

Q4 2021 Highlights

- **December quarter sales 1.1 Million WMT and 2021 calendar sales 2.8 Million WMT**
- **Operations continuing into wet season to deliver on 2021 contract commitments expected to total 3.1 Million WMT**
- **Floating crane performance steadily improving and demonstrating 90% of capacity but has been hampered by weather and supply chain issues**
- **Strong revenue, combined with reducing freight costs, results in positive site EBITDA margin**
- **Metro has returned to positive cash flow and has sufficient reserves and facilities to operate through the current wet season and until April 2022 when operations will restart**

- December quarter shipments were 1.1 Million WMT. Although on par with the Sept quarter, shipments were below plan due to early onset of storm activity, cyclone "Seth" in December and some unexpected maintenance and supply chain issues with the floating crane. As a result, total shipments for the 2021 calendar year were 2.8 Million WMT.
- In order to deliver against 2021 contracted commitments, Metro made the decision to operate later than normal and into 2022. In January 2022, weather, through cyclone "Tiffany", and several rounds of worker isolation from COVID-19 continued to impact ship loading rates. Metro expects to complete loading by middle of February 2022, with total sales against 2021 contracts of 3.0 to 3.1 Million WMT, and 0.2 Million WMT deferred to the 2022 operating season.
- Continuation of shipping into the wet season was a calculated risk to deliver on commitments and to take advantage of improved bauxite prices.
- Sales Revenue (gross) of A\$65.8 M and positive site EBITDA of A\$1.1 /WMT for the December quarter highlight the results of the rapid turnaround initiatives implemented through 2021. Commissioning of the floating crane allowed Metro to participate in the softening of the ocean freight market. December average ocean freight rate was US\$11.7 /WMT however significant demurrage has offset the benefit.
- Average price received was A\$61.1 /WMT up 16% on the Sept quarter with an average site margin of A\$1.1 /WMT. Metro's contracting strategy to include a portfolio of pricing structures has paid dividends. Alumina linked prices continued to rise through the quarter, partially offset with fixed price cargoes to incentivise bauxite trials which underpin increased volume in 2022.
- Site unit costs have increased slightly on the Sep quarter as a result of weather conditions.
- Available cash on hand and other receivables as at 31 December 2021 totalled A\$13.9 Million.
- New floating crane mobilised between August and October 2021, has been successfully commissioned and has been one of the key drivers of a return to profitability in latter 2021. Productivity was proceeding as expected demonstrating approx. 90% of expected performance, in terms of availability and loading rates before weather, spare part supply chain and COVID-19 issues impacted performance in December.
- Metro expects to complete loading of the last 2 vessels by 15 February 2022. Should this occur as planned, Metro will have sufficient cash available for the wet season shutdown, off-season maintenance and restart in April 2022 without the need for further cash injections from equity or debt. If not, Metro expects to draw down the A\$ 5 M bridge facility.

SITE BASED ACTIVITIES

Mining for the quarter was 1,204K wet metric tonnes (WMT) with 1,077K WMT shipped.

Both mining and shipping tonnages were below plan as a result of adverse weather conditions and a number of logistical challenges that arose with marine activities.

As previously reported, Metro's expansion strategy is to have the capability to load capsize vessels. The introduction of a floating crane barge, TSA Skardon, provides Metro with the capability to load capsize vessels and to consequently take advantage of the lowest possible ocean freight rates, especially compared to the unprecedented high rates in 2021 for geared Ultraclass vessels.

The floating crane commenced operating in mid-October 2021. The loading performance of the floating crane was initially at approx. 70% of design capacity of 4 million WMT per annum. As training continued and supporting logistics were better aligned and improved, the key components of performance reached approx. 90% of design capacity.

However, the ramp up of the floating crane's availability and performance was impacted by unanticipated maintenance of a number of key components, availability of spares and marine support vessel outages. From the end of November, wet ore, adverse wave height and wind has also affected performance.

On balance, the crane ramp up has been satisfactory given external conditions and the lessons learned in the commissioning and subsequent operating period have been captured and will be incorporated into the 2022 operational processes.

Given the status of Metro's contracted commitments, delivering on new relationships and the bauxite price/freight environment, the decision was taken to extend the 2021 operating season through December 2021 into early 2022. Expected impacts have been weather interruptions, ore screen/handling issues and wave/wind interruptions. Risks are being mitigated through selective mine planning, advanced stockpiling, screen/conveyor adjustments and the addition of an extra tug to the fleet. We have learned a lot about the drivers for success in this environment which will be selectively built on in future seasons.

Mining for the 2021 operating season has completed and Metro anticipates shiploading to be completed by 15 February 2022. It is anticipated that at the end of the 2021 operating season, 3.0 to 3.1 Million WMT will have been shipped for the season. Approx 0.2 Million WMT planned to be shipped to customers in the 2021 operating season has been deferred to the beginning of the 2022 operating season. Offtake for Q2 2022 is fully committed.



BAUXITE HILLS OPERATING RESULTS

Quarter	Dec 2021 Quarter	Sept 2021 Quarter	Dec 2020 Quarter
Bauxite Mined (WMT) ('000)	1,204	1,101	-
Bauxite Shipped (WMT) ('000)	1,077	1,092	-
Unit operating results			
Revenue A\$/WMT	61.14	52.69	-
Costs			
Site cost A\$/WMT	21.64	20.58	-
Non-site cost – freight A\$/WMT	33.00	35.05	-
Non-site cost – royalties A\$/WMT	5.38	2.35	-
Total	60.02	57.98	-
EBITDA margin A\$/WMT	1.12	(5.29)	-

Note that in mid September 2020 the Bauxite Hills site moved into its 2020 wet season shutdown earlier than usual, therefore no production or sales occurred in the December 2020 quarter.

BAUXITE SALES

Market conditions in the aluminium value chain were volatile during Dec quarter with energy shortages, alumina and caustic soda prices rising sharply and freight rates softening but still remaining high compared to recent history. Whilst the market trends are generally improving for bauxite, given this volatile environment, buyers have been cautious about locking in contract terms.

Having supplied against 2021 contractual commitments, Metro will have delivered 7 Million Dry Metric Tonnes (DMT) into the foundation contract with Xinha Group at prices linked to the Chinese alumina price. This contract has now expired and Metro has previously announced that further sales contracted have been agreed with Xinha until the end of 2025.

As a result of successful trials, negotiations and deliveries in 2021, Xiangsen Aluminium is now established as a 2nd base load customer serving refineries switching from domestic bauxite. In November 2021, Metro announced agreement of a 3 year strategic cooperation agreement totalling approx. 4.5 Million DMT.

The 2022 component of the Xiangsen agreement totalling 1.7 Million WMT has been converted to a Binding Offtake Agreement. This is in addition to 1.1 Million WMT contracted to Xinha and 0.2 Million WMT of rollover tonnage from 2021. A further 0.5 Million WMT is verbally agreed and in final stages of agreement.

Metro is targeting April to December 2022 sales volume of 4 million WMT and is tactically holding a portion of 2022 capacity for spot sales in anticipation of supply issues from Indonesia/Guinea and further market/price recover.

Negotiations with a 3rd strategic base load customer are ongoing for a 2023 contract start.



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.

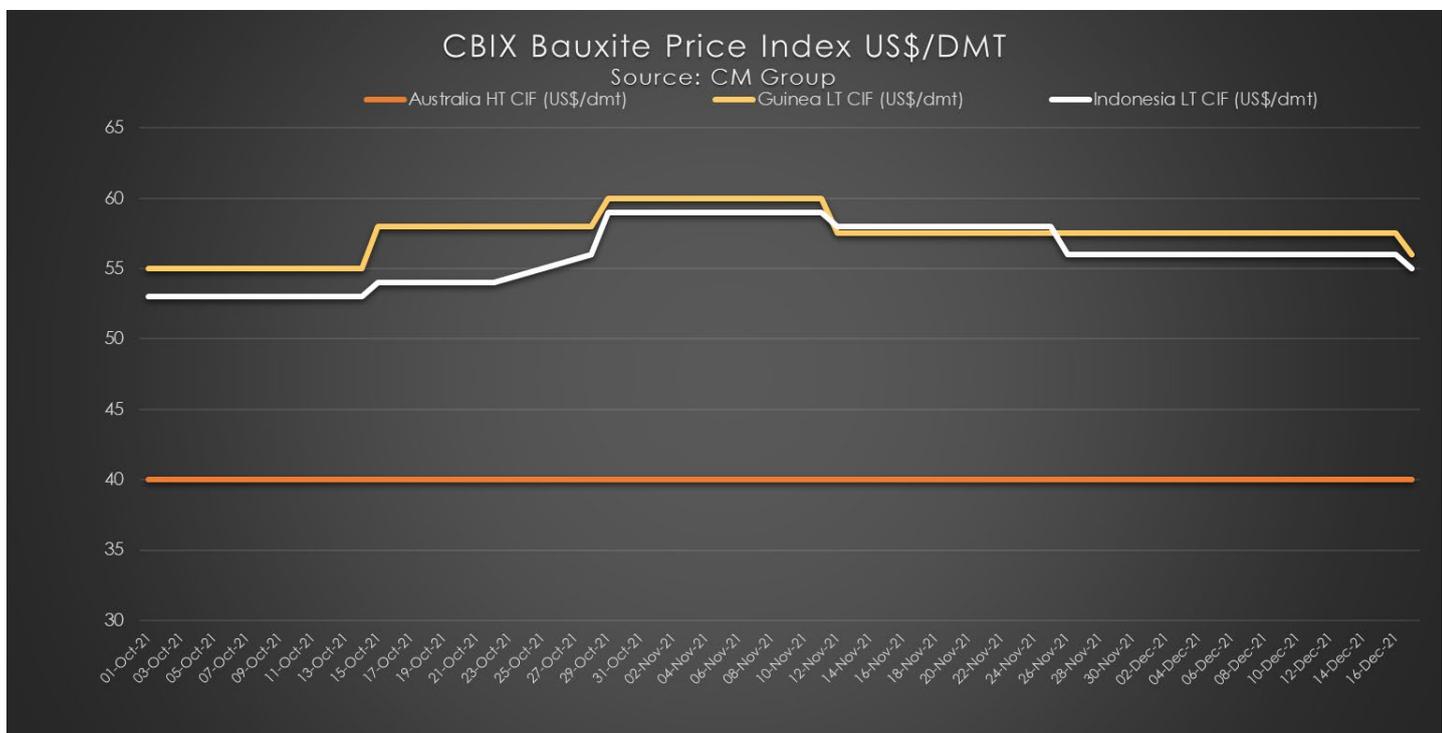
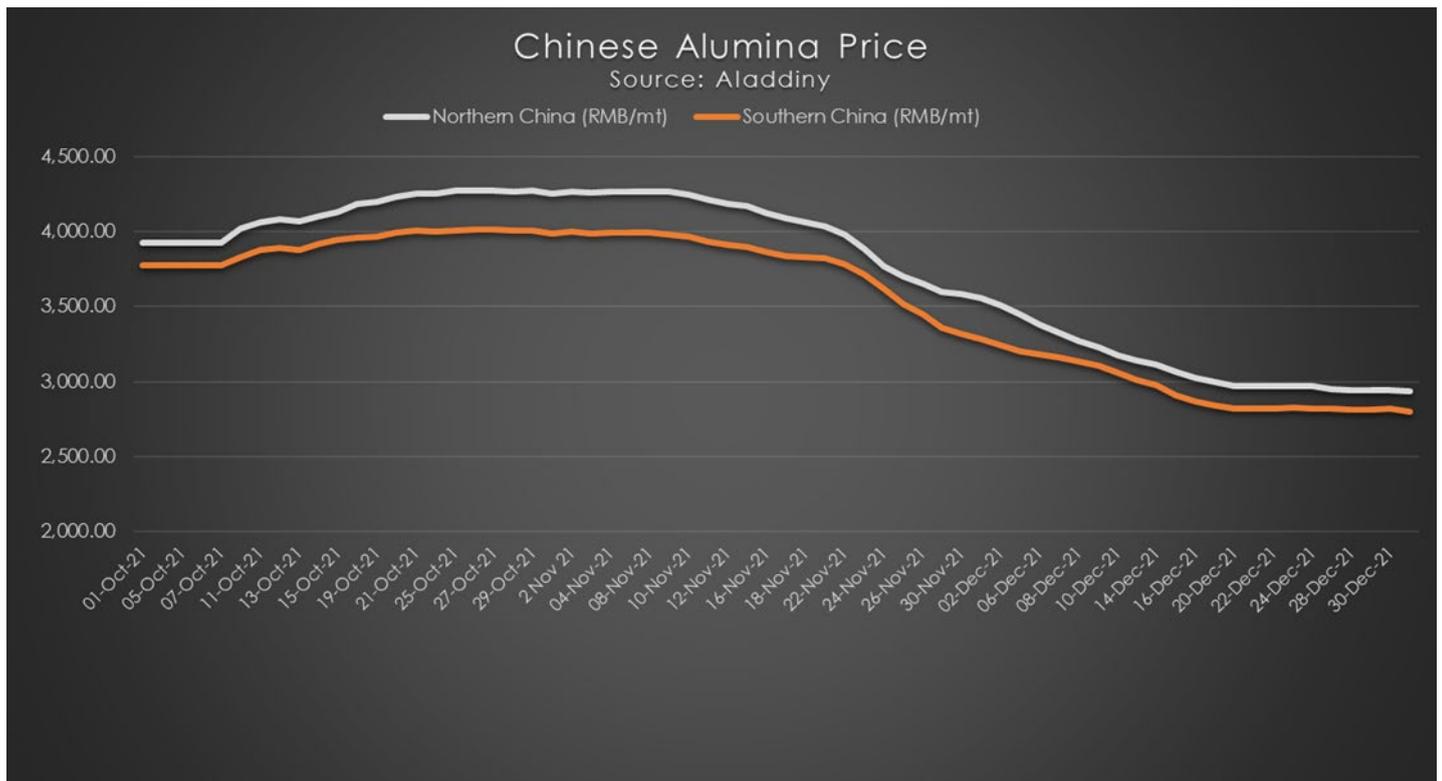
A cultural awareness training program for the Metro senior leadership team and directors is scheduled for February 2022. This training will be implemented at Bauxite Hills through 2022.

Metro is continuing the community native seed collection program and has received renewed interest from community members in the Northern Peninsula Area to participate in the program.

Metro has also identified a number of commercial/business opportunities which will be discussed with the community in early 2022.



Metro's sponsorship of the "Young Indigenous Art and Writers Awards 2021" incorporated sponsorships for the schools of Bamaga, Injinoo, Mapoon and Hope Vale, allowing selected school classes from these Indigenous communities to be mentored by professional artists and writers, and to have their works assessed for the Awards. The Metro Mining Indigenous Art Award went to Chloe Rodney for her painting titled 'The Rainbow Snake'.



CORPORATE

The 2021 year has been a difficult one for Metro. Multi-year high ocean freight rates for much of the year, together with challenging economic conditions, resulted in operating losses and a significant drain on available cash reserves.

In the second half of the calendar year, a number of initiatives were undertaken to re-position Metro:

- A placement and accelerated non-renounceable entitlement offer was completed
- The Board and Senior Management Team were strengthened
- A new floating crane was acquired and mobilised ahead of schedule in October 2021 enabling the loading of Capesize vessels and consequently significantly reduce ocean freight rates
- Additional offtake agreements were secured
- Operational and corporate overhead costs were reduced, and will continue to be reduced into 2022
- Initiatives to increase productivity were undertaken

Whilst these actions have de-risked the medium term for Metro, the end of the 2021 operating season brought a range of challenges. Consequently, the benefits of the actions taken in the second half of 2021 will only be completely visible in the 2022 operating season.

In December 2021, Metro announced that it had secured a A\$5 million, at call, short-term loan facility, which would be available should the impact of severe weather force deferment of shipments until the second quarter of 2022.

Since the end of the December 2021 quarter, Metro continued to experience adverse weather conditions, further delaying the completion of production and of loading vessels. With 2021 production being completed 31 January 2022 and shipping anticipated to be completed 15 February 2022, the operating season will then come to an end. Based on achieving this, Metro will generate sufficient funds to see the Company through the wet season and until April 2022 when operations restart. Metro expects to be in a position to confirm this and the requirement to draw down the bridging facility by mid-February 2022. In the event shipping is adversely affected before 15 February, Metro expects to draw down all or part of the A\$ 5 M loan referenced above.

At the end of December 2021, Metro's cash on hand, stock pile and other receivables was A\$34.7 Million, unaudited.

Metro holds A\$0.3 million of restricted cash, comprising various security deposits.

At the end of December 2021, Metro had two fully drawn A\$ debt facilities totalling A\$35 million (excluding accrued interest).

The A\$5 million short term finance facility was undrawn as at the end of the Quarter,

No forward exchange rate (A\$/US\$) contracts were in place as at the end of the Quarter.

SAFETY PERFORMANCE

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

The operational quarter at Bauxite Hills saw 53,658 workhours completed Lost Time Injury (LTI) free.

Metro has, and continues to, follow strict policies and procedures which were established to minimise the risk of COVID-19 to our employees, contractors and communities. These procedures include pre-flight PCR and/or Rapid Antigen testing, regular cleaning of facilities and equipment, and regular on-site PCR and Rapid Antigen testing.

A number of employees and contractors have tested positive to COVID-19 whilst on-site which has resulted in the isolation of those personnel. No personnel have required off-site medical treatment.

Metro has encouraged and incentivised employees and contractors to be vaccinated which has resulted in an increased percentage of the workforce, including Traditional Owners, being vaccinated. A policy requiring all employees returning to site in 2022 to be vaccinated, or to hold a valid medical exemption, has been established.

With the growing challenges associated with the Omicron variant, Metro's protocols are being constantly reviewed and updated in line with changing circumstances and health advice.



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

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 shares in any jurisdiction.

Appendix 5B

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Name of entity

Metro Mining Limited

ABN

45 117 763 443

Quarter ended ("current quarter")

December 2021

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (12 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	71,313	145,216
1.2 Payments for		
(a) exploration & evaluation	-	-
(b) development	-	-
(c) production	(51,232)	(146,446)
(d) staff costs	(4,071)	(13,704)
(e) administration and corporate costs	(1,103)	(3,013)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	-	14
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	-	-
1.8 Other (provide details if material)	93	173
1.9 Net cash from / (used in) operating activities	15,000	(17,760)

2. Cash flows from investing activities		
2.1 Payments to acquire or for:		
(a) entities	-	-
(b) tenements	-	-
(c) property, plant and equipment	(602)	(3,043)
(d) exploration & evaluation	(109)	(455)
(e) investments	-	-
(f) other non-current assets	-	-

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 months) \$A'000
2.2	Proceeds from the disposal of:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	-	-
	(d) investments	-	-
	(e) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	5	(180)
2.6	Net cash from / (used in) investing activities	(703)	(3,673)

3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	25,580
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	-	-
3.4	Transaction costs related to issues of equity securities or convertible debt securities	(36)	(1,040)
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	(516)	(1,125)
3.7	Transaction costs related to loans and borrowings	(114)	(151)
3.8	Dividends paid	-	-
3.9	Other (provide details if material)		
	- Interest Paid	(1,521)	(5,346)
	- Principal elements of lease payments	(3,126)	(8,630)
	- Other	-	-
3.10	Net cash from / (used in) financing activities	(5,312)	(9,288)

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	6,185	25,447
4.2	Net cash from / (used in) operating activities (item 1.9 above)	15,000	(17,760)

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 months) \$A'000
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(703)	(3,673)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	(5,312)	9,288
4.5	Effect of movement in exchange rates on cash held	(1,280)	588
4.6	Cash and cash equivalents at end of period	13,890	13,890

5. Reconciliation of cash and cash equivalents	Current quarter \$A'000	Previous quarter \$A'000
at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts		
5.1 Bank balances	13,890	6,185
5.2 Call deposits	-	-
5.3 Bank overdrafts	-	-
5.4 Other (provide details)	-	-
5.5 Cash and cash equivalents at end of quarter (should equal item 4.6 above)	13,890	6,185

6. Payments to related parties of the entity and their associates	Current quarter \$A'000
6.1 Aggregate amount of payments to related parties and their associates included in item 1	156
6.2 Aggregate amount of payments to related parties and their associates included in item 2	

Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments.

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

7. Financing facilities	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
<i>Note: the term "facility" includes all forms of financing arrangements available to the entity. Add notes as necessary for an understanding of the sources of finance available to the entity.</i>		
7.1 Loan facilities	35,000	35,000
7.2 Credit standby arrangements	5,000	5,000
7.3 Other (please specify)	-	-
7.4 Total financing facilities	40,000	40,000
7.5 Unused financing facilities available at quarter end		5,000
7.6	Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.	
	\$5 million unused financing facility relates to a Bridging facility announced on the 16 December 2021	

8. Estimated cash available for future operating activities	\$A'000
8.1 Net cash from / (used in) operating activities (item 1.9)	15,000
8.2 (Payments for exploration & evaluation classified as investing activities) (item 2.1(d))	(109)
8.3 Total relevant outgoings (item 8.1 + item 8.2)	14,891
8.4 Cash and cash equivalents at quarter end (item 4.6)	13,890
8.5 Unused finance facilities available at quarter end (item 7.5)	5,000
8.6 Total available funding (item 8.4 + item 8.5)	18,890
8.7 Estimated quarters of funding available (item 8.6 divided by item 8.3)	N/A
<i>Note: if the entity has reported positive relevant outgoings (ie a net cash inflow) in item 8.3, answer item 8.7 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.7.</i>	
8.8	If item 8.7 is less than 2 quarters, please provide answers to the following questions:
8.8.1	Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?
	Answer:
8.8.2	Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?
	Answer:

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

8.8.3 Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?

Answer:

Note: where item 8.7 is less than 2 quarters, all of questions 8.8.1, 8.8.2 and 8.8.3 above must be answered.

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Date: 31 January 2022

Authorised by: The Metro Mining Board
(Name of body or officer authorising release – see note 4)

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – eg *Audit and Risk Committee*]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.