



Metro Converts 2022 Component of LOI with Xiangsen Aluminium to Binding Offtake

Metro Mining Limited (ASX: MMI) (Metro) is pleased to announce that the 2022 component of the expanded and extended Strategic Cooperation Agreement with Xiamen Xiangsen Aluminium Limited (Xiangsen Aluminium) (refer ASX Release 25 November) has been converted to a Binding Offtake Agreement of 1.5 Million Dry Metric Tonnes (approx. 1.7 Million Wet Metric Tonnes) in 2022.

Highlights

- **1.7 Million WMT of total 5 Million WMT LOI with Xiangsen Aluminium converted to Binding Offtake Agreement for 2022.**
- **This adds to 1.1 Million WMT already contracted for 2022 (refer ASX release 10 June 2021) and a further 0.6 million WMT in the final negotiation stage.**
- **With 0.7 Million WMT being withheld for 'spot sales', Metro is confident of achieving its production and sales projection of 4 Million WMT in 2022.**
- **Floating Crane on track to achieve 100% capacity.**

On 25th November Metro announced an expanded and extended LOI with Xiangsen Aluminium for the supply of approximately 5 Million Wet Metric Tonnes (WMT) of bauxite for delivery between 2022 and 2024.

The 2022 component of that Agreement totalling 1.7 Million WMT has now been converted to a Binding Offtake Agreement. This follows Xiangsen Aluminium fulfilling 100% of its agreement for 1.1 Million WMT in 2021. Pricing terms are confidential however are made up of fixed and variable components within a "cap" and "collar" range which ensures the price will gradually rise on a quarterly basis.

1.1 Million WMT is already contracted for 2022 with foundation customer Xinfra and further 0.6 Million WMT is in final negotiation stages. With 0.7 Million WMT to be withheld for "spot sales" to place as the market recovers further and in the case of competitor supply uncertainty, Metro anticipates it will reach its 4 Million WMT sales target in 2022.

The floating crane "TSA Skardon" has now reached 90% of its design loading capacity, up from 70% when it was first commissioned. Indications are the floating crane will soon reach 100% of its design capacity loading Capesize vessels at significantly lower freight rates than those experienced during the year.

The Bauxite Hills Mine is currently running at full capacity and indications are that, weather permitting, committed sales of 3.3 Million WMT for 2021 will be met with production to cease at the end of December and ship loading to cease shortly thereafter.

Metro Mining Managing Director and CEO Mr Simon Wensley said:

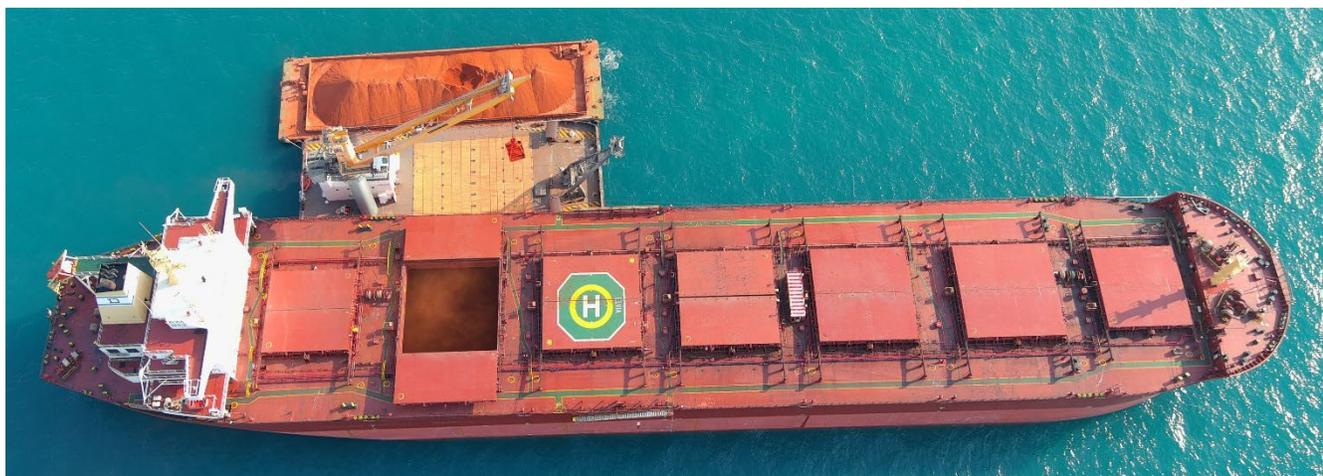
"The confirmation of this significant Binding Offtake Agreement following on from Xiangsen Aluminium's 2021 commitment demonstrates the strengthening relationship between the two parties based on mutual trust and recognition of the value of Metro's low risk environment, consistent quality, contract agility, technical service and large vessel delivery capability. The addition of the floating crane to our marine fleet, coupled with the efforts of the commercial and Bauxite Hills production teams, is certainly making a difference and we are confident of meeting our projected target of 4 Million WMT in 2022."

Mr Zhang Qiang, head of production at Liu Lin Senze refinery said:

"MMI bauxite is of good quality, amongst other things, containing nearly zero sulphur and thus suitable for blending with some local Chinese bauxites with higher sulphur content."

Xiamen Xiangsen Aluminium Deputy Managing Director Mr Zhou Hailong said:

"Our partner refineries have found the quality of MMI bauxite helps to improve the quality of alumina produced. I appreciate the continued commercial and technical support and cooperation of the Metro team. Together, we are targeting more refineries with similar quality issues with their bauxite across China."



Important information

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 in any jurisdiction.



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**

Address: Level 2, 247 Adelaide St, Brisbane | GPO Box 10955, Brisbane Q 4000

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