

KEY HIGHLIGHTS

- **Record quarter shipments of 1.6 million WMT**
- **Site Q3 EBITDA of \$16 million (\$10/WMT operating margin)**
- **Bauxite CIF and FOB prices up 13% and 23% year-on-year**
- **Phased expansion “step-up” achieved 5.0 M WMT pa rate from August 2023**
- **2023 sales target remains 4.5 to 5.0 million WMT**
- **Offshore floating terminal has commenced refurbishment docking and new screening plant on track**

Metro Mining Limited (**ASX:MMI**, ‘**Metro**’, the **Company**) is pleased to announce that in the three months to 30 September 2023 (**‘Q3 2023’**) it delivered record shipments and generated strong site EBITDA. The first stage of the expansion to 7.0 million Wet Metric Tonnes (WMT) per annum (pa) of its Bauxite Hills Mine, 95 km north of Weipa, in Cape York, Queensland was implemented during the quarter.

Record productivity

After consistently achieving the 4.0 million WMT pa rate from May through July, the Metro supply chain “stepped-up” to a 5.0 million WMT pa rate in August and September resulting in 1.61 M WMT shipments for Q3 2023, a new output record. After maintenance bed-levelling of the channel and the arrival of a new 90m barge by the end of September, Metro is stepping up further to the 6.0 million WMT rate in October, on the pathway towards achieving the 7.0 million WMT capacity expansion in 2024. Q3 2023 Site EBITDA of \$16 million (\$10/WMT operating margin) is an improvement on last quarter driven by economies of scale, despite more expensive small, geared vessels being used for incremental shipments and continuing above budget fuel and labour costs.

Increased bauxite prices

Traded bauxite market conditions remain strong with improved delivered market prices in the quarter. Metro’s equivalent delivered prices are continuing to rise, up 7% from last quarter, as contracts roll over. FOB bauxite prices are up 23% year-on-year although about flat from last quarter reflecting the increased cost of incremental shipping via smaller geared vessels.

Expansion project on track

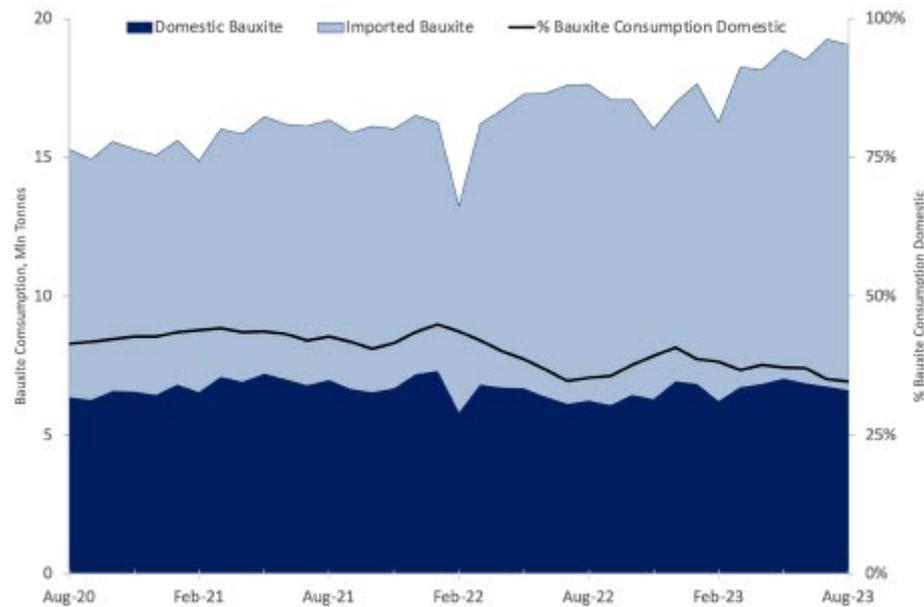
By the end of the quarter, all new mobile fleet due in 2023 had arrived supplementing the upgrades made to the fixed plant earlier in the year. A fourth, large 90m barge entered rotation at the end of September, allowing more effective dual loading of the floating crane and geared vessels for the remainder of the year. Metro continues to target 2023 shipments of 4.5 to 5.0 Mt and 6.0 to 7.0 Mt in 2024. The offshore floating terminal has arrived at a Chinese shipyard and has commenced its refurbishment program. The manufacturing for the apron and wobbler feeder is underway and on schedule for installation over Q4 2023 and Q1 2024.

Simon Wensley, MD&CEO of Metro said: *“It is very pleasing to see concrete results from the gradual implementation of our expansion, enabled by loading of smaller geared vessels from August and also coinciding with the strong market conditions. The operation will continue to ramp up to the 7 Mt pa run rate targeted in Q2 2024, enabling more of the economies of scale to flow through to bolster margins.”*

Bauxite market

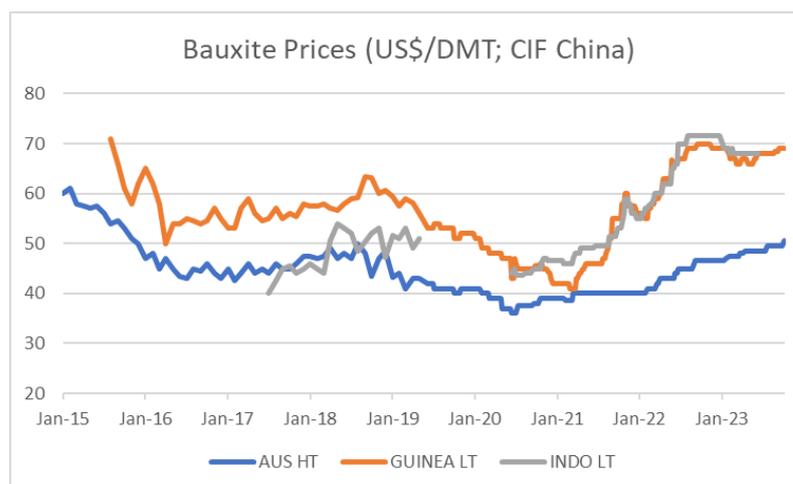
Traded bauxite demand continues to be strong, with imports to China tracking more than 10% above 2022 levels (CM Group) as domestic supply continues to be constrained. Chinese Alumina prices are also rose approx. 6% during the quarter.

Bauxite consumption (Mt/month, China: CM Group)



Most recent average market pricing (CM Group) shows continued firm pricing for Guinea bauxite at US\$69 /DMT and prices for Australian high temperature bauxite at US\$51 /DMT, closing the gap as refiners see value relative to Guinea including lower relative freight.

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



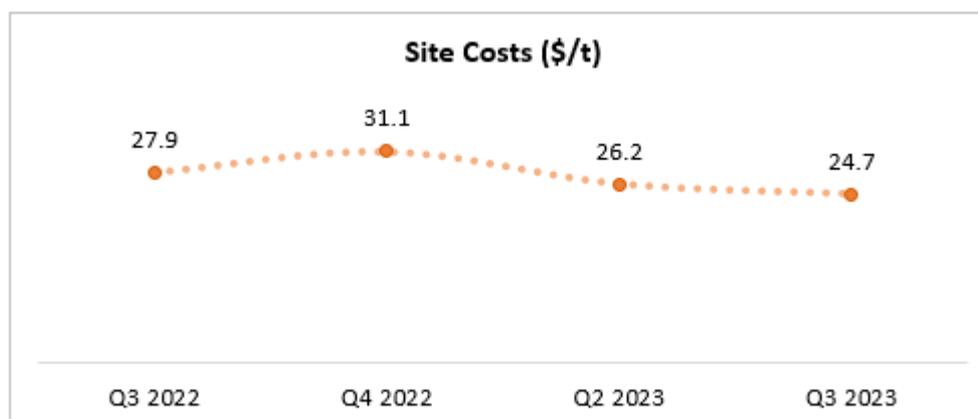
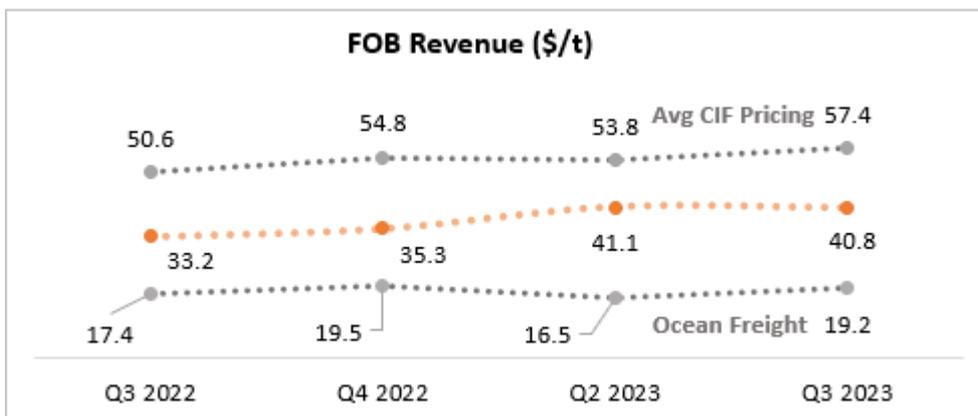
Metro's contract mix resulted in a A\$ CIF equivalent prices up 13% year-on-year and 7% from last quarter.

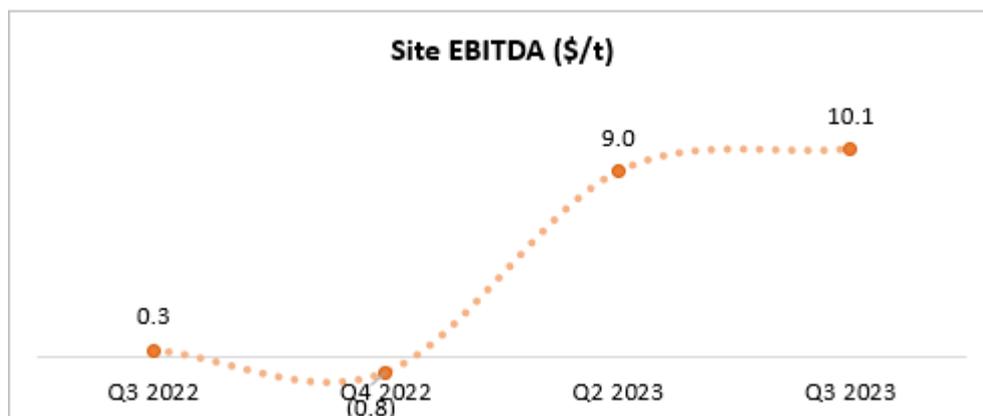
Operational performance

Production, costs and margins

Production Results (WMT) ('000)	Q3 2023	Q2 2023	Q3 2022
Bauxite Mined	1,653	1,325	1,133
Bauxite Shipped	1,610	1,269	1,070
Unit Operating Results (A\$/WMT)			
<i>CIF Pricing</i>	57.4	53.8	50.6
FOB Revenue ¹	40.8	41.1	33.2
Costs			
Site Costs	24.7	26.2	27.9
Royalties	6.0	5.9	5.0
Total	30.7	32.1	32.9
Site EBITDA	10.1	9.0	0.3

Note 1: FOB Revenue represents revenue from customers less ocean freight costs, if applicable.





Safety performance

Despite leading indicators exceeding the targets in the BHM Safety and Health Management System, Metro recorded two High Potential Incidents (HPI) and our first Lost Time Injury (LTI) of the year during the quarter. One of the HPIs relates to a fire that engulfed a Scania prime mover, whilst the second was an incident involving multiple breaches of safety procedures in a task where there was a risk of entanglement / entrapment. Thankfully, there were no injuries sustained. The LTI related to a hand injury sustained whilst fitting a tyre. Metro also wishes to correct the statement in the previous (Q2) Quarterly Report which incorrectly stated that there had been no HPIs recorded in the quarter. A HPI was reported to the RSHQ in April, arising from an uncontrolled movement of a trailer. There were no injuries sustained to any person and no damage to any plant or property arising from this incident.

The safety of our workers and contractors is of paramount importance to Metro and so in September a stop work safety reset was conducted across site to reinforce this to all personnel.

Operations summary

Q3 operations has been very positive, achieving a 50% improvement on shipped product year-on-year and a 27% improvement compared to last quarter.

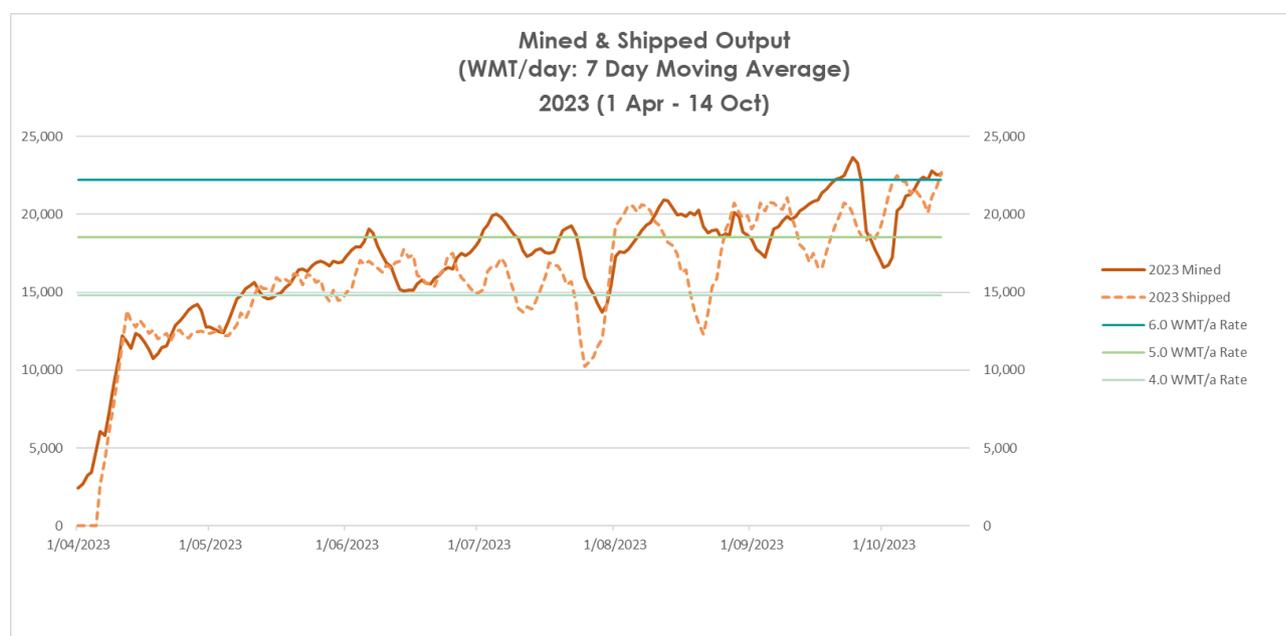
The increased level of production is the steady implementation of the site upgrades that have been completed as part of the expansion project to 7.0 M WMT pa, including the upgrade to the Barge Loading Facility, delivery of new prime movers together with the additional quad configuration trailers. Pit-to-ship operations (mining, haulage, screening, barge loading and transshipment) have achieved synergy, resulting in daily, monthly and quarterly mining, screening and transshipment records being broken on a regular basis, sustaining on average a 5 M WMT pa rate for the quarter.

To compliment the increased production capacity of the Bauxite Hills Mine, in Q3 we commenced dual loading of Capesize vessels (capacity of 180,000 WMT) and Geared Ultramax vessels (capacity of 62,000 WMT which have their own on-board cargo handling cranes). Dual loading provides increased shipping capacity and will continue until the end of the production season. An additional 90 metre barge (7,400 WMT capacity) and tug boat were delivered in September to support a further increase ship loading capacity including reduction in loading wait times for both the geared vessels and the floating crane barge. Upgrade works undertaken during the wet season on the screening process and Barge Loading Facility have enabled the higher throughput rates which are required for the increased barge movements.

The screening operations are continually exceeding nameplate rates as per budget forecasts with the ongoing maintenance program assisted by one of our major contractors, APCS, resulting in above industry average availability.

Five new quad configuration Scania prime movers and trailers are achieving cycle times similar to the triple configuration; however, payloads are 35% higher at 230 wet metric tonnes (WMT). The new prime movers have detailed data analytics and as specialist trainers have been engaged to ensure the hauling task achieves full potential whilst improving, safety, reliability, and cycle times from Pit to Port.

As per the 7 day moving average graph below, the ongoing development and the continual improvement in mine site processes has resulted in a significant increase in whole of flow sheet, with 6 M WMT pa rates being achieved in the first half of October 2023.



Indian Partnership Incident update

In April 2023 (see ASX announcement dated 27 April 2023 <https://wcsecure.weblink.com.au/pdf/MMI/02658660.pdf>) Metro announced that a large bulk carrier, Indian Partnership (IMO NO.9521409), carrying 178,087 WMT of Metro bauxite had experienced a hull breach whilst en-route to its destination port in China and was sheltering in Indonesian waters. As an update, Metro is pleased to report that the vessel was temporarily repaired and all bauxite was delivered safely to the customer with no quality issues. Full payment has been received for the cargo. There were no environmental or safety implications. The matter is now out of Metro hands and proceeding through usual insurance processes for which there will be no further impact on Metro or its customer.

Mining exploration activities

There were no mining exploration activities undertaken during the quarter.

Expansion Project

- In June 2022 (see ASX announcement dated 29 June 2022 <https://wcsecure.weblink.com.au/pdf/MMI/02536368.pdf>) the Board of Directors approved a Final Investment Decision (FID), subject to financing, to expand the capacity of the Bauxite Hills Mine to 7.0 WMT pa.
- In May 2023 (see ASX announcement dated 17 May 2023 <https://wcsecure.weblink.com.au/pdf/MMI/02666969.pdf>) Metro announced the Board of Directors had made its FID on the expansion, which is fully funded by the loan facility entered into with Nebari Natural Resources Credit Fund I, LP and Nebari Natural Resources Credit Fund II, LP, with a revised estimated expansion pathway capex of A\$31.9M.

Progress of the offshore floating terminal

As announced to the market on 17 May 2023, Metro has procured an existing Offshore Floating Terminal (OFT) in a 50/50 joint venture negotiated with Louis Dreyfus Ports & Logistics. In mid-September (see ASX announcement dated 18 September 2023 <https://wcsecure.weblink.com.au/pdf/MMI/02712809.pdf>) the OFT completed its journey from Guinea to a shipyard in Southern China and has commenced the refurbishment work required to bring the vessel to an operating standard acceptable to Metro and to meet compliance with Australian authorities. It is expected that these refurbishment works will be completed before the end of November 2023. The OFT will then be mobilised to Australia.

Site upgrades

In partnership with our major equipment contractor, Blake Machinery Group, the full complement of new high-efficiency Scania prime movers and additional supporting trailers have arrived at site and entered production. Although, as stated earlier in the report, one of the prime movers was destroyed by fire, the haulage fleet has been supplemented with another Scania prime mover with no impact to operations.

The upgrade to the Barge Loading Facility was completed during the 2023 wet season shutdown. The upgrade works have provided a steady-state throughput capability of 1,900 tonnes per hour (tph). 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 a major issue when loading damp, sticky bauxite.

The amended Apron and Wobbler screening upgrade equipment manufacture is on track, designed to provide throughput of up to 1,500 tph. Civil works will commence on site in November 2023 with the installation of equipment expected to occur in January/February 2024. It is expected that adopting this alternate screening technology will increase the throughput rate and provide greater resiliency in handling wet product.

A fourth 90m barge was supplied by Metro's transshipping contractor, Transshipment Services Australia (TSA), at the end of September. Two further 90m barges are scheduled to arrive in February 2024 taking the full fleet to six. Metro's large off-shore tug is expected to arrive in January 2024 and TSA will provide an additional tow tug in July 2024. In the meantime, Metro has hired a 3rd party tug to assist operations until the end of 2023.

Financing

Nebari Financing Facility

As announced to the market on 18 September 2023, Metro Mining procured a tugboat vessel, currently named the Eng Hup Herald, to support the operations of the OFT. Metro accepted a proposal from existing lender, Nebari, to partially fund the acquisition of the vessel via a 3-month extension to the interest capitalisation period related to the existing facility. The acquisition of the Eng Hup Herald was finalised on 13 October 2023.

Corporate

- Cash position: at the end of the quarter, Metro's cash on hand was \$21.6 million (June 2023: \$20.2 million).
- Senior Secured Debt facilities: At the end of the quarter, Metro had one fully drawn US\$ secured debt facility totalling US\$30 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).
- Hedging: At the end of the quarter, Metro had in place A\$/US\$ currency hedges with total notional value of A\$88 million at an average exchange rate of AUD/USD 0.68.

Environment, Social, Governance (ESG)

Metro recognises an integrated approach to sustainability and ESG will deliver enhanced value to its investors and other stakeholders. During the quarter, our ESG activities included:

- Receiving formal endorsement from Reconciliation Australia for our Reflect Reconciliation Action Plan (RAP).
- Completion of our ESG Landscape Report, which will be used as the foundation for the development of our 2024-26 ESG Roadmap.
- Completion and submission of our greenhouse gas emission reporting in accordance with the National Greenhouse and Energy Reporting requirements.
- Ongoing engagement with the Queensland Department of Environment and Science to review and amend a range of aspects of Metro's Environmental Authorities.

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

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 95k, 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'. Forward looking statement can generally be identified by the use of forward-looking words such as 'may', 'should', 'expect' 'anticipate', 'estimate', 'scheduled', or 'continue' or the negative version of them or comparable terminology. Any forecasts or other forward-looking statements contained in this report are subject to known and unknown risks and uncertainties and may involve significant elements of subjective judgement and assumptions as to future events which may or may not be correct. There are usually differences between forecast and actual results because events and actual circumstances frequently do not occur as forecast and these differences may be material. Metro does not give any representation, assurance or guarantee that the occurrence of the events expressed or implied in any forward-looking statements in this report will actually occur and does not make any representation or warranty, express or implied, as to the accuracy or completeness of any information, statements, opinions, estimates or forecasts contained in this announcement.

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 September 2023

Consolidated statement of cash flows

	Current quarter \$A'000	Year to date (9 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers (Refer: Note A)	76,835	137,294
1.2 Payments for		
1. exploration & evaluation	-	-
2. development	-	-
3. production	(51,185)	(110,774)
4. staff costs (Refer: Note B)	(6,944)	(15,101)
5. administration and corporate costs	(1,806)	(4,075)
1.3 Dividends received	-	-
1.4 Interest received	52	55
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)	198	330
1.9 Net cash from / (used in) operating activities	17,150	7,729

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	(3,902)	(7,427)
4. exploration & evaluation	(264)	(720)
5. investments in joint venture	(3,599)	(8,471)
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	(2,060)	(4,264)
2.6	Net cash from / (used in) investing activities	(9,825)	(20,863)

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	-	44,192
3.6	Repayment of borrowings	-	(2,500)
3.7	Transaction costs related to loans and borrowings	-	(2,377)
3.8	Dividends paid	-	-
3.9	Other (provide details if material)		
	- Interest Paid	(1,066)	(3,421)
	- Principal Elements of Lease Payments	(4,143)	(9,026)
	- Other (Refer: Note C)	(905)	(4,111)
3.10	Net cash from / (used in) financing activities	(6,114)	22,757

Note C: 'Other' includes bank guarantees provided.

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	20,187	11,746
4.2	Net cash from / (used in) operating activities (item 1.9 above)	17,150	7,729
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(9,825)	(20,863)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	(6,114)	22,757
4.5	Effect of movement in exchange rates on cash held	215	244
4.6	Cash and cash equivalents at end of period	21,613	21,613

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	21,613	20,187

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)	21,613	20,187

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)	-
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 D: Relates to payment of directors' fees

7. Financing facilities		Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
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.			
7.1	Loan facilities	81,454	81,454
7.2	Credit standby arrangements	-	-
7.3	Other (please specify)	-	-
7.4	Total financing facilities	81,454	81,454
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.		
	<ol style="list-style-type: none"> 1. Inगतatus AG Pty Ltd. \$20M. 12%. 1 December 2024. Secured. 2. Inगतatus AG Pty Ltd. \$7.5M. 12%. 1 December 2024. Secured. 3. Lambhill Pty Ltd. \$7.5M. 12%, 1 August 2025. Secured. 4. Nebari Partners LLC US\$20M, 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)	17,150
8.2	(Payments for exploration & evaluation classified as investing activities) (item 2.1(d))	(263)
8.3	Total relevant outgoings (item 8.1 + item 8.2)	16,887
8.4	Cash and cash equivalents at quarter end (item 4.6)	21,613
8.5	Unused finance facilities available at quarter end (item 7.5)	-

8.6	Total available funding (item 8.4 + item 8.5)	21,613
8.7	Estimated quarters of funding available (item 8.6 divided by item 8.3)	N/A
<p><i>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.</i></p>		
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: 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?	
	Answer: 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?	
	Answer: N/A	
<p><i>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.</i></p>		

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: 18 October 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.