



Debt Financing Secured for Bauxite Hills Mine Development

Metro Mining Limited (ASX: MMI) has secured \$40 million of debt financing to fund development of its Bauxite Hills Mine, 95 Kilometres north of Weipa.

Mine construction is scheduled to commence next month followed by mining operations and first ore shipment in April, next year.

Metro Managing Director Simon Finnis says well-known international firm Sprott Private Resource Lending and Inगतatus AG Pty Ltd have been selected to provide debt financing.

The Debt Financing led by Sprott, who is to be senior secured lender, will replace Metro's existing A\$15 million short term debt facility. Inगतatus is a related party of Balanced Property a long standing, cornerstone shareholder of Metro.

"Binding Terms followed a strongly contested and rigorous global tender process," Mr Finnis said.

"The selection of Sprott and Inगतatus as preferred debt providers delivers a debt financing package with low overall cost, limited covenants, low shareholder dilution and flexibility in relation to early repayment.

"Completion remains conditional upon documentation, legal due diligence, permitting and other usual conditions."

"This debt financing represents another significant milestone and funding component for Metro and will allow the Company to continue its rapid development of the Bauxite Hills Mine."

Sprott is an alternative asset manager and a global leader in precious metal and real asset investments. Through its subsidiaries in Canada, the US and Asia, the company is dedicated to providing investors with best-in-class investment strategies that include Exchange Listed Products, Alternative Asset Management and Private Resource Investments. The company also operates Merchant Banking and Brokerage businesses in both Canada and the US. Sprott is based in Toronto with offices in New York, Carlsbad and Vancouver.

Sprott Resource Lending is a globally recognized leader in natural resource financing and specializes in providing flexible debt solutions to mining companies. Since joining Sprott, the team has financed more than \$1.0 billion in bespoke private debt investments.

Sprott Managing Partner Narinder Nagra said, as one of the leading investors dedicated to the natural resource sector, Sprott is excited to partner with Metro to develop the Bauxite Hills Mine.

"We look forward to working with the management team on one of the premier development assets in Australia," Mr Nagra said.

A Bankable Feasibility Study released in March estimated the Bauxite Hills Mine had a 92.2 million tonnes (Mt) Ore Reserve as part of 144.8 million Mt total Mineral Resource.

Metro has a binding 4-year bauxite Offtake Agreement with Xinha Group one of the largest integrated aluminium companies in China. In addition, Lubei Chemicals, China's 5th largest bauxite importer, has signed an Offtake Letter-of-Intent.

Key Terms

The key terms of the Debt Financing are:

- Tenor of approximately 3 years
- Attractive annual interest rate
- No principal amortisation before January 2019 and A\$20 million payment at end of loan
- No commitment fees
- No hedging requirements
- Low level of cash reserving and no mandatory cash sweep
- Low number of Metro options with strike price to reflect 25% premium to Metro share price

(ENDS)

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