

Metro Mining Announces Successful A\$40 million Placement

KEY HIGHLIGHTS

- **Binding commitments received for \$40 million placement strongly supported by domestic and international institutional investors (Placement).**
- **\$4 million Share Purchase Plan (SPP) launched today.**
- **Proceeds will be used to accelerate repayment of \$35 million junior debt and \$4 million working capital facility, reducing net debt to ~\$60 million.**
- **De-risks and enhances Metro's delivery of step-change in cash generation and shareholder value.**
 - **With 7 Mt/a expansion capacity substantially in place, increases certainty of meeting 2024 guidance of 6.3M to 6.8M Wet Metric Tonnes (WMT), 100% underpinned by off-take, and \$15 /WMT site EBITDA.**
 - **Accelerates capability to assess and implement selective low capex debottlenecking and cost reduction for 2025.**
 - **Provides ability to expedite senior debt refinancing (reduce interest costs and release restricted cash).**

Metro Mining Limited (**ASX:MMI**) ('**Metro**', the '**Company**') is pleased to announce that it has received binding commitments for a \$40 million placement to sophisticated, experienced or professional investors at \$0.041 per new share (Placement). The Placement is accompanied by a \$4 million Share Purchase Plan (SPP)¹.

Proceeds from the Placement will be used to repay \$39 million of debt comprising:

- \$21 million junior debt (immediately);
- \$4 million working capital facility (immediately); and,
- \$14 million junior debt (target July 2024, subject to maintaining covenant compliance).

The remaining proceeds from the Placement together with the proceeds from the SPP will be allocated to expenses (related to the Placement and SPP) and working capital.

The accelerated repayments significantly strengthen the Metro balance sheet in that following the Placement Metro will have pro forma cash of approximately \$22 million (excluding restricted cash) net debt of approximately \$60 million.

Once the junior debt is repaid, it enhances Metro's ability to refinance its senior debt on improved terms, and potentially release ~\$20 million of cash back into the business with inclusion of a bonding facility.

The Placement comes at a time when the Company is positioned to deliver a step-change in cash generation and, by extension, shareholder value through the completion of its expansion project.

The commissioning of the Offshore Floating Terminal, Ikamba, and new wobbler circuit underpin an expansion of production capacity at the Bauxite Hills Mine to 7.0 WMT per annum and the Management team's confidence in delivering the 6.3M to 6.8M WMT guidance range for 2024.

¹ MMI reserves the right to take oversubscriptions.

Revenue and site-level EBITDA margins of \$15/WMT are underpinned by firm offtake agreements with 6.9M WMT contracted for 2024.

The installed capacity of the screening and transshipping expansion upgrades provides an opportunity for further capacity creep and cost reduction via low capex debottlenecking and efficiency projects which can now also be accelerated.

Shaw and Partners Limited acted as Sole Lead Manager and Bookrunner to the Placement.

Simon Wensley, MD and CEO, of Metro Mining commented: "We are delighted with the strong support for the Placement and welcome a large number of high-quality institutional investors to the Metro share register. On behalf of the Board, I would also like to thank our existing investors for their ongoing support.

In addition to the Placement, we are pleased to be offering a -Share Purchase Plan, where eligible shareholders on the record date, can apply for up to \$30,000 worth of shares at the same price as the placement.

This is an exciting and transformational juncture in our Company's development. After creating resilience in the business, this capital underpins the production and cash inflection point at a time when the bauxite market is undergoing significant growth. With the right assets and the right team now in place we are excited at the prospect of delivering on our production guidance and creating further value for our shareholders."

Placement Details

The Company will issue 975.6 million new shares (~20% of shares on issue) (726.3 million under ASX Listing Rule 7.1 and 249.3 million shares under ASX Listing Rule 7.1A).

The Placement price of \$0.041 per new share represents:

- a discount of 10.9% to the last closing price on 29 April 2024; and,
- a discount of 8.0% to the 5-day Volume Weighted Average Price (preceding the date of this announcement) (VWAP).

The new shares will rank equally with the Company's existing fully paid ordinary shares from issue.

Settlement of the Placement is expected to occur on Thursday 9 May 2024 with allotment on Friday 10 May 2024.

SPP Details

Metro is pleased to announce a SPP of \$4.0 million² to its existing Shareholders with registered addresses in Australia and New Zealand as at 7.00pm (Sydney, Australia time) on the Record Date of 1 May 2024 (Eligible Shareholders).

The SPP will provide each Eligible Shareholder with the opportunity to apply for up to \$30,000 worth of Shares at \$0.041 per share, the same price as the Placement.

The SPP Offer Document containing further details of the SPP will be released separately and Eligible Shareholders wishing to participate in the SPP should carefully read the SPP Offer Document.

² MMI reserves the right to take oversubscriptions.

Timetable

The timetable below is indicative only and subject to change, Metro reserves the right, in compliance with the ASX Listing Rules and the *Corporations Act 2001* (Cth), to change any date in the timetable without prior notice.

Record Date for SPP	7:00pm, 1 May 2024
Announce Placement and SPP	2 May 2024
Settlement Placement Shares	9 May 2024
Allotment Placement Shares	10 May 2024
SPP opens	10 May 2024
SPP closes	24 May 2024
Announce results of SPP	28 May 2024
Shares issued under SPP	31 May 2024
SPP shares commence trading on ASX	3 June 2024

This announcement has been approved by the Board of Directors.

ENDS.

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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 approximately 95 kilometres north of Weipa, near the coast on the Skardon River. Metro Mining produces a high alumina bauxite, shipping direct to customers in very large ore carriers. Metro Mining 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.

Forward-Looking Statements

This announcement may contain 'forward looking statements' concerning the financial conditions, results of operations and business of the Company. All statements other than statements of fact are or may be deemed to be 'forward looking statements'. Often, but not always, 'forward looking statements' can be identified by the use of forward looking words such as 'may', 'will', 'expect', 'intend', 'plan', 'estimate', 'anticipate', 'continue', 'outlook', and 'guidance' or other similar words, and may include, without limitation, statements regarding plans, strategies and objectives of management, future or anticipated production or construction commencement date and expected costs, resources and reserves, exploration results or production outputs. Forward looking statements are statements of future expectations that are based on management's current expectations and assumptions, but known and unknown risks and uncertainties could

cause the actual results, performance or events to differ materially from those expressed or implied in these statements. These risks include, but are not limited to, price fluctuations, actual demand, currency fluctuations, drilling and production results, resource and reserve estimates, loss of market, industry competition, environmental risks, physical risks, legislative, fiscal and regulatory developments, economic and financial market conditions in various countries and regions, political risks, project delay or advancement, approvals and cost estimates.

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