

# Investor Presentation

Noosa Mining Conference  
16 November 2023



**METRO**  
**MINING**

ASX: MMI



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The information in this presentation that references Metro's resources and reserves was taken from an ASX Announcement dated 11 May 2023. Metro confirms that the information and material assumptions as set out in that ASX Announcement continue to apply and have not materially changed.



# Metro: Only pure play ASX bauxite operator undervalued?

**Near term cash drivers: Operations running effectively, market strong, expansion on track**

## ✓ We have the market and the customers

Record bauxite trade in 2022/23 and forecast to grow strongly. Two large baseload customers underpin off-take until 2026.

## ✓ We have the Reserves and Operating Mine

High-grade 15-year reserve from the renowned Weipa bauxite province.<sup>1</sup> Mine operating for 5 years.

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

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

1. ASX Announcement dated 11 May 2023  
<https://wcsecure.weblink.com.au/pdf/MMI/02664971.pdf>

## ✓ We have the transformational expansion strategy

Low-cost A\$ 32 M expansion to 7 Mt pa underway. Economies of scale utilize latent capacity to deliver 80% IRR.<sup>2</sup>

## ✓ We have the funding locked in

US\$30 M two-tranche debt facility from Nebari Partners LLP supplemented by cash flow.<sup>3</sup>

## ✓ We have the People

Dedicated local workforce including 32% indigenous participation. Experienced & capable top-tier board and management.

2. ASX Announcement dated 17 May 2023  
<https://wcsecure.weblink.com.au/pdf/MMI/02666969.pdf>

3. ASX Announcement dated 2 June 2023  
<https://wcsecure.weblink.com.au/pdf/MMI/02672504.pdf>

# Well Credentialed Board & Management

Tier 1 mining value chain experience delivering expansion & future shareholder value

## Highly Experienced Resources Board



**Douglas Ritchie**  
Non-Executive Chairman  
Ex: Rio Tinto



**Fiona Murdoch**  
Non-Executive Director  
Ex: MIM, AMCI, SEQ Water



**Mark Sawyer**  
Non-Executive Director  
Ex. Xstrata, Glencore



**Andy Lloyd**  
Non-Executive Director  
Ex: Rio Tinto

## Capable Management Team



**Simon Wensley**  
CEO & Managing Director  
Ex: Rio Tinto, MineVeritas



**Robin Bates**  
Company Secretary and  
General Counsel  
Ex: Gladstone Area Water  
Board, CQU



**Gary Battensby**  
GM Bauxite Hills/SSE  
Ex: Cape Flattery Silica

**Nathan Quinlin**  
CFO  
Ex: Glencore, Ernst &  
Young



**Cherie Everett**  
GM People & Culture  
Ex: Volvo, Cancer Council



**Vincenzo De Falco**  
GM Marine Supply Chain  
Ex: IMC, Louis Dreyfus  
Armateurs



## THE METRO TEAM

**343 employee & contractor workforce**  
**32% Indigenous employees from local communities**

# Bauxite – THE “critical” mineral for the critical metal

Primary aluminium for transportation, EVs & renewables: most important metal for the energy transition



High Grade  
Bauxite



Alumina



Aluminium



Lightweight transportation



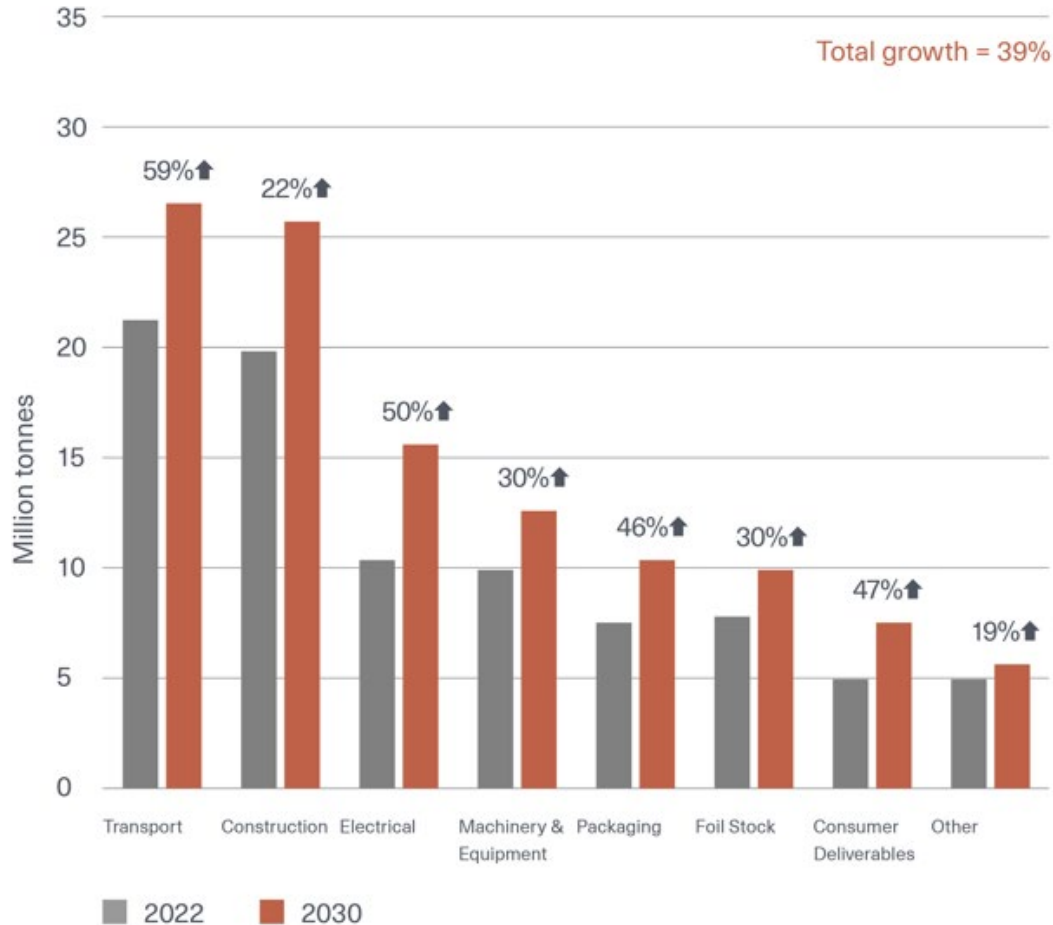
20% of EV battery



Manufacturing of renewables

# Aluminium demand expected to rise by 40% by 2030

Estimated Global Aluminium Demand by End Use



**“40 million EVs by 2030 will transform aluminium demand” - CRU**

**“For every 100kg saved, an EV can increase its mileage by 10-11%, reduce its battery cost by 20% and save 20% daily worn-out costs” - Aluminium Insider**

**“EV battery housing, cathodes, charging infrastructure, all aluminium intensive” - Aluminium Insider**

**“There is- and will be- no solar power without aluminium” - World Bank**

**“The growth in aluminium for electricity grids is more than double that of copper by 2030” - IEA**

Source - <https://international-aluminium.org/resource/opportunities-for-aluminium-in-a-post-covid-economy/>



# Bauxite – THE “critical” mineral for the critical metal

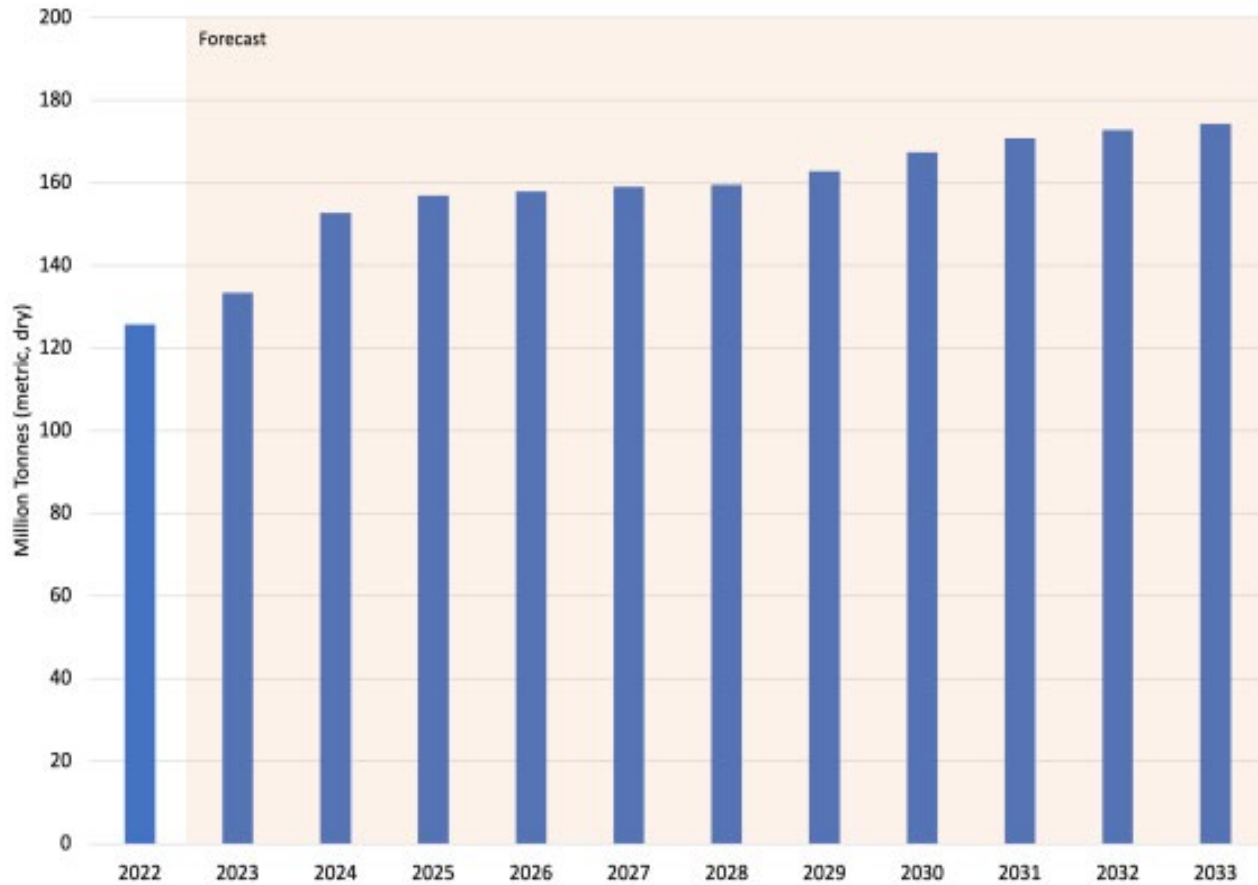
Metro Bauxite in Tesla bumpers, battery parts, radiators, Mercedes wheels, iPhones



# Traded Bauxite market growth breaking records

Prices up 25% since the beginning of 2022

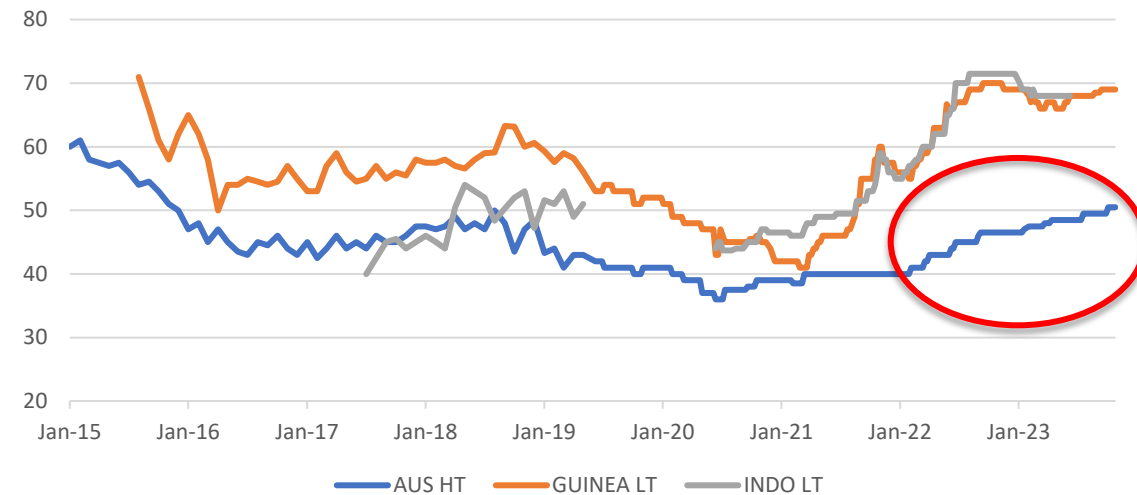
Forecast Bauxite Consumption China (2022-2033)



Source: CM Group

- ✓ 125 Mt record imports to China in 2022
- ✓ YTD 2023 imports at 107 Mt, up 13% YoY
- ✓ Indonesia has ceased all bauxite exports
- ✓ 40% additional demand growth to 2033
- ✓ Large refineries being constructed on coast
- ✓ Demand from Middle East & India growing

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





# Simple, High-Quality, Low-Cost, Bauxite Operation



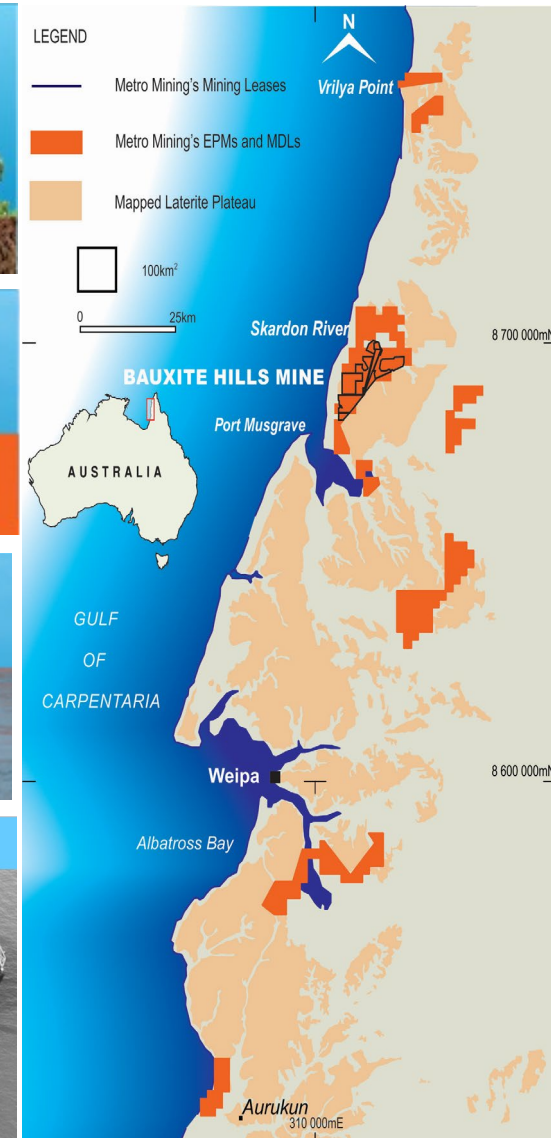
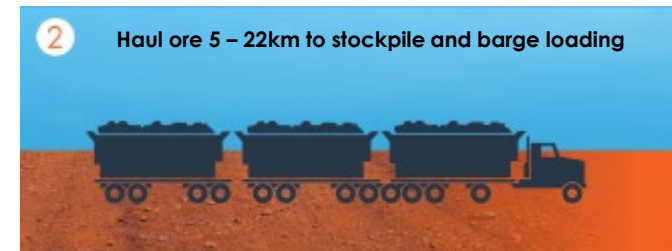
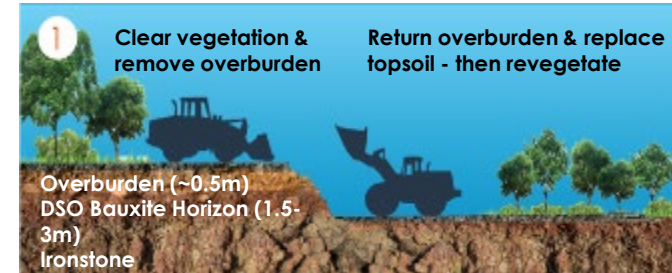


# Simple, High-Quality, Low-Cost, Bauxite Operation

## Metro second significant exporter of “Weipa” bauxite

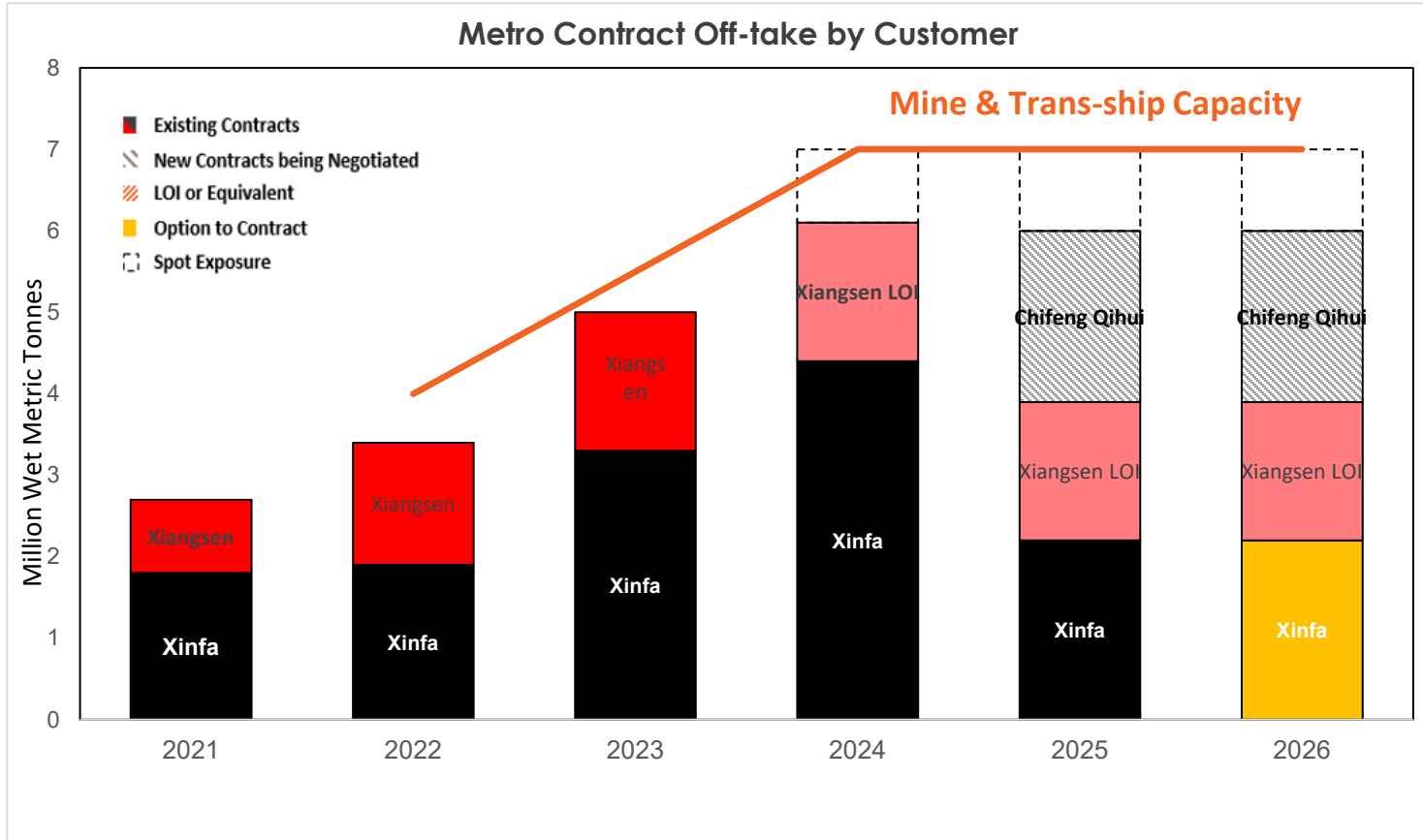
- ✓ 1963 COMALCO starts commercial production in Weipa
- ✓ 2018, 100 km North of Weipa, Metro established Bauxite Hills mine
- ✓ Metro has 90 Mt Reserves within 125 Mt Resources<sup>4</sup>
- ✓ High alumina, direct shipping ore (no processing)
- ✓ Simple low-cost mining production process
  - ✓ Clear top-soil/overburden, mine 1.5-3 m, using FEL, rehab
  - ✓ Road train 230t haul 5 to 22 km to port site
  - ✓ Load and tow barge down river to ocean mooring
  - ✓ Trans-ship using high-capacity floating crane
- ✓ Expansion to 7 MT/a capacity underway

4. ASX Announcement dated 11 May 2023  
<https://wcsecure.weblink.com.au/pdf/MMI/02664971.pdf>



# Sales contracts underpin expansion, demand strong

Expansion perfectly timed with declining Chinese/Indonesian production



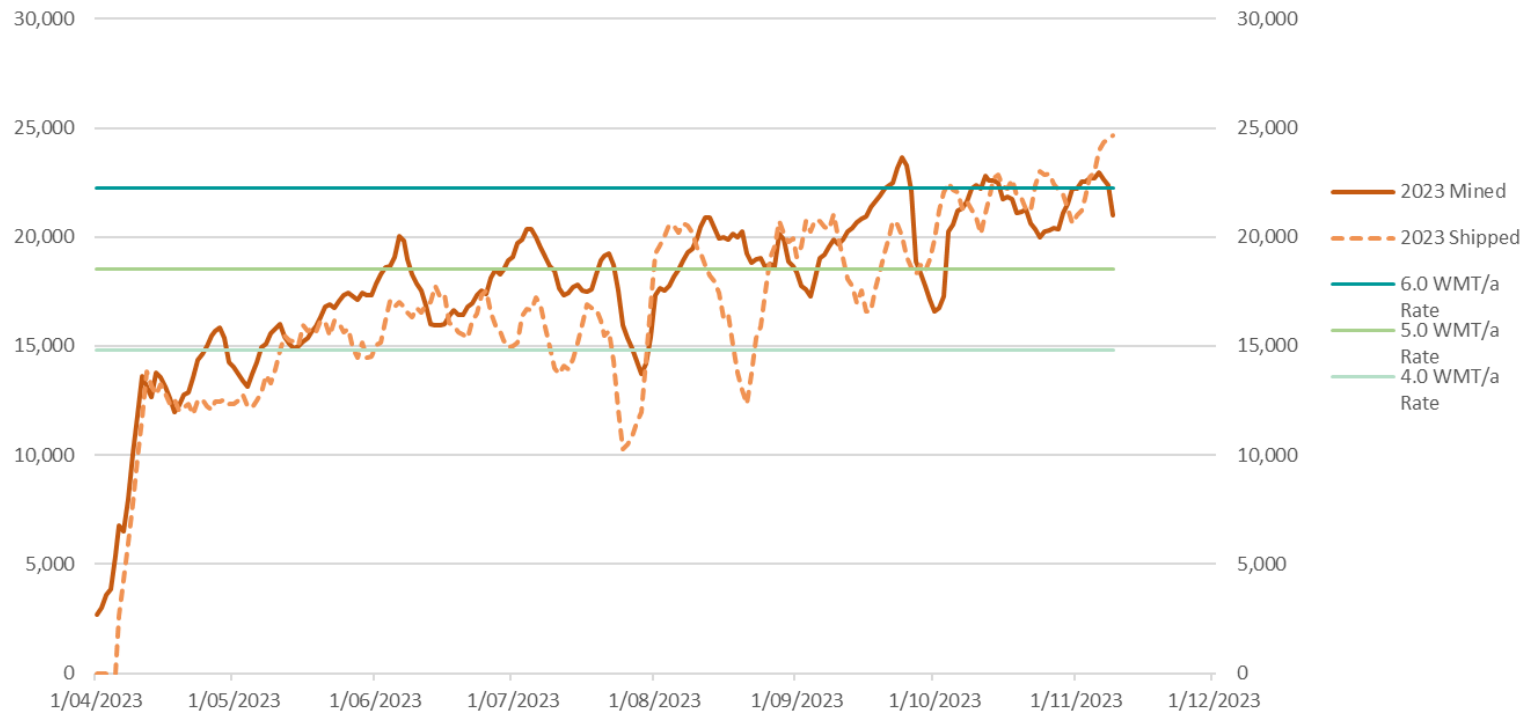
- ✓ 2023: Metro sales firm: 4.5 to 5 M WMT
- ✓ 2024: 6.5 M WMT in secure off-take contracts
- ✓ Spot market strong and growing
- ✓ 2024: Target 7.0 M WMT sales
- ✓ 2 base load customers underpin offtake until 2026
- ✓ In discussion with new customers for 2025 offtake contracts



# 7 MT/a expansion project underway - now at 6 MT/a rate

Low capex, low risk, high IRR, brownfield expansion

Mined & Shipped Output  
(WMT/day: 7 Day Moving Average)  
2023 (1 Apr - 9 Nov)



- ✓ Approved and funded expansion: **4 to 7 Mt/a** capacity. Capex \$31.9M
- ✓ Outstanding DFS economics: Site EBITDA margin of **A\$ 14 /t**; **IRR of 80%**
- ✓ Ramp up underpinned by sales contracts
- ✓ **Production now at 6 Mt/a rate** underpinned by smaller vessels to supplement 1<sup>st</sup> Floating Crane
- ✓ Second transhipper and new screen circuit on track: **Target 7 MT/a capacity in Q2 2024**

# New Offshore Transhipper “Ikamba” refurbishment

Double crane & ship-loader provides for 7 Mt/a operating capacity

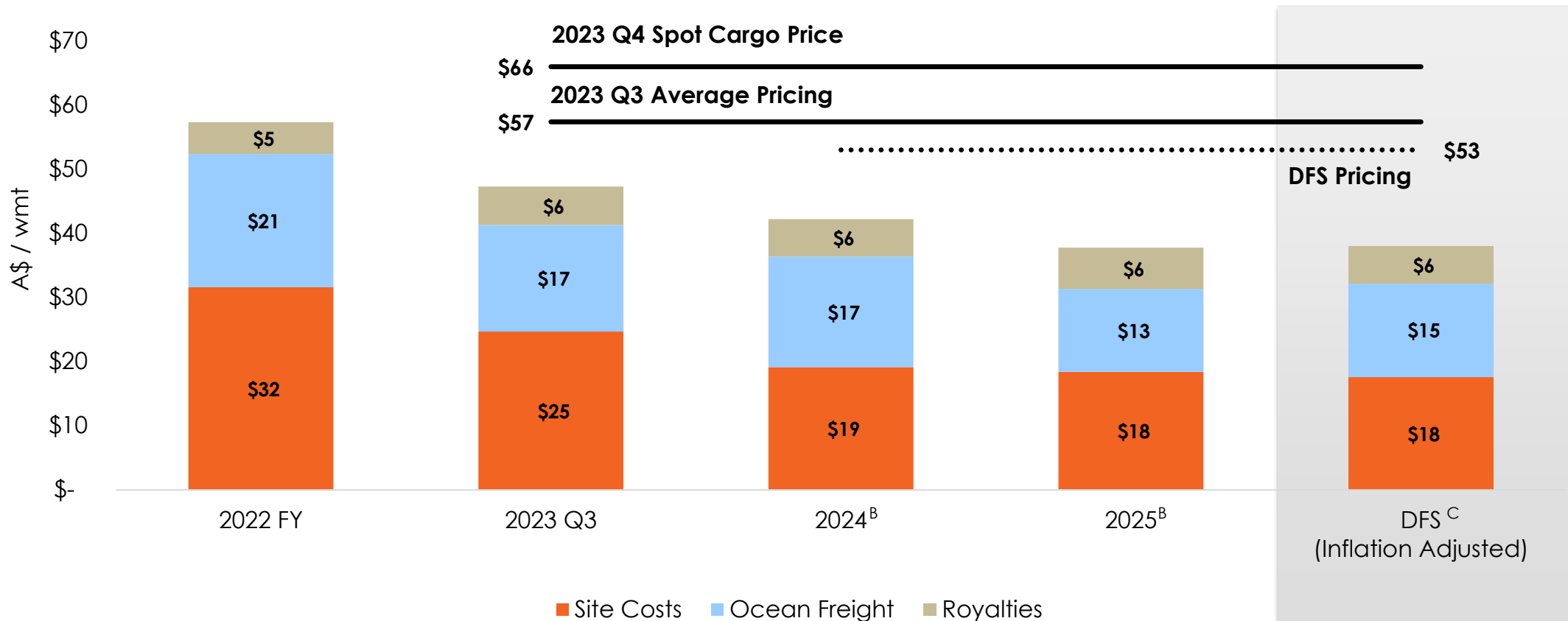


Refurbishment to be completed in December, then mobilized to Australia.

Project being managed by Louis Dreyfus Ports & Logistics.

# Positive Cost and Margin Outlook

Economies of scale & evolution of freight book drives forecast margin potential up



Note A: Unit cost rates are exclusive of depreciation and amortization.

Note B: The forecast unit cost rates for 2024 and 2025 are per the May '23 Expansion FID. Refer to Appendix A (slide 19) for a summary of the material assumptions underpinning the forecast unit cost rates.

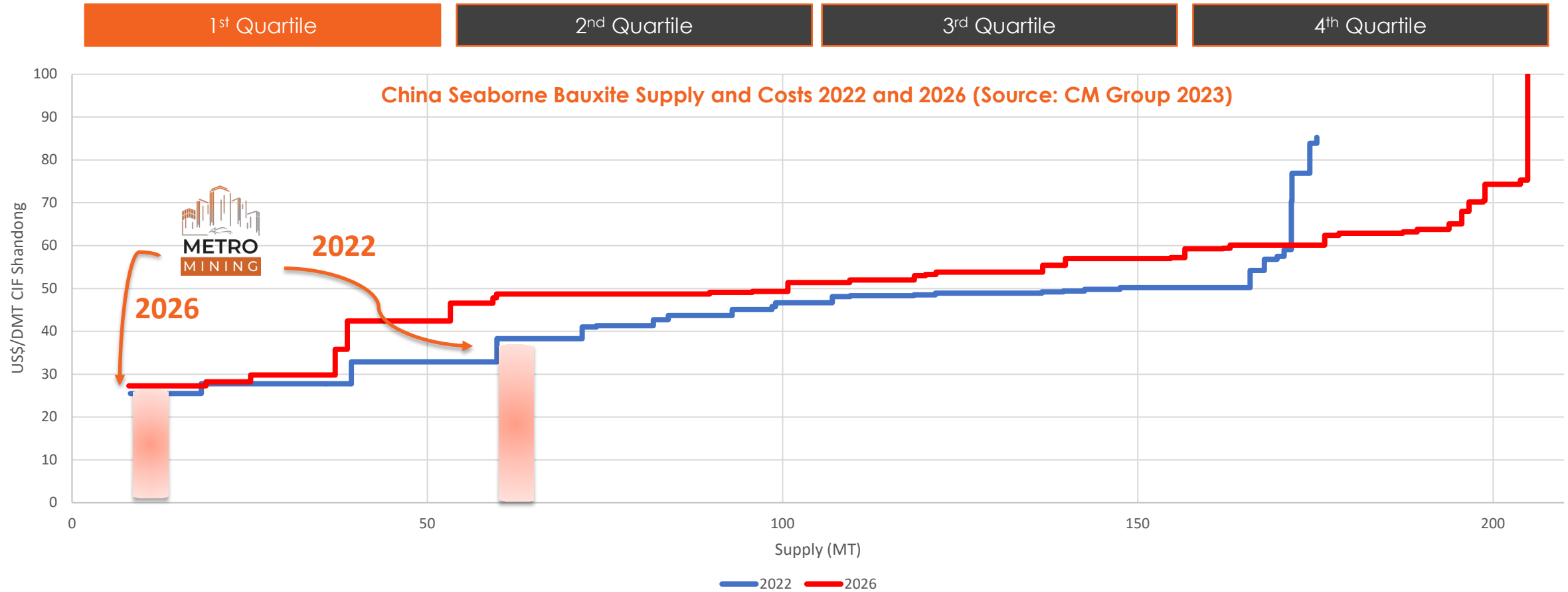
Note C: The DFS unit rates represent a 10 year average (2024 to 2033) per the June '22 Definitive Feasibility Study. An inflation adjustment of 7.3% has been applied to costs (Source: RBA Jun 2022 to Sep 2023). The material assumptions underpinning the unit rates continue to apply and have not materially changed.

Note D: Prices are delivered main Chinese port, converted to A\$ per wet metric tonne.



# Target lowest Global Delivered Cash Cost Positioning

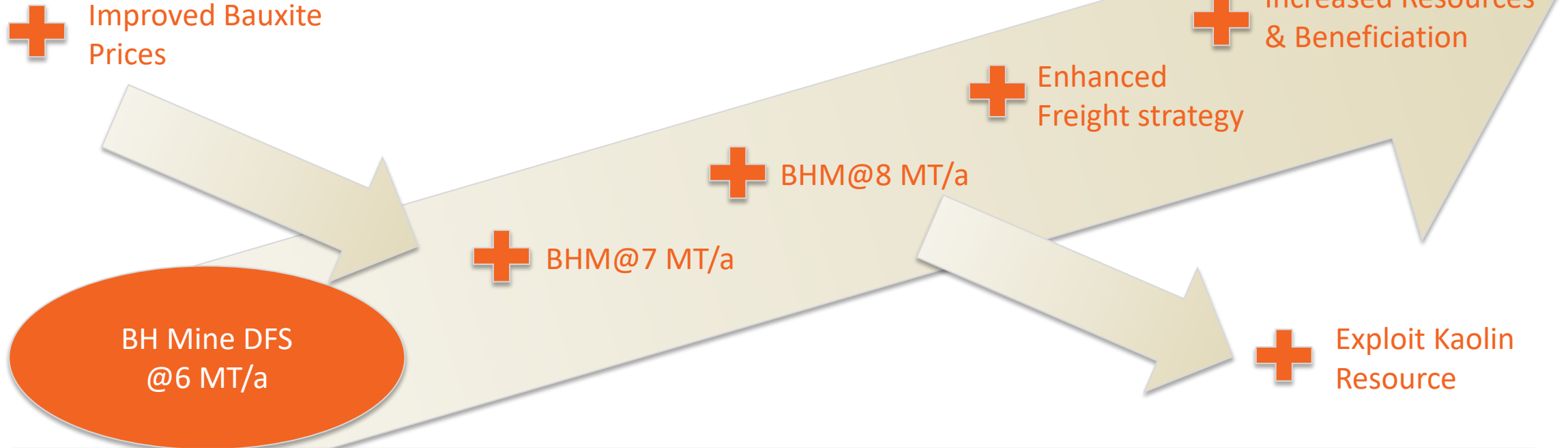
Become world's lowest cost global quality bauxite supplier into China



Cost Curves are often used in bulk commodities to understand industry structure and pricing. These China seaborne cost curves for 2022 and 2026 in US\$/Dry Tonne are produced by industry consultants CM Group. Metro's DFS costs in 2026 would result in a bottom of the cost curve position meaning that Metro would have good resilience against most industry and market factors.

# Value add organic options post expansion completion

- ✓ There are various external influences and organic project options which can enhance the value of Metro Mining beyond the DFS case
- ✓ These options are currently being considered by Management, and still subject to Board approval



NPV :	A\$ 405 M	Cumulative Indicative NPV Range Equivalent Share Price	A\$ 700 M
\$/shr <sup>A</sup> :	A\$ 0.09		A\$ 0.16

Note A: \$/shr calculation is based on 4,365,260,354 ordinary fully paid shares

# Metro Mining (MMI)- The only pure play ASX bauxite operator

MMI Overview  
ASX

## Market Cap

**A\$ 90 Million**

- As at 14/11/23
- Shares on issue 4,365 Million

## NPV of expansion

**A\$ 405 Million**

- May '23 Expansion FID

## Share Price

**A\$ 0.02**

- As at 14/11/23
- 52 week high \$0.026, low 0.007

## NPV per share

**A\$ 0.09**

- May '23 Expansion FID



Top Shareholders	%
Greenstone Management LLC	19.1
Lambhill Pty Ltd / Willims	8.7
Balanced Property Pty Ltd	5.6
Dadi Engineering Co Pty Ltd	1.8





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# Appendix A – Material Assumptions for 2024 and 2025 Forecast Unit Costs



Forecast Assumption	Forecast Basis
Production	The additional port infrastructure and transshipping equipment required to increase production capacity to 7 million tonnes per annum has been assessed by Metro Mining and third-party consultants. The additional mining equipment required for the expansion is identical or substantively similar to that currently in operation at the site. The forecast production levels for 2024 and 2025 is 6 million tonnes.
Site Costs	The site cost unit rates are based on historical values, existing operational contracts, and costs derived from first principles. The forecast reduction in site costs in 2024 and 2025 is expected to be achieved through improved economies of scale.
Ocean Freight	The ocean freight unit rates is based on existing contracts of affreightment for 2024 and third-party forecasts of A\$13/wmt in 2025.
Royalties	The forecast is based on existing royalty arrangements with the State Government, traditional land owners and other private royalties.
Foreign exchange	Ocean Freight and Royalties are impacted by US Dollar foreign exchange rates. The foreign exchange forecast is based on third-party forecasts for 2024 and 2025 at rates of AUD/USD 0.70 and AUD/USD 0.71, respectively.