



Conversion of LOI into Binding Off-take for 2021

Metro Mining Limited (ASX: MMI) (Metro) is pleased to announce that it has signed a binding agreement for the supply of 790,000 Wet Metric Tonnes (WMT) bauxite for delivery in 2021 with Xiamen Xiangsen Aluminium Limited (Xiangsen Aluminium).

Highlights

- **Completes 2021 off-take under the 1 Million Dry Metric Tonnes (DMT) Letter of Intent (LOI)**
- **Signals success in Metro's approach to opening up new markets and customers**
- **Cargoes spread from September through December under fixed pricing**
- **Shipments will transition to Capesize vessels upon commissioning of the new floating crane**
- **Bauxite Hills Mine to return to maximum production capacity in Quarter 4, 2021**
- **The parties are negotiating to expand the previously announced 1 Million (DMT) LOI for 2022-2024**

On 7 July 2021, Metro announced the signing of a Letter of Intent (LOI) with Shanxi Liulin Senze Aluminium for 1 Million DMT (approx. 1.1 Million WMT) in 2021 and the off-take of the first two shipments under that LOI. A further three 60,000 WMT shipments have been contracted and shipped during August, totaling 300,000 WMT to date.

This new contract formalises the remaining volume under the LOI of 790,000 WMT and is the result of good ongoing trial results and significant effort of both Australian and Chinese parties. This Agreement schedules tonnage from September through to December and is in addition to Metro's Offtake Agreement with Xinfu for 2.3 Million WMT in 2021. It takes the Bauxite Hills Mine to full capacity at the same time that the new Floating Crane arrives at site, allowing costs to be further optimised. Both parties have flexibility to defer 1 shipment depending on trial progress and performance of the new Floating Crane.

Xiangsen Aluminium is a Joint Venture between Xiamen Xiangyu Group and Shanxi Liulin Senze alumina refinery. The JV specializes in bauxite supply, alumina and coal trade as a comprehensive supply chain service company. Xiangsen Aluminium is working with Metro on trials and bauxite targets in the key alumina producing province of Shanxi. An important aspect of the relationship is leveraging logistics capabilities to transition to Capesize vessels to Chinese ports.

Based on this binding off-take and strengthening relationship, Metro and Xiangsen Aluminium are negotiating to expand the scope and volume of the 1 Million DMT LOI for 2022-2023 (plus a 1 year option to extend) announced on 7 July 2021.

Metro Mining Managing Director and CEO Mr Simon Wensley said:

“Metro is delighted to have fully converted the LOI for 2021 into a binding off-take. Successfully working with Xiangsen Aluminium, Shanxi Senze and other refineries to convert to Metro product is a key part of our strategy to expand the market. It allows us to leverage our unique logistics position as the only supplier using Capesize vessels from Australia and deliver secure, quality, base-load raw materials to our customers. We look forward to finalising an expanded long-term LOI in the near future and then converting that to a binding contract to establish a long-term mutually rewarding partnership helping founderpine our Stage 2 expansion.”



Metro bauxite being unloaded for destination to Shanxi Liulin Senze alumina refinery....



Important information

FORWARD LOOKING STATEMENT

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