

29 April 2025

## Metro Mining Limited (MMI)

BUY

Share Price: A\$0.05

A strong June quarter expected

Target Price: A\$0.13

MMI shipped 184kt of bauxite in the Mar. Q'25 (wet season) which was previously announced on April 3<sup>rd</sup>. Ship loading recommenced on March 21<sup>st</sup> with the first vessel sailing on March 30<sup>th</sup>. Cash on hand was A\$12.2M at the end of March (Petra A\$12M) reflecting cash outflow of A\$27M after drawdown of the final A\$8.0M (US\$5M) in Senior Nebari debt. CY25 guidance remains unchanged at 6.5-7.0Mt (Petra 6.63Mt). Following successful completion of the maintenance program in the Mar. Q'25, we forecast Jun. Q'25 cashflow to jump to ~A\$65M (Dec. Q'24 A\$26M) assuming 2.0Mt of sales and US\$75/t DMT CIF prices. Retain BUY with PT of A\$0.133/sh (prev. A\$0.126/sh) on revised commodity price, FX and CIF:FOB split.

### Bauxite shipments set to rise

- Mar. Q'25 bauxite shipped at 184kt (Mar. Q'24 80kt).
- Ship loading recommenced on March 21<sup>st</sup> following the wet season shutdown, with shipping March 30<sup>th</sup>.
- We forecast Jun. Q'25 sales of 2.0Mt at EBITDA margins of ~A\$33/t for ~A\$65M operating cashflow.
- Jun. Q'25 sales comprise ~75% (1.5Mt) negotiated pricing and 25% (0.5Mt) fixed legacy contracts.
- CY25 guidance unchanged at 6.5-7.0Mt.
- We have adjusted our assumed CY25 CIF:FOB bauxite shipment split from 57:43 to 45:55.

### Bauxite Market

- Spot Aust. bauxite prices have corrected from record highs of US\$100/t CIF (end '24) to US\$75/t currently, in line with our CY25 forecast.
- Increasing supply out of Guinea in the Mar. Q'25 was offset by reduced wet season supply from Australia.
- MMI report transshipping/river constraints are emerging in Guinea with ongoing production restrictions.
- Current prices remain attractive versus historical levels.

### Financial Summary

- Valuation – 13.3c/share based on 1xP/NPV<sub>10</sub>.
- PE (CY25/26): 1.8x & 2.3x, EV/EBITDA: 0.9x & 0.1x.
- We forecast CY25 EBITDA of A\$200M (+390%).
- Cash A\$12.2M (end March), debt US\$56.6M (A\$88M) following the final US\$5M (A\$8M) drawdown.
- Balance sheet forecast to move to net cash Sep. Q'25

### Key Dates Ahead

- 1H 25 – Ongoing debottlenecking studies.
- May/June '25 – Pricing negotiations for Sep. Q'25.

### Company Data

Shares – ordinary (M)	6091.9
Dilution (M)	205.1
Total (fully diluted) (M)	6297.0
Market capitalisation (\$M)	298.5
12 month low/high (\$)	0.03 / 0.07
Average monthly turnover (\$M)	15.7
GICS Industry	Metals & Mining

### Financial Summary (fully diluted/normalised)

Year End Dec	CY24A	CY25F	CY26F	CY27F	CY28F
Revenue (\$M)	309.1	520.6	571.5	517.4	462.4
Costs (\$M)	264.9	320.4	352.6	340.5	332.5
EBITDA (\$M)	40.8	200.2	219.0	176.9	129.9
NPAT (A\$M)	0.1	168.0	134.1	110.8	79.2
EPS (cps)	0.0	2.7	2.1	1.8	1.3
EPS Growth (%)	>100	>100	-20.1	-17.4	-28.5
PER (x)	na	1.8	2.3	2.8	3.9
Cashflow (A\$M)	20.2	196.4	225.1	132.1	96.8
CFPS (c/sh)	0.3	3.1	3.6	2.1	1.5
PCFPS	18.0	1.6	1.4	2.3	3.2
EV	408.3	172.1	23.1	-11.3	-35.8
EV/EBITDA	10.0	0.9	0.1	-0.1	-0.3
Payout ratio (%)	na	na	50%	80%	80%
DPS	0.0	0.0	1.1	1.4	1.0
Yield (%)	0.0	0.0	21.7	28.7	20.5
Franking (%)	0.0	0.0	50.0	100.0	100.0

### MMI – performance over one year



### Disclosure and Disclaimer

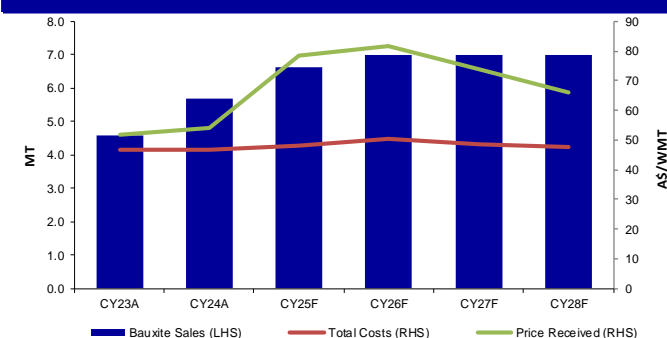
This report must be read with the disclosure and disclaimer on the final page of this document. Petra Capital was Co-Lead Manager for this company's placement to raise \$40.0M by way of a placement at A\$0.041/sh on 1<sup>st</sup> May 2024, for which fees were received.

Andrew Richards  
+61 2 9239 9600

## Analysis

### METRO MINING LIMITED (MMI)

28-Apr-25 Year End Dec							Share Price		(\$)	0.049						
A\$							Iss. Shares		(M)	6,091.9						
							Performance Rights		(M)	205.1						
							Mkt Cap.		(\$M)	298.5						
<b>PROFIT &amp; LOSS</b>							<b>RESERVES &amp; RESOURCES</b>					CY24A	CY25F	CY26F	CY27F	CY28F
Sales Revenue	\$M	307.3	520.6	571.5	517.4	462.4	<b>Reserves</b>									
Other Income	\$M	1.8	0.0	0.0	0.0	0.0	Tonnes	Mt	77.7	71.1	64.1	57.1	50.1			
Operating Costs	\$M	264.9	320.4	352.6	340.5	332.5	Grade Al2O3	%	49.8	49.8	49.8	49.8	49.8			
Exploration	\$M	0.0	0.0	0.0	0.0	0.0	Grade SiO2	%	13.3	13.3	13.3	13.3	13.3			
Other	\$M	3.5	0.0	0.0	0.0	0.0	<b>M &amp; I Resources</b>									
EBITDA	\$M	40.8	200.2	219.0	176.9	129.9	Tonnes	Mt	114.4	107.8	100.8	93.8	86.8			
Dep. & Amort.	\$M	18.0	28.4	33.5	31.3	31.1	Grade Al2O3	%	48.8	48.8	48.8	48.8	48.8			
EBIT	\$M	22.8	171.8	185.5	145.6	98.7	Grade SiO2	%	14.2	14.2	14.2	14.2	14.2			
Net Interest	\$M	22.7	3.8	(6.1)	(12.7)	(14.4)	<b>PRODUCTION (100%)</b>									
Pre-Tax Profit	\$M	0.1	168.0	191.6	158.2	113.2	Bauxite Mined	Mt	5.66	6.63	7.00	7.00	7.00			
Tax	\$M	0.0	0.0	57.5	47.5	34.0	Bauxite Sales (Shipped)	Mt	5.68	6.63	7.00	7.00	7.00			
Minorities	\$M	0.0	0.0	0.0	0.0	0.0	<b>REVENUE (attributable)</b>									
Net Profit	\$M	0.1	168.0	134.1	110.8	79.2	Bauxite Hills	\$M	307.3	520.6	571.5	517.4	462.4			
Abnormal	\$M	(22.1)	0.0	0.0	0.0	0.0	Other	\$M	0.0	0.0	0.0	0.0	0.0			
Reported Profit	\$M	0.1	168.0	134.1	110.8	79.2	Total	\$M	307.3	520.6	571.5	517.4	462.4			
Dividends Paid	\$M	0.0	0.0	67.1	88.6	63.4	<b>COSTS</b>									
Adjustments	\$M	0.0	0.0	0.0	0.0	0.0	Site Costs	A\$/WMT	27	24	23	23	23			
Retained Earnings	\$M	(254.5)	(86.5)	(19.4)	2.7	18.6	Royalties	A\$/WMT	6	11	10	9	8			
<b>CASH FLOW</b>							Total Costs	A\$/WMT	47	47	49	47	46			
Revenue	\$M	315.2	520.6	571.5	517.4	462.4	Total costs	\$M	264.9	310.4	341.6	329.5	321.5			
Costs	\$M	(282.0)	(320.4)	(352.6)	(340.5)	(332.5)	Corp / Other	\$M	0.0	10.0	11.0	11.0	11.0			
Net Interest	\$M	(13.0)	(3.8)	6.1	12.7	14.4	Total	\$M	264.9	320.4	352.6	340.5	332.5			
Tax Paid	\$M	0.0	0.0	0.0	(57.5)	(47.5)	<b>CAPEX</b>									
Gross Cash Flow	\$M	20.2	196.4	225.1	132.1	96.8	Bauxite Hills	\$M	29.1	16.0	9.0	9.0	9.0			
Net Capex	\$M	(29.1)	(16.0)	(9.0)	(9.0)	(9.0)	Other	\$M	0.0	0.0	0.0	0.0	0.0			
Exploration	\$M	(0.2)	0.0	0.0	0.0	0.0	Total	\$M	29.1	16.0	9.0	9.0	9.0			
Dividends	\$M	0.0	0.0	(67.1)	(88.6)	(63.4)	<b>DEPRECIATION</b>									
Other	\$M	(8.7)	0.0	0.0	0.0	0.0	Bauxite Hills	\$M	18.0	28.4	33.5	31.3	31.1			
Free Cashflow	\$M	(17.7)	180.4	149.0	34.4	24.5	Other	\$M	0.0	0.0	0.0	0.0	0.0			
Equity Issues	\$M	51.0	0.0	0.0	0.0	0.0	Total	\$M	18.0	28.4	33.5	31.3	31.1			
Net Borrowings	\$M	(11.9)	(15.8)	(47.5)	(11.9)	0.0	<b>EBITDA</b>									
Net Investments	\$M	0.0	0.0	0.0	0.0	0.0	Bauxite Hills	\$M	42.4	200.2	219.0	176.9	129.9			
Surplus Cash Flow	\$M	21.3	164.6	101.5	22.6	24.5	Other (incl. writedowns)	\$M	-1.6	0.0	0.0	0.0	0.0			
<b>BALANCE SHEET</b>							Total	\$M	40.8	200.2	219.0	176.9	129.9			
Cash	\$M	31.2	195.8	297.3	319.9	344.3	<b>ASSUMPTIONS</b>									
Other Current	\$M	25.2	78.1	85.7	77.6	69.4	Exchange Rate	A\$/US\$	0.66	0.62	0.64	0.65	0.66			
Total Current	\$M	56.4	273.9	383.0	397.5	413.7	Benchmark Price CIF	US\$/DMT	55	75	70	65	60			
Fixed Assets	\$M	166.8	154.4	129.9	107.7	85.5	Bauxite Price CIF	US\$/DMT	48	68	63	58	53			
Exploration	\$M	1.7	1.7	1.7	1.7	1.7	Bauxite Price CIF	US\$/WMT	42	60	55	51	47			
Intangibles	\$M	0.0	0.0	0.0	0.0	0.0	Bauxite Price CIF	A\$/WMT	64	96	87	79	71			
Other	\$M	18.3	18.3	18.3	18.3	18.3	Bauxite Price FOB	A\$/WMT	45	81	73	63	55			
Total NC Assets	\$M	186.8	174.4	149.9	127.6	105.5	Av Price Received	A\$/WMT	54	79	82	74	66			
TOTAL ASSETS	\$M	243.2	448.3	532.9	525.1	519.2	EBITDA Margin	A\$/WMT	7	30	31	25	19			
Total Debt	\$M	75.2	59.4	11.9	0.0	0.0	<b>VALUATION (fully diluted)</b>									
Current Liab	\$M	77.5	77.5	135.0	124.9	111.4	Bauxite Hills Mine (NPV10)	\$M	772.9	\$	0.123					
Non Current Liab	\$M	50.0	102.8	110.5	102.3	94.1	Exploration	\$	-	\$	-					
TOTAL LIAB	\$M	202.6	239.7	257.3	227.3	205.5	Corporate / Other	\$	(70.5)	\$	(0.011)					
NET ASSETS	\$M	40.6	208.6	275.6	297.8	313.6	Net Cash (Debt) CY25	\$	136.4	\$	0.022					
SH/HLDRS FUNDS	\$M	40.6	208.6	275.6	297.8	313.6	Total	\$	838.8	\$	0.133					
<b>RATIO ANALYSIS</b>																
EPS	¢	0.0	2.7	2.1	1.8	1.3										
PER	x	5,520	1.8	2.3	2.8	3.9										
EPS Growth	%	>100	>100	(20.1)	(17.4)	(28.5)										
EBITDA per share	¢	0.7	3.2	3.5	2.8	2.1										
EBITDA Multiple	x	8.9	1.5	1.4	1.7	2.4										
EV/EBITDA	x	10.0	0.9	0.1	(0.1)	(0.3)										
CFPS	¢	0.3	3.1	3.6	2.1	1.5										
PCFR	x	18.0	1.6	1.4	2.3	3.2										
DPS	¢	0.0	0.0	1.1	1.4	1.0										
Yield	%	0.0	0.0	21.7	28.7	20.5										
Franking	%	0.0	0.0	50.0	100.0	100.0										
Payout Ratio	%	0.0	0.0	50.0%	80.0%	80.0%										
Gearing ND/E	%	108	na	na	na	na										
Interest Cover	x	1.0	0.0	na	na	na										
EBITDA Margin	%	13.3	38.5	38.3	34.2	28.1										
EBIT Margin	%	7.4	33.0	32.5	28.1	21.4										
Return On Assets	%	9.4	38.3	34.8	27.7	19.0										
Return On Equity	%	0.2	80.5	48.7	37.2	25.3										
Eff Tax rate	%	0.0	0.0	30.0	30.0	30.0										
<b>OTHER DATA</b>																
Share Price	\$/sh.	0.060	0.049	0.049	0.049	0.049						A\$M	A\$ps			
Number of shares	M	6071.9	6297.0	6297.0	6297.0	6297.0						\$	-	\$	-	
Market Capitalisation	\$M	364.3	308.6	308.6	308.6	308.6						\$	(70.5)	\$	(0.011)	
EV	\$M	408.3	172.1	23.1	-11.3	-35.8						\$	136.4	\$	0.022	

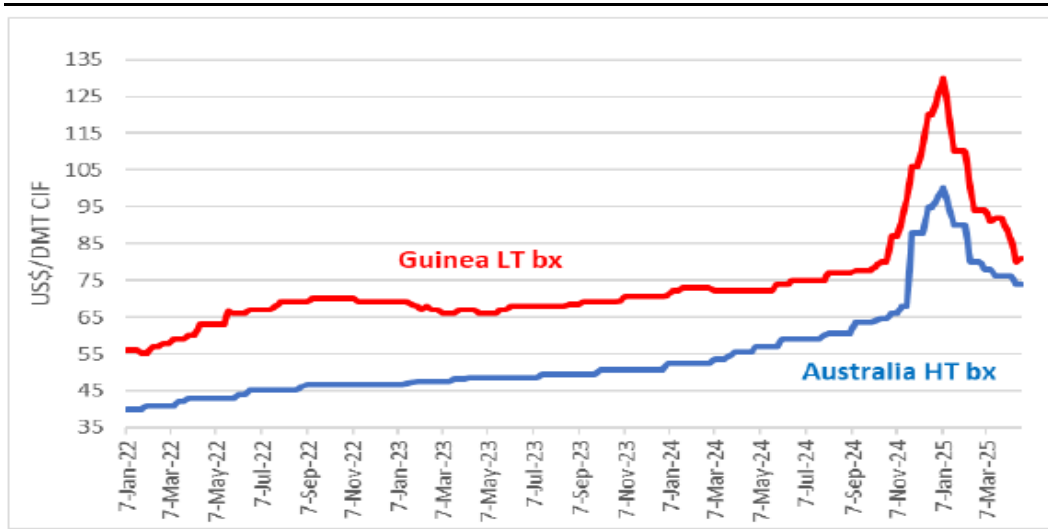


Source: Petra Capital

## Bauxite Market

Spot Australian bauxite prices have corrected from record prices of US\$100/t CIF at the end of 2024 to US\$75/t CIF currently (Figure 1). This is in line with our CY25 forecast. Increased supply from Guinea in the Mar. Q'25 was offset by reduced wet season supply from Australian producers. MMI reports that ~10Mt of Chinese alumina capacity (~20Mt of bauxite demand) has been curtailed due to lower alumina prices (down from US\$790/t Dec. '24 to US\$414/t currently). Despite this, the bauxite market remains relatively tight with signs that transshipping/river constraints are emerging in Guinea as well as further government restrictions on three producers including EGA's GAC mine (14Mtpa) which remains closed. Guinea supplies around 70% (115Mtpa) of Chinese bauxite imports.

**Figure 1: Traded Bauxite Prices (US\$/DMT CIF China)**



Source: MMI, CM Group.

## Summary of Changes

**Figure 2: Summary of Changes**

		CY25F			CY26F			CY27F		
		New	Old	% var	New	Old	% var	New	Old	% var
Revenue	A\$M	520.6	520.3	0.0%	571.5	543.8	5.1%	517.4	494.5	4.6%
Operating Costs	A\$M	320.4	329.9	-2.9%	352.6	345.5	2.0%	340.5	334.3	1.8%
EBITDA	A\$M	200.2	190.4	5.1%	219.0	198.3	10.4%	176.9	160.2	10.4%
EBIT	A\$M	171.8	162.0	6.0%	185.5	165.4	12.2%	145.6	129.7	12.2%
NPAT	A\$M	168.0	158.1	6.3%	134.1	119.6	12.1%	110.8	99.1	11.8%
EPS	A\$/sh	2.7	2.5	6.5%	2.1	1.9	12.4%	1.8	1.6	12.0%
DPS	A\$/sh	0.0	0.0		1.1	0.9	12.4%	1.4	1.3	12.0%
<b>Valuation</b>	<b>A\$M</b>	839	795	5.5%						
<b>Price Target</b>	<b>A\$/sh</b>	0.133	0.126	5.7%						
<b>Shares Fully Diluted</b>	<b>M</b>	6297	6310	-0.2%						
Bauxite Mined	Mt	6.63	6.63	0%	7.0	7.0	0%	7.0	7.0	0%
Benchmark Price CIF	US\$/DMT	75	75	0%	70	70	0%	65	65	0%
Bauxite Price CIF	US\$/DMT	68	68	0%	63	63	0%	58	58	0%
Bauxite Price CIF	US\$/WMT	60	60	0%	55	55	0%	51	51	0%
AUD/USD	#	0.62	0.64	-3%	0.64	0.67	-5%	0.65	0.68	-4%
EBITDA Margin	A\$/WMT	30.2	28.7	5%	31.3	28.3	10%	25.3	22.9	10%

Source: Company reports, Petra Capital.



PANMURE  
LIBERUM



## Petra Capital

Level 17, 14 Martin Place, Sydney NSW 2000 Office: +61 2 9239 9600  
Level 5, 1 Collins Street, Melbourne VIC 3000 Office: +61 3 9123 3000

ABN 95 110 952 782  
ACN 110 952 782  
AFSL 317 944

### Disclosure

This document has been prepared in Australia by Petra Capital Pty Ltd which holds an Australian Financial Services License AFSL 317 944. Petra Capital Pty Ltd is an ASX and Chi-X Market Participant. Petra Capital Pty Ltd and its associates, officers, directors, employees and agents, from time to time, may receive brokerage, commissions, fees or other benefits or advantages, hold securities in companies researched by Petra Capital Pty Ltd and may trade in these securities either as principal or agent. Petra Capital was Co-Lead Manager for this company's placement to raise \$40.0M by way of a placement at A\$0.041/sh on 1st May 2024, for which fees were received.

### Disclaimer

The information or advice contained in this report has been obtained from sources that were accurate at the time of issue, however the information has not been independently verified and as such, Petra Capital Pty Ltd cannot warrant its accuracy or reliability. Persons relying on this information do so at their own risk. To the extent permitted by law, Petra Capital Pty Ltd disclaims all liability or responsibility for any direct or indirect loss or damage (including consequential loss or damage) caused by any error or omission within this report, or by persons relying on the contents of this report.

This report is published by Petra Capital Pty Ltd by way of general information or advice only. This report does not take into account specific investment needs or other considerations that may be pertinent to individual investors. Before making any investment decisions based on this report, parties should consider, with or without an investor adviser, whether any relevant part of this report is appropriate to their financial circumstances and investment objectives. Petra Capital Pty Ltd is a licensed institutional/wholesale stockbroking firm. The report is only intended for institutional and sophisticated clients to whom Petra Capital Pty Ltd has issued the report. Petra Capital Pty Ltd is not licensed to advise retail investors – retail investors should contact their own stockbroker or financial adviser/planner for advice.

### Ratings

Information regarding the scope and expertise of our research services, processes for selection for coverage, and the management of conflicts of interest can be found on Petra Capital's website at <http://www.petracapital.com.au/research-disclosures>. Petra Capital uses the following ratings system and definitions: Buy - Forecast to re-rate by more than 5% in 12 months; Hold - Forecast to perform up to 5% above or below the current market price in 12 months, or alternatively, where a share price exceeds Petra Capital's valuation but there is a belief that business growth opportunities or commodity price moves, may result in material valuation and share price upside within 12 months; Sell - Forecast to underperform by more than 5% in 12 months; Speculative Buy - Speculative Investment; Take Profits - Recommend taking short term profits in a stock we remain fundamentally positive on a medium term view; Accept Offer - For a company under takeover where we see the offer as a fair price with low risk of a competing offer; No Rating - No rating at this time.

### US Investors

This material is intended for use in the US only by major US Institutional Investors, as that term is defined by the SEC Rule 15a-6. Transactions with US Institutional Investors and major US Institutional Investors, as those terms are defined by SEC Rule 15a-6, are chaperoned by Global Alliance Securities, LLC, ("Global Alliance"), a SEC-registered broker-dealer and FINRA member (web: [www.globalalliancecurities.com](http://www.globalalliancecurities.com)) in accordance with the agreement between Global Alliance and Petra Capital Pty Ltd. The information upon which this material is based was obtained from sources believed to be reliable, but has not been independently verified. Therefore, its accuracy is not guaranteed. Additional and supporting information is available upon request. This is not an offer or solicitation of an offer to buy or sell any security or to make any investment. Any opinion or estimate constitutes the preparer's best judgement as of the date of preparation and is subject to change without notice. Petra Capital Pty Ltd or Global Alliance and their associates or affiliates, and their respective officers, directors and employees may buy or sell securities mentioned herein as agent or principal for their own account.

### Canadian Investors

Petra Capital Pty Ltd is not registered as an adviser in Canada and is relying upon the international adviser exemption in British Columbia, Ontario and Quebec as permitted under National Instrument 31-103. Petra Capital is incorporated and headquartered in Australia and has an Australian Financial Services License. All its assets are situated outside Canada and, as a result, there may be difficulty enforcing any legal rights against Petra Capital. Its agents for service of process are: Lawdell Corporate Services Limited, 1600, 925 West Georgia Street, Vancouver, British Columbia V6C 3L2; ToryCo Services c/o Torys LLP, 79 Wellington Street West, Suite 3000, Toronto, Ontario, M5K 1N2; and Torys Law Firm LLP, 1 Place Ville Marie, Suite 2880, Montréal, Québec H3B 4R4.

### Other International

International investors are encouraged to contact their local regulatory authorities to determine whether restrictions apply in buying/selling this investment.