For personal use only

Capability to Load Capesize Vessels

Metro Mining Limited (ASX: MMI) (**Metro**) is pleased to announce Metro has entered into binding terms with its barging and transhipping partner, Transhipment Services Australia (**TSA**), to add a floating crane barge to its fleet at the Bauxite Hills Mine.

HIGHLIGHTS

- The Floating Crane Barge will allow the loading of vessels up to Capesize
- Converting to larger Capesize vessels will reduce unit freight rates
- TSA will own and operate the Floating Crane Barge
- Operational in Q4 2021
- The strategy to move to 6.0 million tonnes p/a is unchanged



For personal use only

A significant risk facing the Bauxite Hills Mine is the current historically high ocean freight rates, particularly, for geared Ultramax vessels used for shipping Metro bauxite. The continuation of high ocean freight rates will, over time, adversely affect Metro's operating margins.

Metro's expansion strategy is, and continues to be, to reduce unit delivered costs by having the ability to load larger Capesize vessels.

In Q2 2021, Metro's average freight rate using Ultramax vessels was US$24 per wet metric tonne (**WMT**). By comparison Capesize vessels freight rates theoretically would have been ~US$12 – US$14 per WMT.

Metro's Management Team recently became aware of the opportunity to acquire a floating crane barge which will provide Metro with the capability to load Capesize vessels. Metro and TSA have moved swiftly to secure this opportunity. The floating crane barge, which has been newly built and commissioned, has a projected capacity of approximately 4.0 million WMT for the Bauxite Hills Mine operating season and conditions. The floating crane barge will be purchased by TSA and will be included in their marine fleet that services the Bauxite Hills Mine.

Metro anticipates that the floating crane barge will be operational in the 4th quarter of 2021.

TSA is in the process of completing regulatory, technical and commissioning aspects in preparation for mobilization to the Bauxite Hills Mine. Metro and TSA have entered into the appropriate amendments to the transhipment agreement.

Metro's expansion strategy to move to an annual production of 6 million tonnes and have the capability to load Capesize vessels remains unchanged.

Metro Mining Managing Director and CEO Mr Simon Wensley said:

> *"Metro is pleased to have reached agreement with TSA for a floating crane barge to be added to the marine fleet servicing the Bauxite Hills Mine.*
>
> *Reducing shipping costs has been one of the major focus points for the incoming management team and conversion to Capesize vessels will significantly mitigate the risk that current ocean freight rates present.*
>
> *Metro greatly appreciates the initiative and support of TSA in helping to secure this opportunity and believe it will be an operational game changer and serve as a valuable asset to the company".*

ASX: MMI | ACN 117 763 443
Further Info: P: +61 (0) 7 3009 8000 | **E**: info@metromining.com.au | **W:** www.metromining.com.au
Contact: Simon Wensley, **Managing Director & CEO** | Mitchell Petrie, **Co Secretary & CFO**
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.