

Q3 2021 Highlights

- **2021 sales book ensures full capacity to year end**
- **Floating crane operational moving Metro to first quartile on the cost curve**
- **Initiatives to reduce site costs and increase productivity successfully delivered**
- **Forecasting return to positive cash margins for the last quarter of calendar year 2021**
- **Metro's Board and Senior Management Team strengthened**

- Sept Quarter shipments were 1.09 Million WMT, a 74% increase on June Quarter shipments, however, were below expected and contracted volume as a result of 2 tugs being unexpectedly unavailable for most of September;
- Binding offtake was secured for all planned 2021 production under the Luilin Senze and Xiansen Aluminium Letter of Intent;
- Sales revenue (gross) of A\$58.2 Million and site EBITDA of (A\$5.8) Million for the Quarter. Historically high ultra class ocean freight rates have been the most significant factor adversely affecting the site margin and trended 18% higher for the quarter in A\$ terms;
- Average price received of A\$52.69/WMT, up 6% on June Quarter, with an average site margin of (A\$5.29)/WMT. Prices linked to the alumina price rose during the Quarter, partially offset by fixed price trial cargoes under the Senze / Xiansen contract; one shipment was made to a domestic customer on an FOB basis.
- Site unit costs have improved by 27% over June Quarter, in line with the cost savings programme, as well as productivity and scale improvements, more than offsetting the freight rate increase;
- Available cash on hand and other receivables as at 30 September 2021 totalled \$5.1 Million;
- The placement & accelerated non-renounceable entitlement offer was completed (over-subscribed) and successfully raised A\$25.5 Million;
- Shipping catch up is planned in October and November and the sales target for 2021 remains at 3.3 – 3.5M WMT, subject to weather not adversely affecting operational conditions more than anticipated;
- The introduction of a new Floating Crane Barge, *TSA Skardon*, to the Bauxite Hills operation moves Metro to the first quartile of the cost curve at current scale as the only bauxite supplier in Australia to service customers in Cape size vessels; In the current overheated freight market environment it is also instrumental in improving margins and de-risking the business;
- *TSA Skardon* commenced loading the first large un-gearred vessel on 15 October 2021 and has achieved indicative loading rates of 70% of design capacity in the first two weeks of operation. Current Capesize rates are at least US\$ 10 /WMT lower than geared Ultramax.
- Subsequent to the end of the September Quarter Peter Harding-Smith has been appointed as Metro's Chief Financial Officer.

Bauxite Hills Mine Operations

RESULTS

PRODUCTION RESULTS			
	Sept 2021 Qtr	June 2021 Qtr	Sept 2020 Qtr
Bauxite Mined (WMT) ('000)	1,101	729	1,062
Bauxite Shipped (WMT) ('000)	1,092	629	1,230
UNIT OPERATING RESULTS			
	Sept 2021 Qtr	June 2021 Qtr	Sept 2020 Qtr
Revenue A\$/WMT	52.69	49.90	49.87
Costs			
Site Cost A\$/WMT	20.58	28.23	20.89
Non-Site Cost			
• Freight A\$/WMT	35.05	29.74	16.38
• Royalties A\$/WMT	2.35	3.61	4.88
TOTAL	57.98	61.58	42.15
EBITDA MARGIN A\$/WMT	(5.29)	(11.68)	7.72

SAFETY PERFORMANCE

The safety of our employees and contractors is paramount to Metro.

The operational quarter at Bauxite Hills saw 99,685 workhours completed Lost Time Injury (LTI) free.

Bauxite Hills Mine Operations

SITE BASED ACTIVITIES

- Mining for the quarter was 1,101 Thousand wet metric tonnes (WMT) with 1,092 Thousand WMT shipped

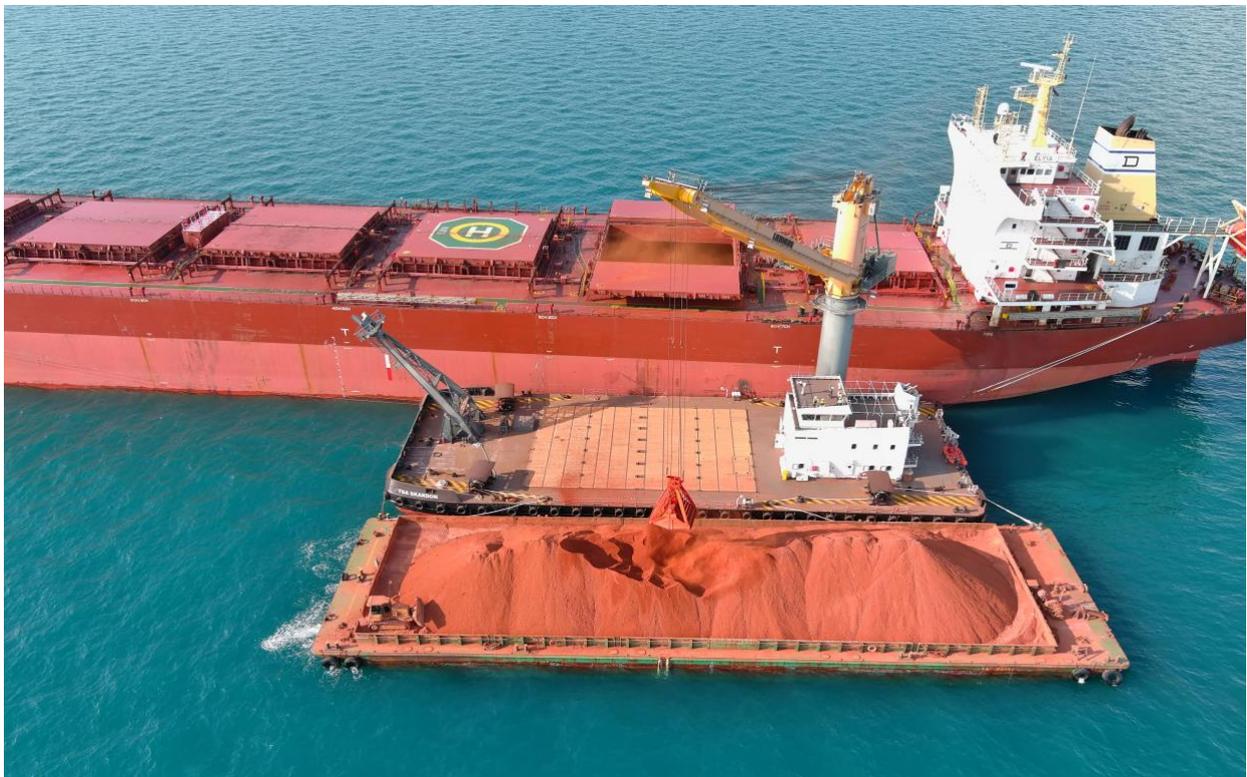
- There were no adverse weather conditions in excess of expectations.

- July and September production and shipping rates were below budget expectation. September production and shipping were adversely affected by significant unplanned outages of two of TSA's fleet of four tug boats which caused marine logistics delays.

- Over the Quarter, a range of initiatives to reduce site costs and increase productivity commenced which had a positive impact. Production ramp up continued to be achieved with a roster covering 75% of available shifts. Labour costs are down by 23% since May and production productivity up by 45% using existing equipment. The impact of the cost savings and productivity program will be further evident in Quarter 4, more than offsetting incremental floating crane costs.

- The availability and maintenance of the truck and trailer fleet to gain better reliability will be a focus as production achieves full capacity

- Rehabilitation activities were on track and undertaken in accordance with the mine rehabilitation plan.



Bauxite Hills Mine Operations

BAUXITE SALES

- LME aluminium price continued to climb steadily through the quarter, as did Chinese domestic alumina prices and Chinese domestic bauxite prices. However, the continued overheated freight market, steep rise in the price of Chinese caustic soda and energy shortages provided an uncertain backdrop to the traded bauxite market.
- Metro will deliver 2 Million Dry Metric Tonnes (DMT) in to the foundation contract with Xinfra Group in 2021 at prices linked to the Chinese alumina price. Xinfra has agreed to switch deliveries to large un-gearred vessels from mid October. This contract expires at the end of 2021. As previously announced, Metro has agreed further sales contracts with Xinfra until the end of 2025.
- Metro has a Letter of Intent (LOI) to supply Shanxi Liulin Senze 1 Million DMT per annum from 2021 to 2023 with a one year extension option. After the first 5 cargoes, the remainder of 2021 volume under the LOI was converted to binding terms with related Joint Venture entity, Xiangsen Aluminium, including the use of large un-gearred vessels from mid-October. After the success of further trials in Shanxi during the quarter, Metro is now working with Xiangsen Aluminium partners to increase the scope of LOI and lock in binding contracts for 2022 and beyond.
- The sales book is full for 2021 and the annual sales target remains 3.3 to 3.5 Million WMT subject to weather conditions. In addition to the above contracts, sales to other customers are under negotiation for 2022, with a target of annual sales volume of 3.7 to 4.3 Million WMT.

FLOATING CRANE

Metro's Expansion strategy is to have the capability to load Capesize vessels. The introduction in October of a Floating Crane Barge, *TSA Skardon*, is fulfillment of this strategy much earlier than previously envisaged. The Floating Crane was rapidly mobilized through September 2021, has undergone required regulatory clearances and was operational on October 15, 2021. It is undergoing commissioning, crew training and ramp-up as of writing but has already demonstrated the capability to load at approx. 70% of design capacity of 4 Million WMT per annum.

The Floating Crane provides the following transformational aspects to Metro's business model and margin generation potential:

- The only bauxite supplier out of Australia to be able to service customers in Cape size class vessels (180,000 DWT)
- Places Metro to the first quartile of the traded bauxite cost curve (CIF China) at the current 3.5 to 4.0 Million WMT scale (*based on CM Group 2021 cost curve)
- Immediate impacts the implications of the overheated freight market to generate cash in November and December 2021, saving at least US\$10 /WMT on freight
- Significantly de-risks the medium term by boosting the cash balance prior to the wet season and building strong cashflow through 2022 avoiding further capital raises or debt.
- Provides an alternative, lower risk and lower capital cost, option to reach the 6 Million WMT per annum expansion scale.

Bauxite Hills Mine Operations

INDIGENOUS ENGAGEMENT

Metro continued to collaboratively work with Seven Rivers Aboriginal Corporation (SRAC) in the management of cultural heritage during mining activities at the Bauxite Hills mine.

With a focus on supporting the local communities, Metro has provided sponsorship and direct engagement opportunities through a number of events during the Quarter, including:

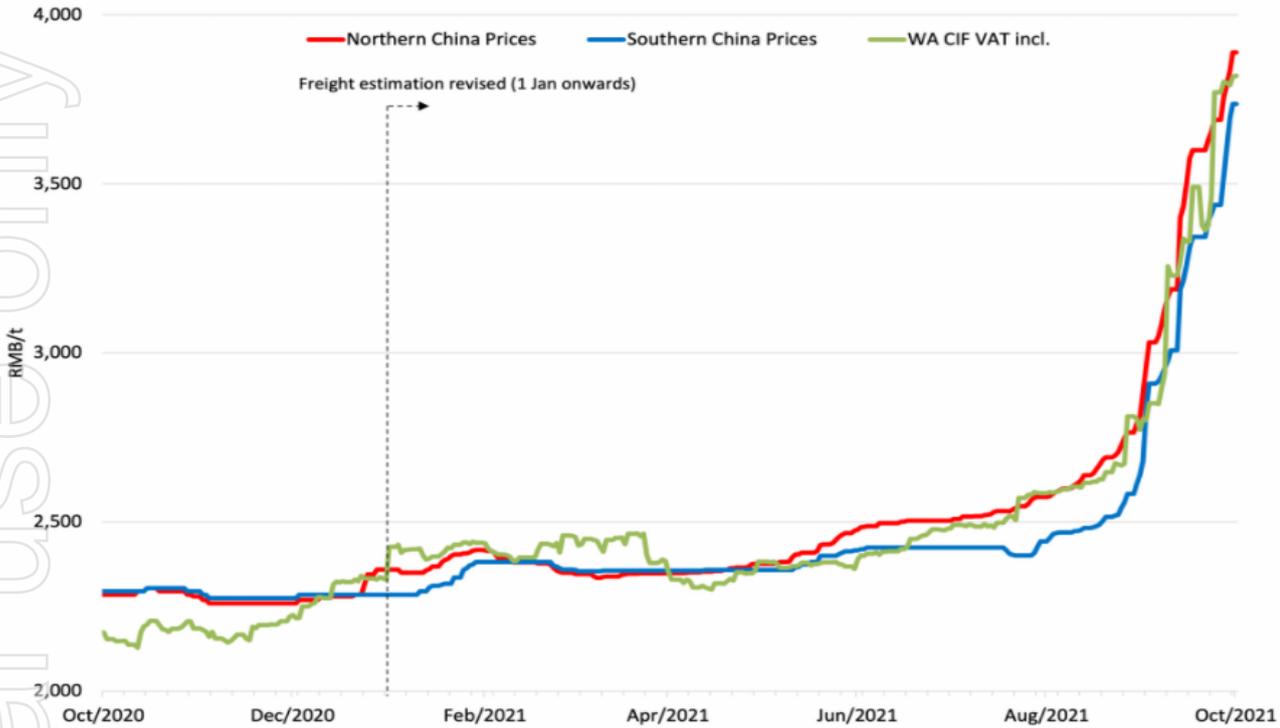
- Sponsorship of an Indigenous Art and Literacy program for primary schools in the communities of Mapoon, Bamaga, Injinoo, Hope Vale, Weipa and Aurukun. This sponsorship program will culminate in the Metro Mining Young Indigenous Art award, as part of the wider 2021 Young Australian Art and Literacy Awards, later in the year; and
- Events associated with the NAIDOC week festivities, including meetings with the Wuchopperen Health Service and the Kunjur First Nations Mens Group.

Metro has also continued the community seed collection program, with a number of community workshops conducted during the Quarter.

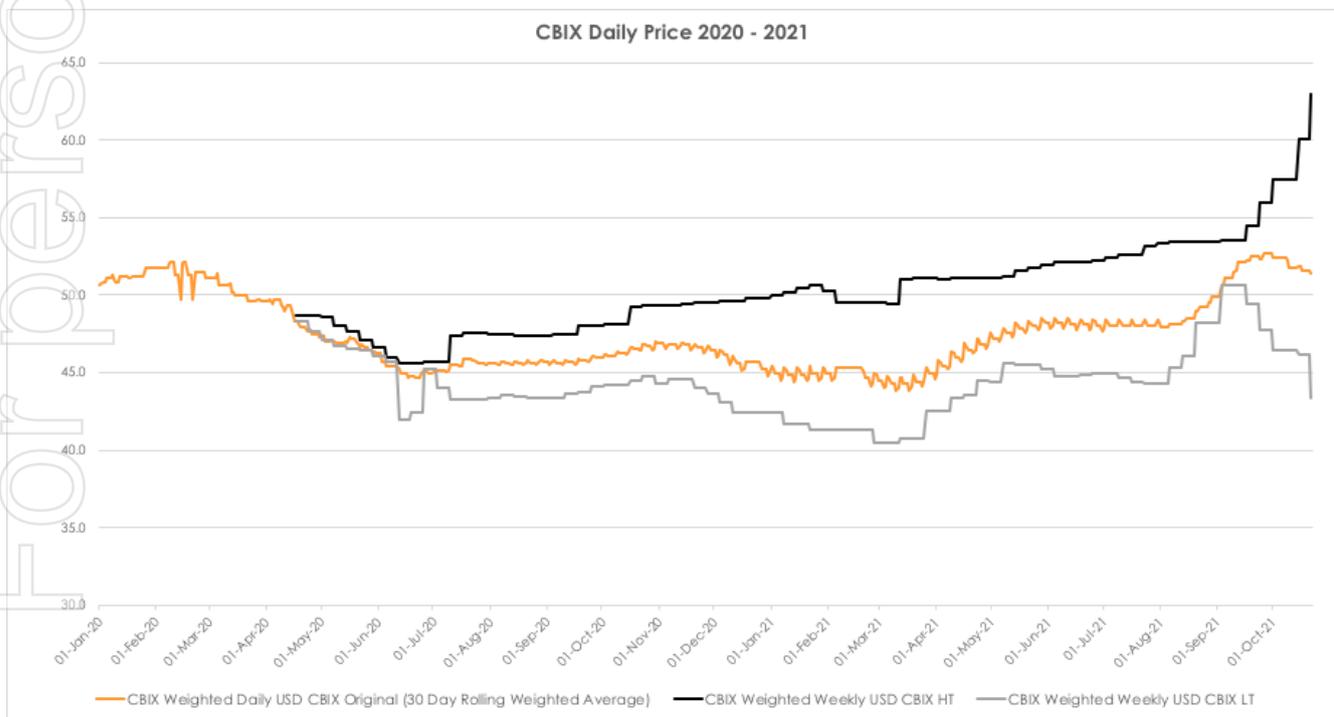


Bauxite Hills Mine Operations

CHINA'S DOMESTIC ALUMINA PRICES (RMB/tonne incl. VAT)



CBIX ViU-adjusted Bauxite Price Index (US\$/dmt, CFR China)



BOARD & MANAGEMENT

On 5 July 2021 Doug Ritchie was appointed a Director and Chair of Metro's Board and Simon Wensley was appointed as Managing Director and CEO.

Supporting Simon Wensley, the Metro Senior Management Team comprises:

- Garry (Gus) Smith (General Manager Bauxite Hills Operations) – experienced leader with over 30 years' experience in open cut and underground mining operations. Garry's most recent experience was in leadership roles with Pembroke Resources, Cockatoo Coal and Middlemount Coal.
- Peter Harding-Smith (Chief Financial Officer) – Peter is an experienced public company CFO. He recently was CFO at Comet Ridge Limited and prior to that role held CFO roles in a range of public companies including Orbis Gold and AnteoTech. More recently he has provided advisory services for a range of IPOs and restructuring transactions.
- Nathan Quinlin (General Manager Commercial) – Nathan is a Chartered Accountant and prior to joining Metro was the Commercial Finance Manager at Glencore's CSA mine.
- Norman Ting (General Manager Marketing Asia) – Norman leads a team of trading executives in Hong Kong and China and represents several Australian listed companies in marketing their mineral products in China.
- Mitchell Petrie (Company Secretary) – Mitchell is a Chartered Accountant and former senior Partner with KPMG.

CASH POSITION:

At the end of the Quarter Metro's cash on hand and other receivables was A\$5.1 Million.

In addition, Metro holds A\$0.3 Million of restricted cash, comprising various security deposit.

DEBT FACILITIES:

As at the end of the current quarter, Metro had two fully drawn A\$ debt facilities, totalling A\$35 Million (excluding accrued interest).

HEDGING:

No forward sale, A\$/US\$ contracts were in place as at Quarter end.



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This ASX Announcement has been authorised by, Metro Mining Director, Simon Wensley.

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