

Q4 2020 Highlights

- The Mine's operational results during 2020 demonstrate that, with the existing plant and equipment, the Bauxite Hills Mine can operate at a 4Mtpa rate;
- The strong operational performance during the June and Sept quarters of 2020 delivered robust cashflows leaving Metro in a satisfactory financial position heading into the 2021 operating year;
- Metro's cash on hand and other receivables as at 31 December 2020 was \$25.6Million (Sept Quarter \$45.8Million);
- The planned early wet season shut-down was successfully managed during September. Work at the mine in the current quarter focussed on scheduled maintenance, mine planning and rehabilitation;
- Negotiations for further sales for 2021 and beyond are progressing well;
- Metro continued to successfully operate within the established Policies and Procedures in response to COVID-19 at Corporate Offices and the Bauxite Hills Mine, with zero cases recorded;
- Trading conditions across the aluminium supply chain in China have stabilised. Steady improvement is anticipated during 2021. This is likely to have a positive impact on bauxite demand and pricing during the year;
- Operations at Bauxite Hills are planned to recommence in April 2021 when deliveries into the existing contract with Xinfra recommence;
- Subsequent to quarter end, Metro reached agreement with its debt holders to restructure and extend the repayment terms of its current debt facilities owed to Ingotatus AG and Lambhill Pty Ltd.



Bauxite Hills Operations

SAFETY PERFORMANCE

The last quarter of 2020 at Bauxite Hills saw 21,288 workhours completed Lost Time Injury (LTI) free. Due to the early wet season closure this was a non-operating period where a reduced workforce worked on preventive maintenance tasks and completed the rehabilitation program for 2020. Another LTI free quarter at the Bauxite Hills Mine is a great result and shows the commitment to safety from all involved.

SITE BASED ACTIVITIES

The Bauxite Hills Mine moved into its planned 2020 wet season shutdown earlier than usual with operations ceasing in September 2020. The decision was made given the impact of COVID-19 on market conditions across the aluminum supply chain (particularly in China) which negatively impacted market demand and commodity prices during 2020.

Over the December quarter, focus was on undertaking planned maintenance of the mining and haulage fleet and fixed plant, rehabilitation across the site and general activities to facilitate operations commencing in April 2021.

A significant number of Metro employees and its contractors' personnel were made redundant as a result of the early wet season shut down with only a small team remaining to complete site activities.

Key Land-based Activities Undertaken During the Quarter included:

- Ongoing maintenance of haul roads and creek crossings. This activity is expected to accelerate towards the end of the March quarter as the wet season winds down;
- Heavy maintenance of the prime movers and trailer sets;
- Ongoing maintenance of the camp and accommodation facilities;
- Early stage mine planning for 2021 mining activities.

With mining areas at BH1 and BH6 now fully opened after more three years of operations, ongoing rehabilitation activities remain a key aspect of work at Bauxite Hills. The rehabilitation involves:

- Ripping of the pit floor to allow for root penetration and growth;
- Stockpiled overburden being spread of the pit floor;
- A layer of topsoil spread over the over burden;
- Seeding of the exposed area.

The planned 2020 rehabilitation program was completed during the quarter with rehabilitation works on 105 Ha completed and seeded. Furthermore, results from rehabilitation completed during 2019 have proven to be highly successful with seed germination and plant growth in all areas exceeding expectations.

Bauxite Hills Operations

COVID-19 RESPONSE

Metro's response to COVID-19 has been outlined through several ASX releases throughout 2020. These Policies and Procedures continued to evolve in response to Government guidance and directives.

Similar to the September quarter, these policies and procedures operated extremely well throughout the current quarter with no disruptions to operations experienced. COVID-19 continues to be a rapidly evolving situation and procedures are constantly monitored and updated accordingly by Metro's Senior Executives, Health & Safety Professionals, HR and IT teams.

BAUXITE SALES

Approximately 2.3 Million WMT of planned 2021 production will be sold under the offtake agreement in place with Xinfra. Under this contract prices received are linked to an RMB denominated alumina price index.

Metro have been progressing further sales for 2021 deliveries along several fronts, with all negotiations progressing well, albeit slowly as the market recovers from its COVID driven malaise. These discussions are contemplating a pricing structure linked to the prevailing bauxite market price.

Additionally, Metro is negotiating a long-term contract that, if successfully finalised, will commence in 2022 and stretch over a 5-year period.

COVID travel restrictions have continued to impact Metro's bauxite marketing and sales program although the in-country marketing team have been able to visit customers and their refineries throughout China, from time to time. It appears that confidence is returning to the sector given:

- Aluminum and Alumina prices (in China) have stabilized. Aluminum prices have been quite strong over the last several months and alumina is now showing gradual signs of improvement.
- Some previously idled alumina capacity is coming back online as input costs remain low allowing most to make modest profits at the prevailing prices.
- Reagent costs in China (in particularly caustic soda prices) continue to trend lower which positively impacts higher silica bauxite ores such as Bauxite Hills material.
- Ocean freight from Guinea and Indonesia have returned to more normalised levels.

BAUXITE HILLS MINE STAGE 2 EXPANSION

Metro's Stage 2 Expansion remains the core strategy for the long-term future of Bauxite Hills. Timing for the formal commitment to Stage 2 remains influenced by economic conditions across the aluminum supply chain in China and the resulting ability for Metro to secure long-term offtake agreements with customers. Metro will continue to monitor market conditions prior to taking the decision to formally proceed with the expansion.

Debt financing remains in place through the previously announced Loan Facility from the Northern Australia Infrastructure Facility ("NAIF"). During the quarter the sunset date for Financial Close was extended to 31 March 2021.

Bauxite Hills Operations

INDIGENOUS ENGAGEMENT

The third Liaison Committee meeting of the year was held on 10 December in Cairns and was attended by a full contingent of Seven Rivers Aboriginal Corporation (SRAC) and Old Mapoon Aboriginal Corporation (OMAC) Representatives. The agenda included feedback on the early wet season shutdown and employment reductions, and agreement was reached on facilitation of the Ancillary Agreement review in 2021.

Metro staff visited the Injinoo, Mapoon and Hope Vale communities to support the Community Liaison Officers and provide a general update on the status of mining operations to interested community groups and organisations, including the Mapoon Aboriginal Shire Council, Northern Peninsula Area Regional Council and a number of Indigenous corporations.

Metro's Community Liaison Officers continued to spend all of their time in community, with a particular focus on seed collections and assisting with positive community programs.

Monthly community seed collection programs continued in Mapoon and Injinoo over the quarter

Bauxite Price Outlook

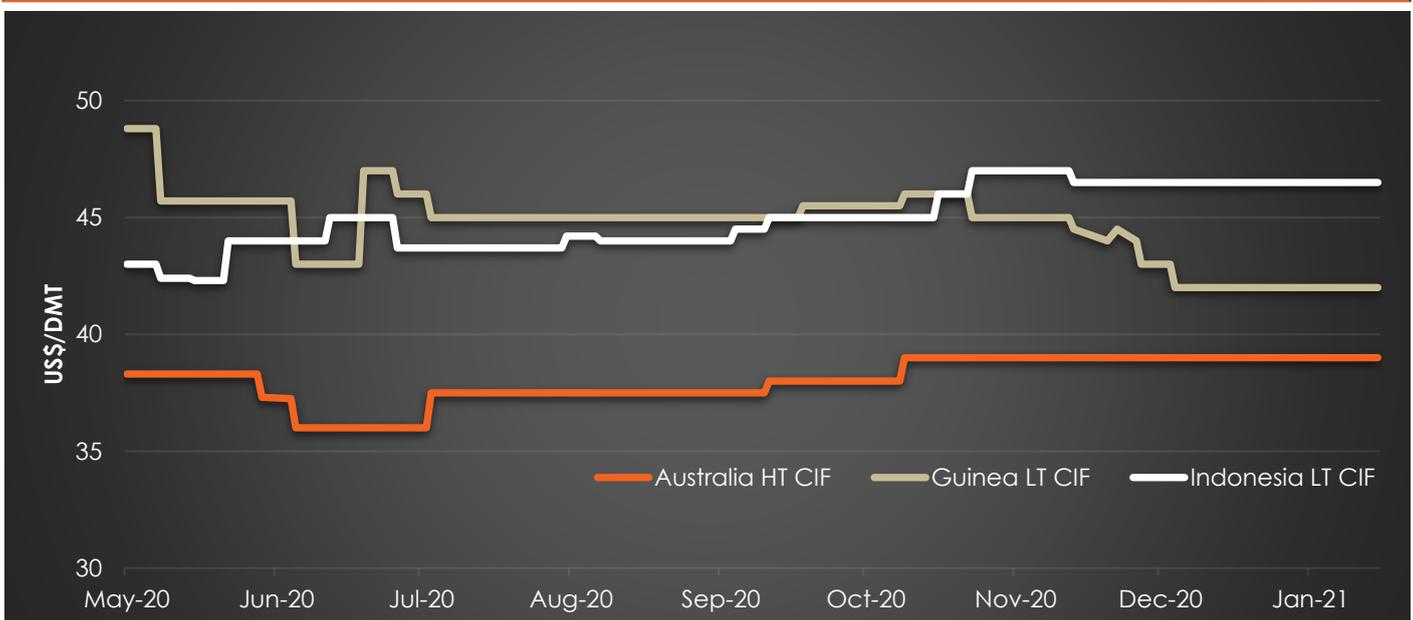
BAUXITE PRICE OUTLOOK

Prices across the Aluminium supply chain have stabilised and are now showing gradual signs of improvement. There was reduced volatility in alumina and bauxite prices although some nervousness remains amongst refineries.

Towards the end of 2020 (and into 2021), there has been a divergence in trends between prices for High Temp (HT) and Low Temp (LT) bauxite imported into China.

CBIX Regional Bauxite Indices

Source: CM Group



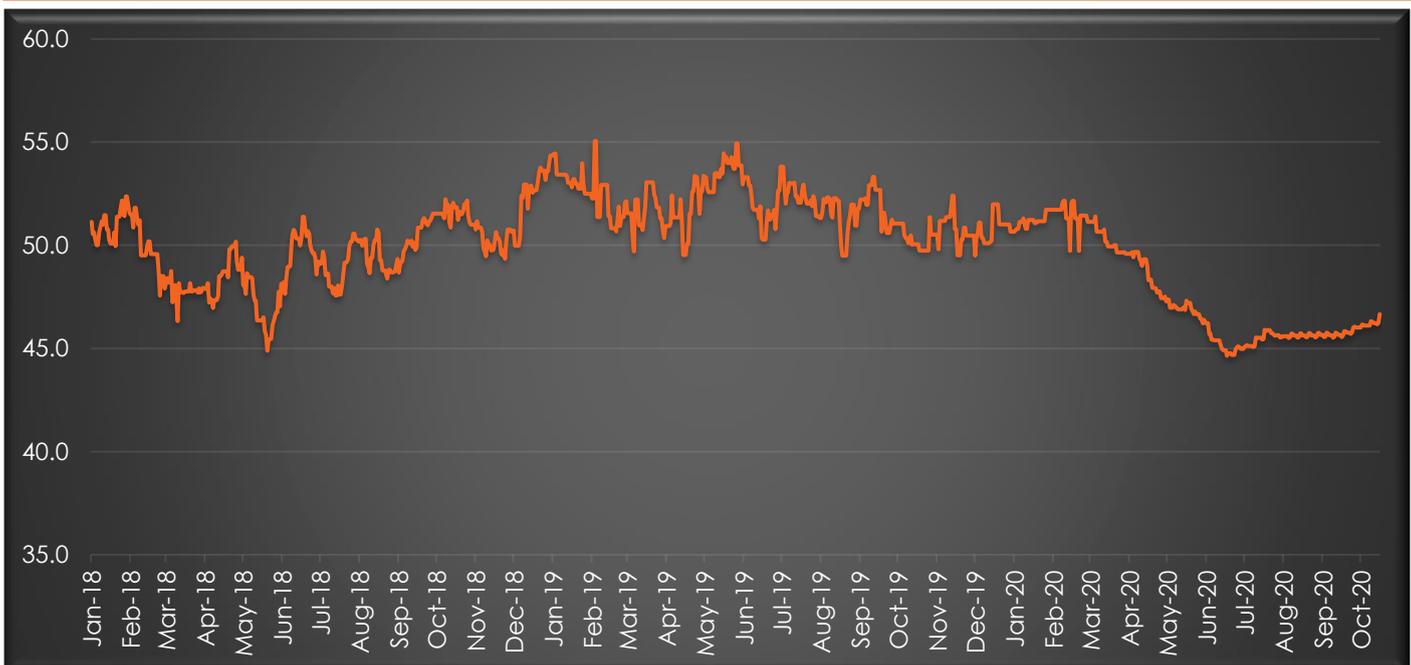
Bauxite Price Outlook

The decline in LT bauxite prices are mainly being driven by more Guinea material being exported into an already well-supplied LT market as a result of the number of new Guinean bauxite projects that commenced in 2020. However, there are now indications that ore supply (particularly from non-integrated suppliers) is being impacted particularly with freight rates returning to more normalised levels.

In contrast, HT prices have started to show price strength given limited new supply coming on stream, the upcoming wet season in Australia which impacts shipping rates and a reduction in refineries switching between HT and LT operations.

CBIX Bauxite Price Index US\$/DMT

Source: CM Group



Chinese Alumina Price

(RMB/t)



CASH POSITION: At quarter end Metro's cash on hand and other receivables (including GST refund) was A\$25.6M compared to \$45.8M at the end of Sept 2020 (this is before trade creditors & other payables). In addition, Metro holds A\$0.3M of restricted cash, comprising various security deposits.

The early wet season shutdown in September provided the opportunity and time to streamline operations by identifying a range of initiatives aimed at lowering the unit cost base at Bauxite Hills. This included rationalising work rosters, employment structures and the production logistics chain. These changes will be implemented for 2021 operations and will position Metro to better manage the inherent market volatility and also facilitate production capacity above 4Mt, if loading conditions are favourable and sales are there to support increased production. Implementing these initiatives is expected to reduce site operating costs by >5% compared to the 2020 operating budget. In addition to onsite savings, Corporate and Administration costs were significantly reduced during the current non-operating period and since that time further cost saving initiatives have been implemented.

DEBT FACILITIES: As at the end of the current quarter, Metro had two fully drawn A\$ project debt facilities, totalling A\$35 Million (excluding accrued interest). Subsequent to quarter end, Metro negotiated a revised repayment schedule with its senior lenders as follows:

- The new amortisation schedule for the A\$20.0M facility with Ingotatus AG Pty Ltd (Ingotatus) is:
 - Maturity on 1 September 2022
 - Three equal repayments on 1 September 2021, 1 July 2022 and 1 September 2022.
- The new amortisation schedule of the two A\$7.5M facilities held by Ingotatus AG and Lambhill Pty Ltd (Lambhill) respectively is:
 - Maturity on 1 January 2023
 - Three equal repayments on 1 July 2022, 30 September 2022 and 1 January 2023.

All other terms and conditions of the facilities remain unchanged. Metro has sought and obtained ASX confirmation that the variations outlined above are not inconsistent with the terms of the waiver granted to Metro in respect of ASX Listing Rule 10.1 on 30 Sept 2019. # The restructure and extension to the repayment terms has therefore been agreed without the need for Metro to obtain shareholder approval. # ASX previously granted Metro a waiver in respect of Listing Rule 10.1 to allow Metro to grant a second ranking security over its Bauxite Hills Mine assets in favour of Ingotatus, an associate of Balanced Property, a substantial holder of Metro. The terms of that waiver are summarised in the announcement of 28 October 2019.

OTHER:

- No forward sale, A\$/US\$ contracts were in place as at Quarter end.
- An amount of \$11K was paid to related parties and their associates (Core Metallurgy Pty Ltd) for metallurgical consulting services provided on an arm's length basis.



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

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