

Q1 2022 Highlights

- **March quarter sales 0.3 Million WMT at record prices of A\$75 /WMT to complete 2021 contract commitments of 3.1 Million WMT**
 - **Operations ceased in February 2022 for wet season maintenance of mobile, fixed and marine assets. Production and trans-shipping have recommenced again in April 2022**
 - **Negative EBITDA as expected due to wet season maintenance activities, fixed costs and higher than planned costs and demurrage to operate in the wet season**
 - **During the quarter, the 2022 sales book was increased to 3.8 M WMT with a commitment from Xinfu for an additional 1 M DMT. Freight cover was locked in for 2 M WMT**
- March quarter shipments were 330,000 WMT, resulting in revenue of A\$24.9 M at record bauxite prices of A\$74.88 / wet metric tonnes (WMT), up 22.6% from December quarter, as Metro's diversified sales strategy continued to pay dividends.
 - As commented in the December quarterly, there were a number of cyclone and COVID delays which forced Metro to operate further into the wet season to deliver against contractual commitments. As a result, total shipments against 2021 contracts were 3.12 Million WMT.
 - 180k WMT 2021 contract sales were deferred to the 2022 operating season which started at the beginning of April 2022 with a sales book of 3.8 Million WMT expected for April to December 2022. Despite widespread COVID lockdowns in China, we are not seeing any impact on demand from our customers as the aluminium value chain remains robust.
 - The floating crane continued to allow Metro to participate in the competitive Capesize ocean freight segment. Use was also made of a smaller geared vessel to complete loading. March quarter average ocean freight rate was US\$15.19/WMT before demurrage. As it became clear that freight markets would again be volatile, Metro progressively took to the opportunity to lock in approx. 2 Million WMT of freight coverage for 2022.
 - Metro takes customer commitments, safety and cost control seriously. The continuation of shipping into the wet season was a calculated risk to meet contract commitments at good prices and underpin market reputation as a reliable supplier. This has resulted in the contract confirmations for 2022 and beyond. However, costs were greater than expected especially in the areas of stand-by costs and demurrage. Operations in the wet season are under review to ensure more effective planning and outcomes for the future.
 - Production ceased for 6 weeks for maintenance activities on roads, mobile assets, fixed plant and marine assets including navigation aids, tug boats and the floating crane. As expected, the costs during this wet season "shut down" quarter resulted in a negative Site EBITDA of A\$27.46/WMT for the March quarter, however a significant amount of work has now been completed.
 - Available cash on hand and other receivables as at 31 March 2022 totalled A\$5.2 Million.
 - Metro did not draw down an available A\$5 M short term bridge facility in February, however, in April, management re-established the facility with supportive shareholders and drew down the facility. The key issues have been high volatility in the fuel price, freight rates and exchange rate and the ability to process physical documents in China to receive timely payments.

SITE BASED ACTIVITIES

Mining for the quarter was 129 K wet metric tonnes (WMT) with 330 K WMT shipped.

Both Mining and shipping tonnages were above plan as no volume had been budgeted for the wet season. Extending operations into January and February 2022 to deliver on customer commitments was the result of adverse weather conditions, COVID-19 interruptions and a number of supply chain challenges. Expected impacts were weather interruptions, ore screen/handling issues and wave / wind interruptions. Risks were mitigated through selective mine planning, advanced stockpiling, screen adjustments and the addition of an extra tug to the fleet. Mining ceased at the end of January and barge/ship-loading on February 15, 2022.

Metro's expansion strategy is to have the capability to load Capesize vessels to take advantage of lowest possible freight rates and introduced a floating crane barge, TSA Skardon, to do so in Q4 2021. The floating crane commenced operating in mid-October 2021. Metro's trans-shipping partner, TSA, continued to safely ramp up capability on the floating crane in Q1 2022 in difficult weather conditions and with poor bauxite physical properties.

Although the focus on cash cost continued, due to the interrupted operations during the wet season, production costs, standby costs and demurrage were higher than under normal conditions.

Some of the lessons learned from operating in this environment became the focus of the maintenance activity in the remainder of the wet season particularly changes to the dry screening plant deck configurations, replacement/repair of head drums, belts and scrapers on the conveyors and maintenance to haul truck/trailer fleet. Further analysis to optimise productivity during wetter weather will be selectively built on in future seasons. The floating crane also docked in Cairns to fit some of the equipment not able to be installed before initial mobilisation.

Road repair crews were back on site at the end of March, with production commencing beginning of April and ship-loading on April 11th. It has been a slower than anticipated start due to El Nina driven late wet season on Cape York, however, the first Capesize vessel completed loading on April 27th.



Floating Crane docking, with pre-positioned barges awaiting unloading in the background

BAUXITE HILLS OPERATING RESULTS			
Quarter	Mar 2022 Quarter *	Dec 2021 Quarter	Mar 2021 Quarter
Bauxite Mined (WMT) ('000)	129	1,204	-
Bauxite Shipped (WMT) ('000)	330	1,077	-
Unit operating results			
Revenue A\$/WMT	74.88	61.14	-
Costs			
Site cost A\$/WMT	54.52	21.64	-
Non-site cost – freight A\$/WMT	38.77	33.00	-
Non-site cost – royalties A\$/WMT	9.05	5.38	-
Total	102.34	60.02	-
EBITDA margin A\$/WMT	(27.46)	1.12	-

* Being the wet season Quarter, no mining or shipping tonnes were budgeted for the March quarter. Metro however continued operations to deliver on its contractual commitments to customers which has paid dividends securing additional offtake agreements for 2022.

BAUXITE MARKET AND SALES

Market conditions in the aluminium value chain continued to be volatile during Q1 2022. Following the rapid spike in Q4 2021 to approx. RMB 4000 /t, Chinese alumina prices dropped back to RMB 2800 /t but found a floor at approx. RMB 3000 /t during the quarter. International alumina prices spiked following Russia's invasion of Ukraine but are now falling back towards Chinese equivalent prices.

The Ukraine invasion also caused energy and freight volatility with prices still above pre-crisis levels. Domestic bauxite prices remained robust with Guizhou prices particularly strong. However caustic soda prices are again rising following the sharp spike in Q4 2021. Bauxite imports into China are strong, with March 2022 a record month and import prices rising. Indonesia is still exporting strongly as ban conditions remain unclear and Guinea Government attempts to hold miners to commitments to progress alumina refinery developments in the country. On balance, despite caustic price rises, the environment for Metro's high temperature bauxite is positive and there is upward price pressure.

Metro's commitment to continue to service contracts in difficult conditions is paying dividends with further commitments of sales in Q1 so that the sales book for 2022 operating season stands at 3.8 Million WMT.

Metro has delivered 7 Million Dry Metric Tonnes (DMT) into the foundation contract with Xinfu Group at prices linked to the Chinese alumina price. During Q1 2022, Metro was able to lock in further 0.5 Million DMT 2022 sales with Xinfu at Q1 market prices and 0.5 Million DMT on FOB terms, as yet unpriced, to be delivered after the 1 Million DMT already agreed in June 2021. As previously announced, a 2 Million DMT sales contract has been agreed with Xinfu on FOB terms commencing in 2023 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.

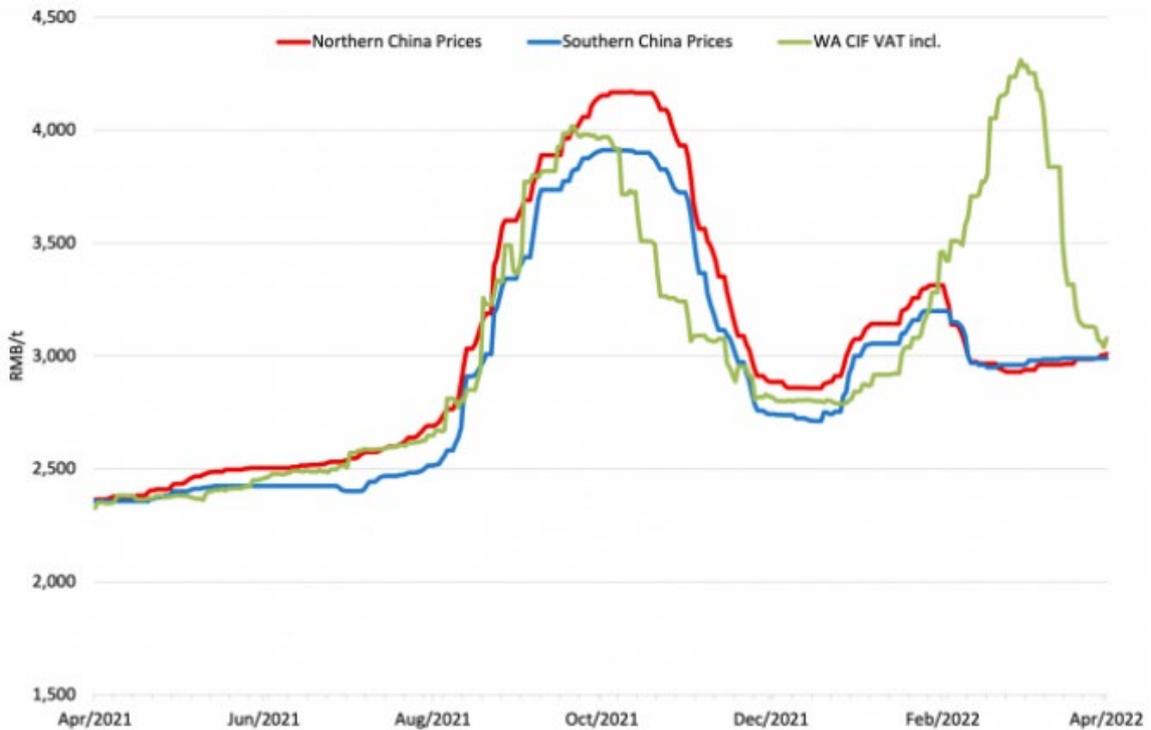
Negotiations with a 3rd strategic base load customer are ongoing for a 2023 contract start with a view to underpinning the Metro expansion to 6 Million WMT capacity.



Bauxite Price Index (US\$/dmt. CFR China)



China's Domestic Alumina Prices (RMB/t incl.VAT)



COMMUNITY ENGAGEMENT

Metro met with Seven Rivers Aboriginal Corporation (SRAC) during the quarter. A list of items was developed by Metro and SRAC that will be worked through collaboratively in 2022. A follow-up meeting and site inspections has been agreed to occur in the next quarter.

Metro is continuing the community native seed collection program and continues to receive interest from new and returning collectors from neighbouring communities wanting to participate in the program. The volume of seed collected by the communities to date has exceeded expectations and through this success Metro will be in a strong position to advance its progressive rehabilitation program.

Metro identified a number of commercial/business opportunities which went out to a range of Indigenous and community organisations to tender on during the quarter. Metro is currently reviewing the tender responses and will notify the successful tenderers in the next quarter.

During the quarter Metro was pleased to continue its relationship with the Children's Charity and its Network Young Indigenous Art and Writers Awards program. Metro's sponsorship allows selected school classes from the schools of Bamaga, Injinoo, Mapoon and Hope Vale Indigenous communities to be mentored by professional artists and writers. Feedback from the schools remains very positive and Metro is very pleased to continue to be associated with this program.



Representatives of the Seven Rivers Aboriginal Corporation and Metro Mining

CORPORATE

Expansion Definitive Feasibility Study: The DFS refresh for Metro's expansion to 6 M WMT per annum is underway with expected completion in June 2022. The refreshed DFS will confirm the choice of technology which will underpin the expansion to 6 M WMT. The refreshed DFS will also re-affirm the economics on the project and Metro funding solution.

Cash Position: At the end of the quarter, Metro's cash on hand and other receivables (including GST refund) was A\$5.3 million (before trade creditors and other payables). This compares with the position at the end of December 2021 of A\$13.9 million, reflecting the losses made during the March 2022 quarter.

Debt Facility: As at the end of the current quarter, Metro had two fully drawn A\$ project debt facilities, totalling A\$35 Million (excluding accrued interest). In addition, Metro has a A\$5 million Bridge Facility, including interest, with Greenstone and Lambhill, which will mature on the 14 October 2022.

Hedging: At end of the Quarter Metro has in place forward sale A\$/US\$ contracts totalling US\$24.0M expiring during the June Quarter at an average exchange rate of 0.7441.

Related Party Transactions: The Related Party transactions referred to in the Appendix 5B related to payment to Directors.



Haul truck loading at BH1 West

SAFETY PERFORMANCE

The safety of our employees and contractors is paramount to Metro. The operational quarter at Bauxite Hills saw 40,139 workhours completed, Lost Time Injury (LTI) free.

Metro has, and continues to, review, update and follow policies and procedures which are established to minimise the risk of COVID-19 to our employees, contractors and communities. These procedures include pre-flight Rapid Antigen testing, and regular on-site Rapid Antigen testing.

As a result, this continual monitoring has allowed the identification and management of employees and contractors that have returned a positive RAPID test result whilst on-site which has resulted in the isolation of those personnel. To date no personnel have required off-site medical treatment.

Metro provides ongoing encouragement and communication for our employees and contractors to be vaccinated which has resulted in an increased percentage of the workforce, including Traditional Owners, being vaccinated. A policy requires all personnel either visiting, returning to site or commencing with Metro Mining in 2022 to be vaccinated, or to hold a valid medical exemption.

The growing challenges associated with the different variant strains and the reduced restrictions on travel both domestically and internationally requires the protocols to be 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")

31 MARCH 2022

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (3 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers (Refer: Note A)	38,354	38,354
1.2 Payments for		
(a) exploration & evaluation	-	-
(b) development	-	-
(c) production	(39,663)	(39,663)
(d) staff costs (Refer: Note B)	(2,703)	(2,703)
(e) administration and corporate costs	(1,104)	(1,104)
1.3 Dividends received	-	-
1.4 Interest received	2	14
1.5 Interest and other costs of finance paid (Refer to Item 3.9)	-	-
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	-	-
1.8 Other (provide details if material)	109	109
1.9 Net cash from / (used in) operating activities	(5,008)	(5,008)

Note A: 'Receipts from customers' is only cash received and excludes amounts outstanding under letters of credit

Note B: 'Staff costs' include both corporate and operational staff.

2. Cash flows from investing activities		
2.1 Payments to acquire or for:		
(a) entities	-	-
(b) tenements	-	-
(c) property, plant and equipment	11	11
(d) exploration & evaluation	(338)	(338)
(e) investments	-	-

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 (3 months) \$A'000
(f) other non-current assets	-	-
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	-	-
2.5 Other (provide details if material)		
- Release of / (payment for) Financial Assurance	-	-
2.6 Net cash from / (used in) investing activities	(327)	(327)
3. Cash flows from financing activities		
3.1 Proceeds from issues of equity securities (excluding convertible debt securities)	-	-
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	-	-
3.5 Proceeds from borrowings	-	-
3.6 Repayment of borrowings	(391)	(391)
3.7 Transaction costs related to loans and borrowings	11	11
3.8 Dividends paid	-	-
3.9 Other (provide details if material)		
- Interest Paid	(781)	(781)
- Principal Elements of Lease Payments	(2,508)	(2,508)
- Other		
3.10 Net cash from / (used in) financing activities	(3,669)	(3,669)

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

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	13,890	13,890
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(5,008)	(5,008)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(327)	(327)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	(3,669)	(3,669)
4.5	Effect of movement in exchange rates on cash held	327	327
4.6	Cash and cash equivalents at end of period	5,213	5,213

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	5,213	13,890
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)	5,213	13,890

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 (Refer: Note C)	146
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-
<i>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.</i>		

Note C: The aggregate amount of payments to related parties and their associates included in item 1 is comprised of payments made to People and Workplace Solutions for human resources consulting services. All services were provided on an arm's length basis.

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	-	-
7.3 Other (please specify)	-	-
7.4 Total financing facilities	35,000	35,000
7.5 Unused financing facilities available at quarter end		-
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.		
1. Ingatatus AG Pty Ltd. \$20M. 12%. 1 December 2023. Secured. 2. Ingatatus AG Pty Ltd. \$7.5M. 9%. 1 December 2023. Secured. 3. Lambhill Pty Ltd. \$7.5M. 9%, 1 August 2024. Secured.		

8. Estimated cash available for future operating activities	\$A'000
8.1 Net cash from / (used in) operating activities (item 1.9)	(5,008)
8.2 (Payments for exploration & evaluation classified as investing activities) (item 2.1(d))	(338)
8.3 Total relevant outgoings (item 8.1 + item 8.2)	(5,346)
8.4 Cash and cash equivalents at quarter end (item 4.6)	5,213
8.5 Unused finance facilities available at quarter end (item 7.5)	-
8.6 Total available funding (item 8.4 + item 8.5)	8,550
8.7 Estimated quarters of funding available (item 8.6 divided by item 8.3)	0.98
<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: Yes. On 11 April 2022, Metro recommenced loading vessels at the Bauxite Hills Mine, with the first vessel departed on 28 April 2022. With the Company back in operations, Metro expects to generate operating cashflows. In addition, Metro announced on the 19 April that the Company has secured a short-term Bridging loan for \$5 million from Greenstone and Lambhill.	
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: Metro announced on the 19 April that the Company has secured a short-term Bridging loan for \$5 million from Greenstone and Lambhill.	

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: Yes. Now that operations have recommenced at Bauxite Hills Mine, Metro expects to be able to continue its operations and to meet its business objectives.

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: **29 April 2022**

Authorised by: **BY THE 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.