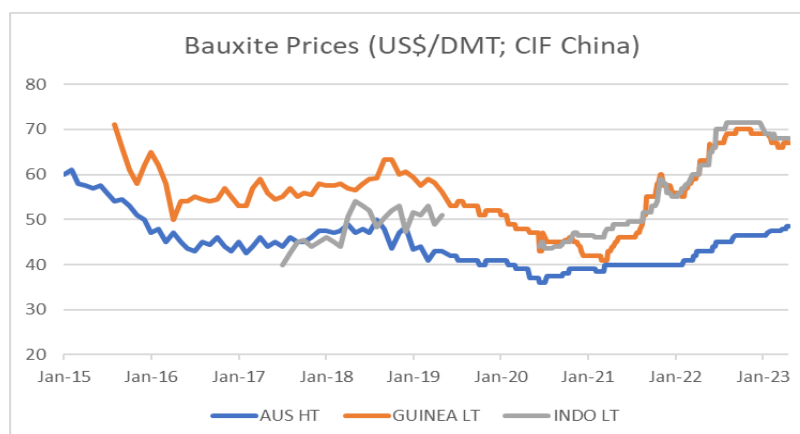


This is at the same time as Indonesian export shipments (approx. 20Mt in 2022) seem to be drying up by the end of the quarter as a result of the Government ban.

Monthly Bauxite Imports Share by Country (%. CM Group)



Most recent market pricing (CM Group) shows continued firm pricing for Guinea and Indonesia and average prices rising for Australian bauxite. Metro believes that the delta between these prices must close towards long run value in use levels of US\$10/DMT with Guinea prices coming under pressure with lower freight rates and continued incremental rises for Australian material as contracts roll-over.



Chinese caustic soda prices reduced during the quarter which should favour Australian bauxite value in use however domestic Chinese alumina prices remain stubbornly low in the face of new refinery capacity coming on-line.

MMI has agreed offtake agreements for up to 5 Mt for 2023 and has secured Q2 '23 FOB equivalent price outcomes approximately 30% higher than CY 2022 on open volumes.

Operational performance for the quarter

Safety performance

There were no High Potential Incidents, Medical Treatment Injuries or Lost Time Injuries recorded during the quarter. Throughout the wet season the health and safety team worked through a comprehensive wet season plan / task list to prepare the site for 2023 production which included:

- Updating the Safety Health Management Plan
- Reviewing the Board Brush Risk Assessment and Critical Risk Register
- Conducting a review on all incidents from 2021 onwards and creating action plans to prevent recurrence
- Reviewing and updating the BHM onboarding process for workers
- The development and implementation of Safety Lead Indicator, Safe Act Observation (SAO) and Work Area Inspection (WAI) targets
- The development of automated reports to assist with compliance requirements.

Operations summary

As of the end of March BHM Operations is prepared for the 2023 production season. Essential works programs and commissioning have been completed on the fixed plant with very positive screening throughput results achieved. Haul road repairs have been completed, and the ROM road train circuit has been reversed in-order to improve safety and screen loading rates. All required haulage and mining equipment is available for operations. Morale of returning workers is good, as the team can see the improvements and Metro's commitment to BHM's success. Of note, Metro has achieved a 95% retention rate of the 2022 workforce for the 2023 production season.

Production and hauling commenced on 31 March 2023 with the first loads from the pits commissioning of the modifications to the screens and BLF. The screens performed very well with wet bauxite.

The 2023 Mine Plan identified numerous opportunities to improve workforce, equipment and resource availability and utilisation across site. To date many of these improvements have been implemented, with additional items to come online in Q2 as operations ramp up.

2023 operations launch at Skardon River

On 19 April 2023 the official opening of the 2023 production season was held with a Director of Seven Rivers Aboriginal Corporation and Ankamuthi Elder providing the Welcome to Country and the first dig of a new "Yarning Circle". The Injinoos dance troupe also attended, performing several traditional dances.



Expansion

<p>On 29 June 2022 Metro announced that the Metro Board of Directors approved a Final Investment Decision (FID), subject to financing, to expand the capacity of the Bauxite Hills Mine to 7.0 M WMT pa. Since then, the Board has approved expenditures on the barge loading facility and a new screening plant.</p> <p>The approval for the expansion is underpinned by Metro having recently secured additional binding offtake with Xinha Aluminium Group for 2023 and 2024.</p>	<p>Expansion Philosophical approach</p> <ul style="list-style-type: none"> ■ Operationally simple and safe to operate ■ Expand capacity incrementally to 7Mtpa ■ Achieves throughput targets with sticky ore ■ Improves availability and reliability
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On 29 June 2022, Metro announced the Directors had approved, subject to finance, the expansion of the capacity of Bauxite Hills Mine from 4 to 7 M WMT per annum, underpinned by sales commitments. The current project budget is \$30.95M. This increase from \$28.3M is largely due to a much improved but more costly screening plant design, together with increases in the cost of the floating crane barge, and an associated increase in contingency levels.

Second floating crane

As previously reported, a combination of lead time on critical items, shipyard delivery and financing timing has delayed the expected commissioning of the floating crane barge. The second floating crane is still expected to be operational during in Quarter 2 2024.

Procurement activities on the major components and shipyard construction has continued. The preferred operating model for the second floating crane barge is also under development, following receipt of expressions of interest from multiple transshipping contractors for the ship management and operation of the floating crane.

Site upgrades

The upgrade to the Barge Loading Facility was completed during the recent wet season shutdown.

The upgrade works have provided a steady-state throughput capability of 1,900 tonnes per hour (tph), with peak, short term capacity of 2,000tph. This is equivalent to an 80% increase relative to the average rates achieved in Q4 2022. Since commencement of operations in early April 2023, barge loading rates and reliability have shown a dramatic improvement over Q4 2022 performance. Chute blockages and disruption to operations is no longer the major issue that it was when loading damp, sticky bauxite.

The concept for the expansion of screening capacity has been amended since the DFS with Metro electing to install a new screening plant with a capacity of a 1,500tph, comprising an Apron and a Wobbler Feeder. This will replace one of the existing grizzly and vibrating screen plants, with the second being retained for backup and product blending. It is expected that adopting this alternate screening technology will increase the throughput rate and provide greater resiliency in

handling wet product.

Based on the procurement activities completed to date we expect to commission the new screening plant in March 2024. In the interim the existing two screening plants will provide sufficient throughput capacity to meet the improved rates at the Barge Loading Facility. These plants underwent a major maintenance overhaul in the recent shutdown and are now showing much higher levels of availability over Q4 2022.

In partnership with our major equipment contractor, Blake Machinery Group, the new high-efficiency Scania trucks and additional supporting trailers are being mobilised to site from March 2023 with the final units arriving by August 2023.

Impact on 2023 capacity

Given the capacity limitation of the existing floating crane, additional tonnes will be loaded using smaller, geared vessels until the second floating crane's commissioning in Q2 2024.

With the implementation of the dual loading strategy together with the completion of the site upgrades to provide an expanded site capacity from August 2023, Metro is targeting delivered sales of between 4.5 M WMT and 5.0 M WMT in 2023. This represents a substantial increase over 2022 sales.

Financing

Equity raising

In Q3 2022, Metro successfully completed a \$27.4 million equity raising via a two-tranche Placement and a Share Purchase Plan. As part of the equity raising, a portion (\$6.5 million) of the Greenstone and Lambhill short-term unsecured shareholder loans was converted into shares. The remainder of the proceeds were received in cash.

A summary of the use of funds as at Q1 2023 has been included below:

Use of Funds	Allocated	Actual Spend
Expansion Project	\$11.0 M	\$3.5 M
Growth Studies	\$3.0 M	\$0.4 M
Working Capital and Offer Costs	\$6.9 M	\$17.0 M
	\$20.9 M	\$20.9 M

During the quarter a further \$2M of funds was employed for the Barge Loading Facility Improvement programme, with the scoped of works being completed as planned. Metro was required to utilise the remaining funds as working capital to support the operation during the wet season shutdown period following the early cessation of the 2022 operating season.

Nebari Financing Facility

During the March quarter (see ASX Announcement dated 13 March 2023) the Company announced that it has entered a facility agreement with Nebari Natural Resources Credit Fund I, LP and Nebari Natural Resources Credit Fund II, LP (collectively, Nebari), for a Financing Facility of up to US\$30 million (Financing Facility).

Proceeds from the Financing Facility allow funding of the expansion of the Company's 100% owned and operating Bauxite Hills Mine in Western Cape York, Queensland.

A drawdown notice has been submitted, and funds received, for US\$20M (~A\$30M) with a further US\$10M (~A\$15M) available subject to meeting certain conditions precedent. There are no principal repayments for the first 24 months, and Metro has opted to capitalise the first 6 months of interest payments. The maturity date is 4 years from initial draw.

The Financing Facility has been structured to maximise flexibility around future financing options, including provisions for entire early repayment and partial prepayment, accommodation of a pari passu senior ranking with a Northern Australia Infrastructure Fund (NAIF) facility, and an allowance for future royalties.

The current shareholder lenders, Ingotatus AG Pty Ltd (Ingotatus) and Lambhill Pty Limited (Lambhill), holding A\$35M of secured debt, have also agreed to subordinate to Nebari and defer principal repayments by 12 months.

Environment, Social, Governance (ESG)

Metro recognises that developing and implementing a long-term commitment to sustainability is integral to the Company's ongoing success. During the quarter, Metro's ESG activities included:

- Finalising Metro's 2022 Corporate Governance Statement;
- Developing the Company's sustainability report for inclusion as part of the 2022 Annual Report;
- Engagement with the Queensland Department of Environment and Science to review and amend a range of aspects of Metro's Environmental Authorities;
- Continuing to deplete the historical kaolin mining and operational waste volumes on site.

Metro met with community members in Bamaga during the quarter. The overall outcomes from the meeting were positive. Key topics discussed during the meeting included matters relating to employment and Indigenous business opportunities and forging closer working relationships.

Corporate

- Cash position: At the end of the quarter, Metro's cash on hand was \$11.6 million. This compares with the position at the end of December 2022 of \$11.7 million.
- Senior Secured Debt facilities: At the end of the quarter, Metro had one partially drawn US\$ secured debt facilities totalling US\$20 million (excluding accrued interest).
- Junior Secured Debt facilities: At the end of the quarter, Metro had two fully drawn A\$ secured debt facilities totalling \$35 million (excluding accrued interest).
- Unsecured Bridging facilities: At the end of the quarter, Metro had two fully drawn A\$ unsecured bridging facilities totalling \$2.5 million (excluding accrued interest).
- Hedging: At the end of the quarter, Metro had in place A\$/US\$ currency hedges with total notional value of A\$119 million at an average exchange rate of AUD/USD 0.67.

Tenement Schedule

The following tenements are owned 100% by the Metro Group.

Tenement	Project Name	State
EPM 25879	Southern Cape York	QLD
EPM 26144	Skardon West	QLD
EPM 26198	Skardon Gap West	QLD
EPM 27611	Skardon North West	QLD
MDL 423	Skardon North	QLD
MDL 425	Skardon South	QLD
ML 100130	BH1 Haul Road	QLD
ML 20676	Bauxite Hills 1	QLD
ML 20688	Bauxite Hills 6 East	QLD
ML 20689	Bauxite Hills 6 West	QLD
EPM 15278	Pisolite Hills North	QLD
EPM 15376	Ducie River	QLD
EPM 15984	Port Musgrave	QLD
EPM 16755	Skardon River North	QLD
EPM 16899	Skardon River	QLD
EPM 17499	Eucid	QLD
EPM 18242	Skardon	QLD
EPM 18384	Skardon Channel	QLD
EPM 25878	Northern Cape York	QLD
ML 40069	Skardon Pipeline	QLD
ML 40082	Skardon Buffer	QLD
ML 6025	Skardon River No 1	QLD

The following tenements are owned 100% by the Columboola Joint Venture, of which the Metro Group is a 49% participant.

Tenement	Project Name	State
MDL 3003	Columboola A	QLD
MDL 3038	Columboola B	QLD
EPC 1165	Columboola	QLD

Appendix 5B

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Name of entity

METRO MINING LIMITED

ABN

45 117 763 443

Quarter ended ("current quarter")

31 MARCH 2023

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 months) \$A'000
1.	Cash flows from operating activities		
1.1	Receipts from customers (Refer: Note A)	2,785	2,785
1.2	Payments for		
1.2.1	1. exploration & evaluation	-	-
1.2.2	2. development	-	-
1.2.3	3. production	(21,380)	(21,380)
1.2.4	4. staff costs (Refer: Note B)	(2,998)	(2,998)
1.2.5	5. administration and corporate costs	(1,299)	(1,299)
1.3	Dividends received	-	-
1.4	Interest received	1	1
1.5	Interest and other costs of finance paid (Refer to Item 3.9)	-	-
1.6	Income taxes paid	-	-
1.7	Government grants and tax incentives	-	-
1.8	Other (provide details if material)	20	20
1.9	Net cash from / (used in) operating activities	(22,871)	(22,871)

Note A: 'Receipts from customers' is only cash received and excludes amounts outstanding under letters of credit.

Note B: 'Staff costs' include both corporate and operational staff.

2.	Cash flows from investing activities		
2.1	Payments to acquire or for:		
2.1.1	1. entities	-	-
2.1.2	2. tenements	-	-
2.1.3	3. property, plant and equipment	(2,098)	(2,098)
2.1.4	4. exploration & evaluation	-	-
2.1.5	5. investments	-	-
2.1.6	6. other non-current assets	-	--
2.2	Proceeds from the disposal of:		
2.2.1	1. entities	-	-

2.	tenements	-	-
3.	property, plant and equipment	-	-
4.	investments	-	-
5.	other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received	-	-
2.5	Other (provide details if material)		
	- Release of / (payment for) Financial Assurance	(812)	(812)
2.6	Net cash from / (used in) investing activities	(2,909)	(2,909)

3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	-
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	-	-
3.4	Transaction costs related to issues of equity securities or convertible debt securities	-	-
3.5	Proceeds from borrowings	27,183	27,183
3.6	Repayment of borrowings	-	-
3.7	Transaction costs related to loans and borrowings	(855)	(855)
3.8	Dividends paid		
3.9	Other (provide details if material)		
	- Interest Paid	(768)	(768)
	- Principal Elements of Lease Payments	401	401
	- Other		
3.10	Net cash from / (used in) financing activities	25,962	25,962

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	11,746	11,746
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(22,871)	(22,871)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(2,909)	(2,909)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	25,962	25,962
4.5	Effect of movement in exchange rates on cash held	(367)	(367)
4.6	Cash and cash equivalents at end of period	11,561	11,561

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	11,561	11,746
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-

5.4	Other (Restricted cash)	-	-
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	11,561	11,746

6.	Payments to related parties of the entity and their associates	Current quarter \$A'000
6.1	Aggregate amount of payments to related parties and their associates included in item 1 (Refer: Note C)	116
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-

Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments.

Note C: Relates to payment of directors' fees

7.	Financing facilities <i>Note: the term "facility" includes all forms of financing arrangements available to the entity.</i> <i>Add notes as necessary for an understanding of the sources of finance available to the entity.</i>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
7.1	Loan facilities	66,071	64,683
7.2	Credit standby arrangements	-	-
7.3	Other (please specify)	-	-
7.4	Total financing facilities	66,071	64,683
7.5	Unused financing facilities available at quarter end		1,388
7.6	Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.		
	<ol style="list-style-type: none"> 1. Inगततुस AG Pty Ltd. \$20M. 12%. 1 December 2024. Secured. 2. Inगततुस AG Pty Ltd. \$7.5M. 9%. 1 December 2024. Secured. 3. Lambhill Pty Ltd. \$7.5M. 9%, 1 August 2025. Secured. 4. Lambhill Pty Ltd. \$2.5M. 14%, 13 June 2023. Unsecured 5. Nebari Partners LLC US\$20M, 12%, 13 March 2027, Secured 		

8.	Estimated cash available for future operating activities	\$A'000
8.1	Net cash from / (used in) operating activities (item 1.9)	(22,871)
8.2	(Payments for exploration & evaluation classified as investing activities) (item 2.1(d))	-
8.3	Total relevant outgoings (item 8.1 + item 8.2)	(22,871)
8.4	Cash and cash equivalents at quarter end (item 4.6)	11,561
8.5	Unused finance facilities available at quarter end (item 7.5)	1,388
8.6	Total available funding (item 8.4 + item 8.5)	12,949
8.7	Estimated quarters of funding available (item 8.6 divided by item 8.3)	0.57

Note: if the entity has reported positive relevant outgoings (ie a net cash inflow) in item 8.3, answer item 8.7 as "N/A". Otherwise, a

figure for the estimated quarters of funding available must be included in item 8.7.

8.8 If item 8.7 is less than 2 quarters, please provide answers to the following questions:

8.8.1 Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?

Answer: The current quarter is impacted by the annual wet season shutdown. The minimal receipts from customers during this period is not representative of normal operations which recommenced in April 2023.

8.8.2 Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?

Answer: N/A; refer to section 8.8.1.

8.8.3 Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?

Answer: Yes, the entity recommenced normal operations in April 2023.

Note: where item 8.7 is less than 2 quarters, all of questions 8.8.1, 8.8.2 and 8.8.3 above must be answered.

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Date: **28 April 2023**

Authorised by: **BY THE BOARD**

(Name of body or officer authorising release – see note 4)

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, AASB 6: *Exploration for and Evaluation of Mineral Resources* and AASB 107: *Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – eg Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with

recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.



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Contact: Simon Wensley, **Managing Director & CEO** | Robin Bates, **Co Secretary**

Address: Level 2, 247 Adelaide St, Brisbane | GPO Box 10955, Brisbane Q 4000

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

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 shares in any jurisdiction.