

Metro Mining Limited

Quarterly Activities Report

April – June 2024



KEY HIGHLIGHTS

- **Metro Q2 net FOB prices up 13% on Q4 2023 as market continues to strengthen**
- **Record Q2 shipments of 1.42 M WMT – up 12% YOY**
- **Final components of the 7 M WMT pa expansion successfully commissioned with OFT Ikamba and new screening circuit ramping up**
- **Successful \$40M Placement and \$5M Share Purchase Plan completed, allowing early repayment of \$17M in junior secured debt with a further \$22M to be paid in Q3**
- **2024 shipment guidance revised to 6.0 to 6.4 M WMT reflecting delays in Q2**
- **In recent weeks, all assets have demonstrated 7.5 Mt pa rates with integrated system rates at 6.5 Mt pa and trending higher**

Metro Mining Limited (**ASX: MMI**) ('**Metro**', the '**Company**') is pleased to deliver its Q2 2024 operational update. The quarter was focused on the completion and operationalisation of the remaining elements of Metro's expansion to 7 million wet metric tonnes (WMT) per annum (pa). This was achieved with the mobilisation and commissioning of the Offshore Floating Terminal (OFT), *Ikamba*, in April and the commissioning of the new wobbler screening circuit in May.

The Metro expansion is perfectly timed as the traded bauxite market continues to grow strongly with Chinese imports up 7.4% year on year (YOY). Metro CIF prices are up 19% YOY and 13% over Q4. FOB prices are also up 13% on Q4 2023 and a further 8% under negotiation for Q3 2024.

As of the date of this report, *Ikamba* is ramping up and demonstrating average barge unloading rates of ~1,700 tonnes per hour (tph), about 85% of target capacity. The wobbler screening circuit has ramped up quickly with throughputs now at 100% of target rates of 1,500 tph.

Total shipping rates for the quarter were impacted by the extended wet season, a 6 week delay in wobbler circuit commissioning and a barge loading facility breakdown in June. Nevertheless, total shipments were a Q2 record of 1.42M WMT with a total of 1.5M WMT year to date, approximately 400 kt behind plan. As a result of the reduced volume, higher fixed costs to scale up to 7M WMT pa and one-off unplanned commissioning costs, site EBITDA margin was below expectation at \$5 /WMT for the quarter.

Acknowledging the reduced shipping in Q2, Metro is revising full year guidance by 5% to 6.0 to 6.4M WMT. However mining, screening, barge loading and transshipping have all individually demonstrated at least 7.5M WMT annualised rates at times in July, with the integrated system delivering a 6.5M WMT pa rate. Further optimization, additional mobile and marine equipment and integrated planning together with seasonal improvement in ore moisture, tides and weather is expected to extend the recent positive trends. Metro is confident that the 'system' is capable of the revised volume guidance to deliver, with already negotiated prices, the target \$15 /WMT EBITDA site margin for the balance of the year.

Metro also took the opportunity to restructure its balance sheet during the quarter with an oversubscribed \$45 million Placement / SPP.

Simon Wensley, CEO & MD of Metro Mining said: "Q2 2024 has been a huge quarter for the team to successfully commission the major elements of the expansion. In this context, it was very pleasing to have record Q2 shipments and prices up significantly. Negotiated pricing is up again this quarter, and management's full focus is on ensuring the ramp up beyond 7 Mt pa occurs on a sustained basis".

Expansion Project

Ikamba Successfully Commissioned

Ikamba commenced operations on 28 April. Following an initial commissioning process operating at 50% capacity, the Ikamba is now operating at 80% capacity and achieving discharge peak “free-dig” rates of ~2,300 tonnes per hour (tph) and average barge rates of ~1,700 tph.

On 1 May 2024, a Welcome Ceremony for Ikamba was held with directors, Traditional Owners, investors and other dignitaries attending site for the event.

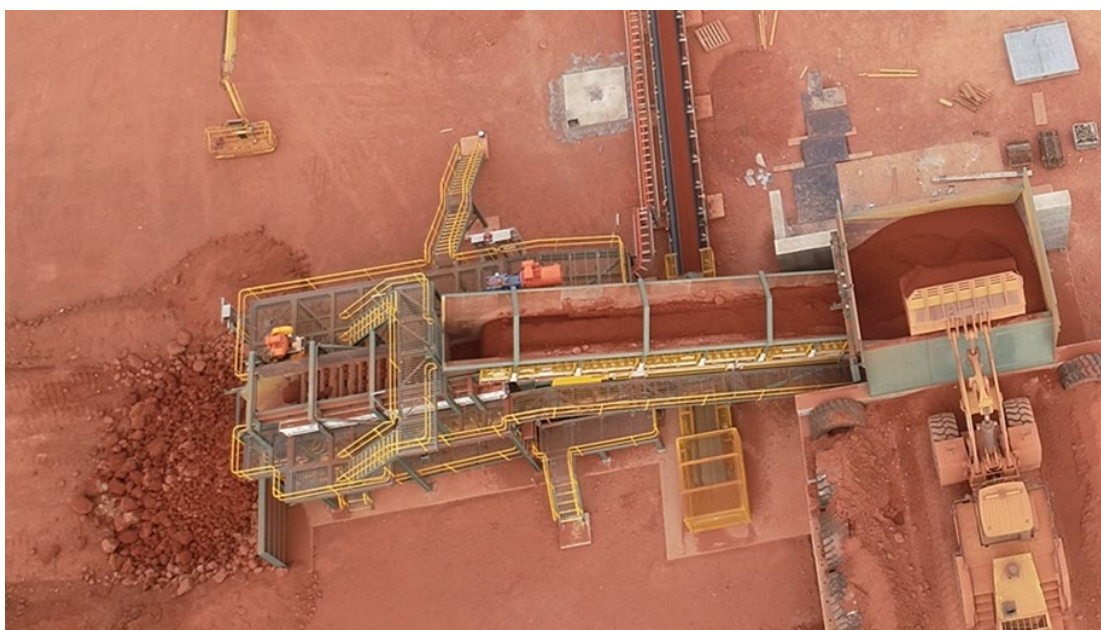
The arrival of Metro’s large offshore tug Mandang, which will be used to assist offshore maneuvers, has been delayed due to a labour shortage at the shipyard. It is now expected to arrive in Australia at the end of August.



Ikamba Welcome Ceremony.

Wobbler Screening Circuit completed and operational

The new screening circuit was commissioned in mid-May. The new plant underpins a substantial uplift in screening capacity from the previous 1,500 tph to a 2,250 tph when combined with the existing, retained vibrating screen Plant 1. This rate exceeds the nominal barge loading capacity of 1,900 tph, providing operational flexibility with higher capacity of stockpiled ore and backup screening from Plant 1. The wobbler screen circuit has ramped up through June and is now achieving nameplate 1,500 tph and has also improved screening yield through a reduction in oversize ore, which reduces the amount of crushing required.



Wobbler screening circuit in operation.

Integration and Optimisation Activities

Ikamba is currently operating in concert with TSA Skardon to load vessels. Following commissioning of all the value chain, the site and marine teams, together with our transshipping contractor TSA, are now working to optimise the screening, barge loading and transshipping components of the value chain to enhance productivity rates and reduce loading times for Ocean Going Vessels (OGVs). Strict process controls over the barge schedule are designed to target a minimum of five barges per day. Constant communication is maintained between the BLF crew loading ashore, the barge scheduler and the offshore crew to coordinate tug movements to optimize the barge schedule with tides.

The OGV loading sequence is determined based on the technical specifications and loading capabilities of the offshore assets, as well as the minimization of shifting. For instance, Ikamba can load up to three OGV holds without shifting, while TSA Skardon can more easily load certain holds, such as hold 9. Coordination between Ikamba, TSA Skardon, and the OGV crew is constant to

keep the loading plan flexible and maintain the option to move assets as needed for optimal operations.

Cargo allocation prioritizes the fastest asset, i.e., Ikamba, while considering various variables such as cargo condition, barge cycle and OGV loading sequence.



Ikamba and TSA Skardon loading a vessel.

Forecast Expansion Project Capital Spend

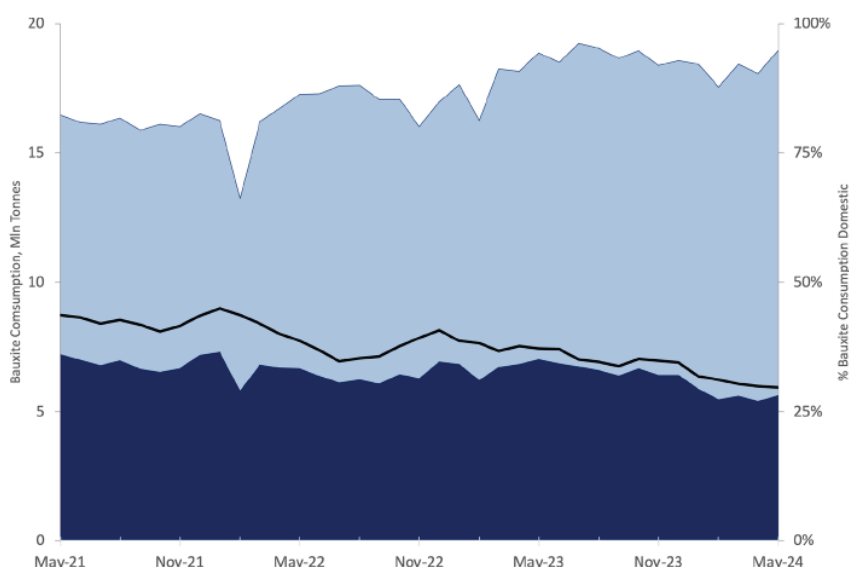
The project is 100% mechanically complete with cost at completion remaining within the approved budget of A\$36.1 million, of which by the end of quarter 90% has been spent with the remainder in Q3.

Bauxite market

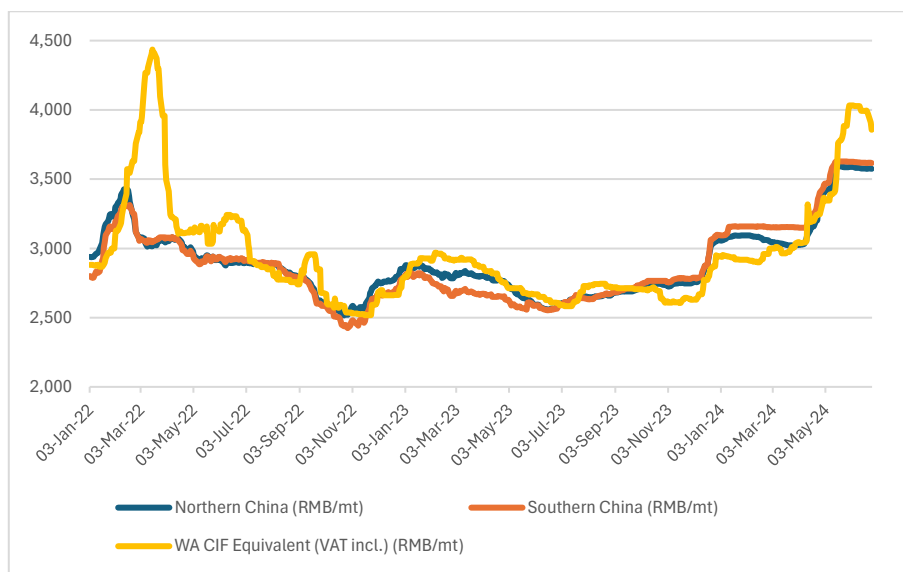
Bauxite imports to China were 142 million tonnes (MT) in CY 2023, a record and 13% above CY 2022. In Q2 2024 the traded bauxite market environment continues to be strong as most leading indicators made positive moves during the quarter, including:

- First half 2024 China imports of 77.4 MT which are 7.4% above the same period in 2023;
- Alumina prices are up strongly, China domestic by 16% and international by 25% (CIF China);
- Chinese domestic bauxite supply remains very tight and prices are up strongly;
- Caustic soda prices remain stable.

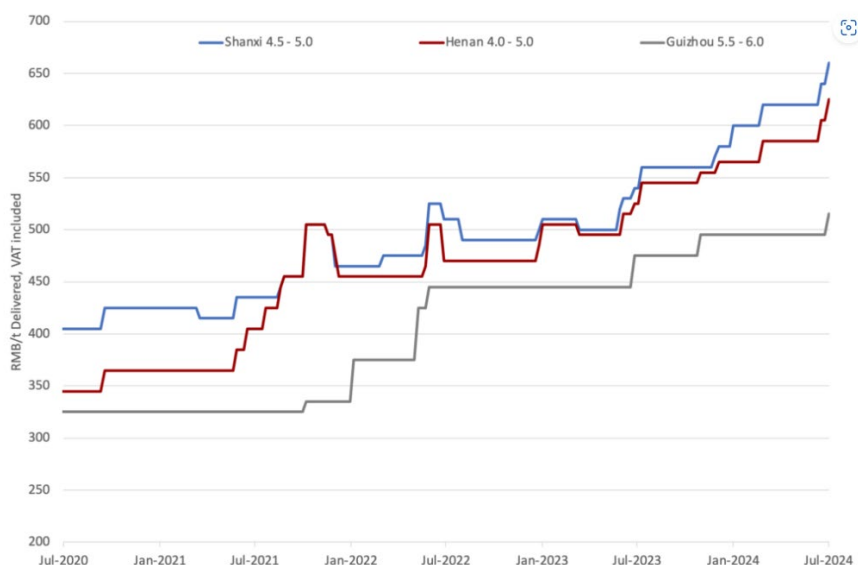
China Bauxite Consumption- Imports and Domestic (Mt/month; CM Group)



Traded Alumina Prices- China and International (RMB/t; CM Group)

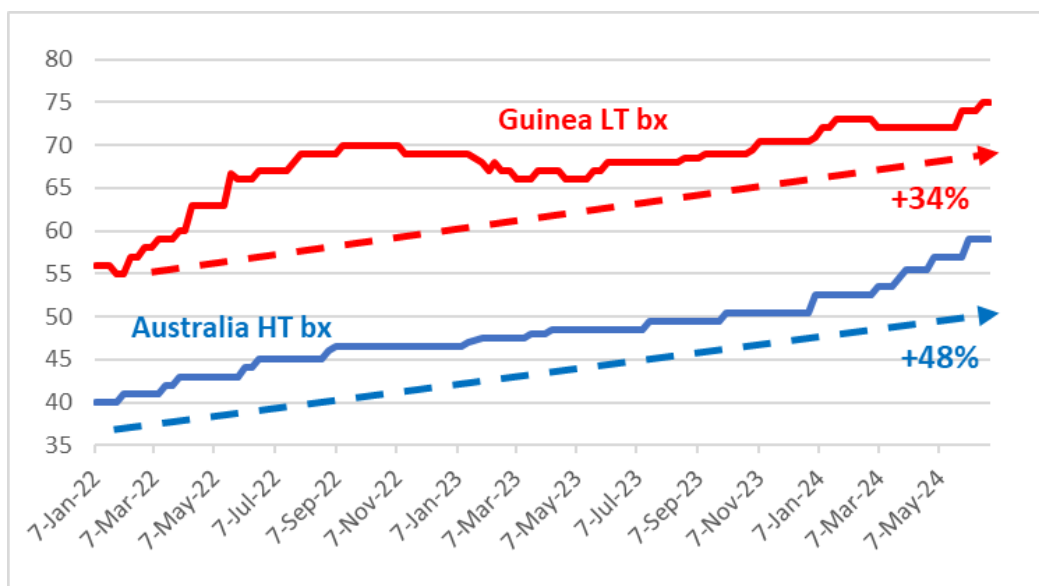


China Domestic Bauxite Prices (RMB/t; CM Group)



This is having a positive effect on the bauxite market pricing. The most recent spot market pricing (CM Group) shows continued firming price for Guinea bauxite at US\$75 /DMT, up 34% since January 2022, and prices for Australian high temperature bauxite at US\$59.5 /DMT, up 48% over the same period, with the strongest rise in the last 6 months.

Traded Bauxite Prices (US\$/DMT CIF China: CM Group)



Metro prices tend to follow the Australia HT trend with a lag of approx. 2 to 4 months.

Operational Performance

Production, Costs and Margins

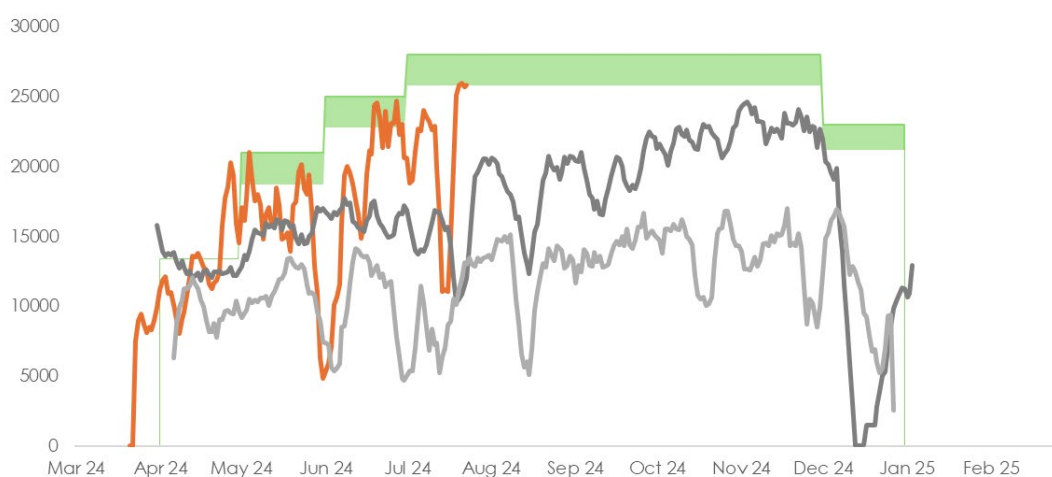
Production Results (WMT) ('000)	Q2 2024	Q4 2023	Q2 2023
Bauxite Mined	1,407	1,647	1,325
Bauxite Shipped	1,418	1,688	1,269
Unit Operating Results (A\$/WMT)			
CIF Pricing	63.8	56.5	53.8
FOB Revenue	43.4	38.5	41.1
Costs			
Site Costs	31.8	26.0	26.2
Royalties	6.3	5.5	5.9
Total	38.1	31.5	32.1
Site EBITDA	5.3	7.0	9.0

Operations Summary

Q2 has seen the successful implementation of key expansion project assets, namely the Ikamba Offshore Floating Terminal, two additional 90m barges, an additional tug, as well as the commissioning of the new wobbler screening circuit.

Unfortunately, the production achieved for the quarter were negatively impacted by the prolonged monsoon season which extended into May. This in turn also impacted the completion of the wobbler screening circuit. An unexpected failure of a component of the conveyor stacker at the barge loading facility on 31 May also resulted in reduced loading rates for the first half of June. For the remainder of the month, however, tonnes shipped were in-line with budget and a new 24-hour ship loading record of 31,178 WMT was achieved, which is 36% above the June daily target. Q2 2024 shipped tonnes exceeded Q2 2023 by approximately 12% and a new Q2 record.

Shipments: 2022, 2023, 2024 YTD (5 day rolling average)



2024 month-on-month continuous improvements are forecast due to high availability from new fixed and mobile plant, and additional mining and haulage assets to support increased production rates including the delivery of five new Scania's prime movers, quad configuration trailers sets, two large 992 front end loaders and additional offshore assist tug.

Pit-to-ship operations (mining, haulage, screening and barge loading) have, post sequential commissioning, achieved operational improvements with all elements achieving at least 7.5 M WMT rates (i.e. 30,000 WMT /day) for short periods. An integrated planning protocol supported by telemetric real time data management system has recently been introduced and Q3 will see the launch of Spinergie, a marine software management system to further optimise transshipment operations and lift the current system performance of 6.5 M WMT pa rate to the 7.5 M WMT combined rate. Based on analysis of recent performance, expected operational optimization, additional equipment adding to capacity and the seasonal evolution of ore moisture, weather and tides, a revised full year shipment guidance is 6.0 to 6.4 M WMT. This rate is expected to improve economies of scale in operations and therefore reduce unit costs, towards the target in Q3.

The annual grade control program commenced mid-June and will continue until early December, adding an additional ~ 7 – 9Mt modelled ore for the 2025 season.

Safety Performance

Metro's site safety statistics for the quarter were as follows:

Safety statistic	Q2 2024
Serious Accident	0
High Potential Incident	3
Lost Time Injuries	1
Medical Treatment Injuries	0
First Aid Injuries	14

Key safety activities and initiatives undertaken between March and June included:

- Development of Safe Operating Procedures as well as Ocean Going Vessel pre-arrival and loading procedures have been finalised and implemented for the Ikamba;
- Review of the critical risk register to include a critical risk pathway. This identifies future targets that are to be reached, with the intention to reduce the risk rating of critical risks at site;
- The recruitment of an additional health and safety team member to assist with Ikamba operations;
- Introduction of Scania driver management software to track driver efficiencies, speed, fatigue, braking, etc;
- Dust and noise monitoring in accordance with RSHQ requirements.

Mining Exploration Activities

There were no mining exploration activities undertaken during the quarter.

Corporate

Equity raise

Metro successfully completed a \$45M equity raise via a Placement and Share Purchase Plan.

Metro intends for the proceeds of the equity raise to be applied to fund accelerated debt repayments, working capital, and transaction costs.

The repayment of the remaining \$22M in junior debt is targeted for Q3 2024, subject to compliance with senior lender covenants, which are expected to be achieved.

Metro has a combined cash and trade receivables position of \$32M at the end of the quarter.

A summary of the use of funds as at Q2 2024 has been included below:

Use of Funds (A\$m)	Allocated	Spend to Date
Early junior debt repayment	39	17
Working capital and transaction costs	6	21
Total	45	38

Financial position

Metro's financial position at the end of the quarter was as follows:

- Cash and trade receivables position was A\$13.4 million and A\$18.7 million, respectively.
- Senior Secured Debt facilities: One fully drawn US\$ secured debt facility totalling US\$30 million. Amortization commences Q2 2025.
- Junior Secured Debt facilities: Two fully drawn A\$ secured debt facilities totalling A\$23 million.
- Hedging: Metro had in place A\$/US\$ currency hedges with total notional value of A\$110 million at an average exchange rate of AUD/USD 0.68.

Environment, Social, Governance (ESG)

During the quarter our ESG activities included:

- Continuing the removal from site of waste associated with the historical kaolin operations. Metro anticipates having the removal of the remaining kaolin mining related waste removed from site during 2024.
- Continuing the preparation of Metro's ESG Roadmap (sustainability action plan).
- Lodgement of our 2023 Modern Slavery Statement on the Modern Slavery Statements Register.
- Attendance at three careers fairs to promote different mining and marine paths to students in Weipa, Bamaga and Brisbane with a focus on opportunities for Aboriginal and

Torres Strait Islander students. Over these three events, Metro engaged with more than 1,000 students and their families.

Metro received one Warning Notice during the quarter in response to a release of dust emissions at the barge loading facility.



Young students at the Northern Peninsula State College learning to operate a digger.



Metro Leading Hand Robert Williams talking to students about the Bauxite Hills Operation.

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 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

About Bauxite and Metro Mining

Bauxite is the ore used to make aluminium, a critical and high 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 95km 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 report 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. Metro does not give any representation, assurance or guarantee that the occurrence of these events expressed or implied in any forward-looking statements in this report will actually occur and does not make any representation or warrant, express or implied, as to the accuracy or completeness of any information, statements, opinions, estimates or forecasts contained in this report.

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")

30 June 2024

Consolidated statement of cash flows

	Current quarter \$A'000	Year to date (6 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers (Refer: Note A)	63,568	73,196
1.2 Payments for		
1. exploration & evaluation	-	-
2. development	-	-
3. production	(53,216)	(75,439)
4. staff costs (Refer: Note B)	(8,682)	(11,915)
5. administration and corporate costs	(504)	(2,616)
1.3 Dividends received	-	-
1.4 Interest received	117	117
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)	-	-
1.9 Net cash from / (used in) operating activities	1,282	(16,657)

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		
1. entities	-	-
2. tenements	-	-
3. property, plant and equipment	(6,938)	(12,642)
4. exploration & evaluation	-	-
5. investments in joint venture	(6,009)	(9,041)
6. other non-current assets	-	-
2.2 Proceeds from the disposal of:		
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	-	(900)
2.6	Net cash from / (used in) investing activities	(12,947)	(22,583)

3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	48,421	50,701
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	(2,600)	(2,600)
3.5	Proceeds from borrowings	-	19,618
3.6	Repayment of borrowings	(16,587)	(16,587)
3.7	Transaction costs related to loans and borrowings	-	(141)
3.8	Dividends paid	-	-
3.9	Other (provide details if material)		
	- Interest Paid	(1,961)	(4,247)
	- Principal Elements of Lease Payments	(3,923)	(5,023)
	- Other	-	-
3.10	Net cash from / (used in) financing activities	23,350	41,721

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	2,775	12,070
4.2	Net cash from / (used in) operating activities (item 1.9 above)	1,282	(16,657)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(12,947)	(22,583)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	23,350	41,721
4.5	Effect of movement in exchange rates on cash held	(1,083)	(1,174)
4.6	Cash and cash equivalents at end of period	13,377	13,377

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	13,377	2,775
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)	13,377	2,775
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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 D)	225
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-
<i>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.</i>		

Note D: Payments to the The Cravern Group for consulting services performed in the current quarter. The Cravern Group is a related party to non-executive director, Douglas Ritchie.

7.	Financing facilities <i>Note: the term "facility" includes all forms of financing arrangements available to the entity. 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	87,786	87,786
7.2	Credit standby arrangements	-	-
7.3	Other (please specify)	-	-
7.4	Total financing facilities	87,786	87,786
7.5	Unused financing facilities available at quarter end		-
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.		
	1. Ingatatus AG Pty Ltd. A\$13M. 12%. 1 December 2024. Secured. 2. Ingatatus AG Pty Ltd. A\$5.0M. 12%. 1 December 2024. Secured. 3. Lambhill Pty Ltd. A\$5.0M. 12%, 1 August 2025. Secured. 4. Nebari Partners LLC US\$35M, SOFR + 9%, 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)	1,283
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)	1,283
8.4	Cash and cash equivalents at quarter end (item 4.6)	13,377
8.5	Unused finance facilities available at quarter end (item 7.5)	-
8.6	Total available funding (item 8.4 + item 8.5)	13,377

8.7 Estimated quarters of funding available (item 8.6 divided by item 8.3)
10

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?

N/A

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?

N/A

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?

N/A

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: 25 July 2024

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.