PETRA CAPITAL

27 June 2025

Metro Mining Limited (MMI) BUY Share Price: A$0.06

Site visit highlights operational leverage Target Price: A$0.12

We attended a site visit on Wednesday June 25th to MMI's Bauxite Hills operation (Figs. 1-8) located 95km north of Weipa, QLD. The trip provided an overview of mining operations, screening, barge loading and transhipping including a forty-five minute boat ride to the Offshore Floating Terminal (OFT) which was busy loading a Newcastlemax ship (~205kt). Whilst CY25 guidance is 6.5-7.0Mt, upside exists towards installed capacity of 8Mtpa if MMI can alleviate the current barging bottleneck via larger 8-9kt barges (5-6kt currently). Additional capacity increases to 10Mtpa exist with studies considering upgrading of the Barge Loading Facility (BLF - currently 8Mtpa) at modest capex (<A$20M). MMI offers attractive leverage to bauxite with potential for price rises in the short term should recent Guinea licence restrictions (~40Mtpa) persist. Retain BUY with PT of A$12.2c/sh (unch).

Operational upside exists

- Simple low strip (0.2:1), free dig DSO bauxite.
- 7Mtpa mining requires only two loaders and six trucks.
- Basic screening to 90-100mm with no washing required
- BLF operating well with fully loaded barges evident.
- The OFT is impressive; 132m long, 28m wide, 45 rooms, 2 electric cranes (35t each), 30m outreach.
- The conveyor system and ship loading boom can cover three holds of a Newcastlemax (205kt) ship.
- The OFT provides strong operational leverage with capacity of 10Mtpa assuming 250 working days per yr.
- Peak OFT ship loading rates historically are 1.3Mt per month when the OFT previously operated in Guinea.

Bauxite prices and market

- MMI pricing negotiations with customers for the Sep. Q'25 are expected to be finalised shortly.
- Spot bauxite prices equate to ~US$63/t CIF China compared to our forecast of US$67/t 2H25.
- Upside potential to bauxite prices exist should recent Guinea licence restrictions (up to 40Mtpa) persist, and Chinese stockpiles are worked through.

Financial Summary

- Valuation – 12.2c/share based on 1xP/NPV10.
- PE (CY25/26): 3.1x & 2.9x. EV/EBITDA – 1.8x & 0.7x.
- Cash – A$12M (end March), debt A$88M.

Key Dates Ahead

- CY25 – Ongoing debottlenecking studies.
- June/July '25 – Pricing negotiations for Sep. Q'25.

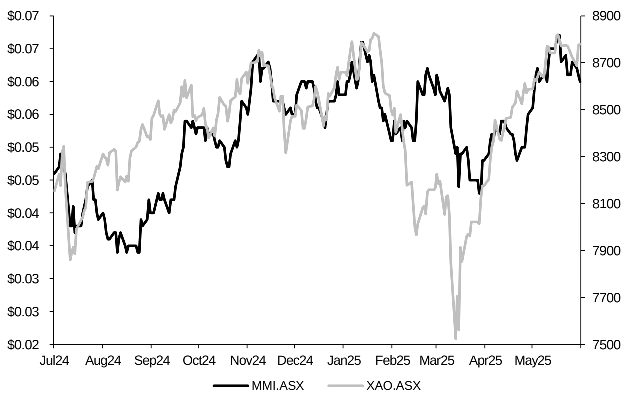
Company Data

Shares – ordinary (M)	6098.1
Dilution (M)	205.1
Total (fully diluted) (M)	6303.2
Market capitalisation ($M)	378.1
12 month low/high ($)	0.03 / 0.07
Average monthly turnover ($M)	19.3
GICS Industry	Metals & Mining

Financial Summary (fully diluted/normalised)

Year End Dec	CY24A	CY25F	CY26F	CY27F	CY28F
Revenue ($M)	309.1	468.7	571.5	517.4	462.4
Costs ($M)	264.9	307.9	352.6	340.5	332.5
EBITDA ($M)	40.8	160.7	219.0	176.9	129.9
NPAT (A$M)	0.1	127.6	132.9	109.5	78.0
EPS (cps)	0.0	2.0	2.1	1.7	1.2
EPS Growth (%)	na	>100	4.1	-17.6	-28.8
PER (x)	na	3.1	2.9	3.6	5.0
Cashflow (A$M)	20.2	156.0	223.3	130.8	95.6
CFPS (c/sh)	0.3	2.5	3.5	2.1	1.5
PCFPS	18.0	2.5	1.8	3.0	4.1
EV	408.3	294.7	146.9	112.7	88.5
EV/EBITDA	10.0	1.8	0.7	0.6	0.7
Payout ratio (%)	na	na	50%	80%	80%
DPS	0.0	0.0	1.1	1.4	1.0
Yield (%)	0.0	0.0	17.0	22.4	16.0
Franking (%)	0.0	0.0	50.0	100.0	100.0

MMI – performance over one year



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Analysis

METRO MINING LIMITED (MMI)

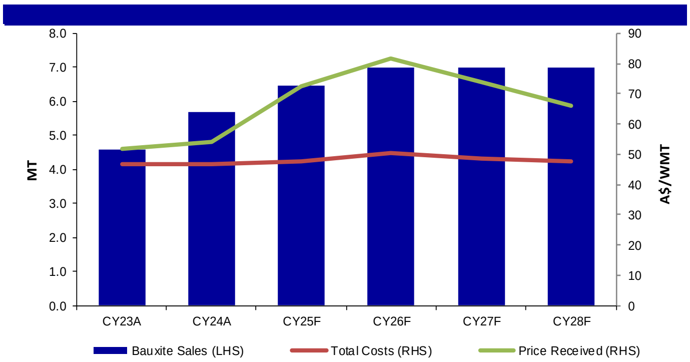
26-Jun-25

Year End Dec	A$					
PROFIT & LOSS		**CY24A**	**CY25F**	**CY26F**	**CY27F**	**CY28F**
Sales Revenue	$M	307.3	468.7	571.5	517.4	462.4
Other Income	$M	1.8	0.0	0.0	0.0	0.0
Operating Costs	$M	264.9	307.9	352.6	340.5	332.5
Exploration	$M	0.0	0.0	0.0	0.0	0.0
Other	$M	3.5	0.0	0.0	0.0	0.0
EBITDA	**$M**	**40.8**	**160.7**	**219.0**	**176.9**	**129.9**
Dep. & Amort.	$M	18.0	28.4	33.5	31.3	31.1
EBIT	**$M**	**22.8**	**132.3**	**185.5**	**145.6**	**98.7**
Net Interest	$M	22.7	4.7	(4.3)	(10.8)	(12.6)
Pre-Tax Profit	**$M**	**0.1**	**127.6**	**189.8**	**156.4**	**111.4**
Tax	$M	0.0	0.0	56.9	46.9	33.4
Minorities	$M	0.0	0.0	0.0	0.0	0.0
Net Profit	**$M**	**0.1**	**127.6**	**132.9**	**109.5**	**78.0**
Abnormal	$M	(22.1)	0.0	0.0	0.0	0.0
Reported Profit	**$M**	**0.1**	**127.6**	**132.9**	**109.5**	**78.0**
Dividends Paid	$M	0.0	0.0	66.4	87.6	62.4
Adjustments	$M	0.0	0.0	0.0	0.0	0.0
Retained Earnings	**$M**	**(254.5)**	**(126.8)**	**(60.4)**	**(38.5)**	**(22.9)**
CASH FLOW						
Revenue	$M	315.2	468.7	571.5	517.4	462.4
Costs	$M	(282.0)	(307.9)	(352.6)	(340.5)	(332.5)
Net Interest	$M	(13.0)	(4.7)	4.3	10.8	12.6
Tax Paid	$M	0.0	0.0	0.0	(56.9)	(46.9)
Gross Cash Flow	**$M**	**20.2**	**156.0**	**223.3**	**130.8**	**95.6**
Net Capex	$M	(29.1)	(16.0)	(9.0)	(9.0)	(9.0)
Exploration	$M	(0.2)	0.0	0.0	0.0	0.0
Dividends	$M	0.0	0.0	(66.4)	(87.6)	(62.4)
Other	$M	(8.7)	0.0	0.0	0.0	0.0
Free Cashflow	**$M**	**(17.7)**	**140.0**	**147.9**	**34.2**	**24.2**
Equity Issues	$M	51.0	0.0	0.0	0.0	0.0
Net Borrowings	$M	(11.9)	(15.8)	(47.5)	(11.9)	0.0
Net Investments	$M	0.0	0.0	0.0	0.0	0.0
Surplus Cash Flow	**$M**	**21.3**	**124.3**	**100.3**	**22.3**	**24.2**
BALANCE SHEET						
Cash	$M	31.2	155.5	255.8	278.1	302.3
Other Current	$M	25.2	70.3	85.7	77.6	69.4
Total Current	**$M**	**56.4**	**225.8**	**341.6**	**355.7**	**371.7**
Fixed Assets	$M	166.8	154.4	129.9	107.7	85.5
Exploration	$M	1.7	1.7	1.7	1.7	1.7
Intangibles	$M	0.0	0.0	0.0	0.0	0.0
Other	$M	18.3	18.3	18.3	18.3	18.3
Total NC Assets	**$M**	**186.8**	**174.4**	**149.9**	**127.6**	**105.5**
TOTAL ASSETS	**$M**	**243.2**	**400.2**	**491.5**	**483.3**	**477.1**
Total Debt	$M	75.2	59.4	11.9	0.0	0.0
Current Liab	$M	77.5	77.5	134.4	124.4	110.9
Non Current Liab	$M	50.0	95.0	110.5	102.3	94.1
TOTAL LIAB	**$M**	**202.6**	**231.9**	**256.8**	**226.8**	**205.0**
NET ASSETS	**$M**	**40.6**	**168.2**	**234.7**	**256.6**	**272.2**
SH/HLDRS FUNDS	**$M**	**40.6**	**168.2**	**234.7**	**256.6**	**272.2**
RATIO ANALYSIS						
EPS	¢	0.0	2.0	2.1	1.7	1.2
PER	x	5,520	3.1	2.9	3.6	5.0
EPS Growth	%	>100	>100	4.1	(17.6)	(28.8)
EBITDA per share	¢	0.7	2.6	3.5	2.8	2.1
EBITDA Multiple	x	8.9	2.4	1.8	2.2	3.0
EV/EBITDA	x	10.0	1.8	0.7	0.6	0.7
CFPS	¢	0.3	2.5	3.5	2.1	1.5
PCFR	x	18.0	2.5	1.8	3.0	4.1
DPS	¢	0.0	0.0	1.1	1.4	1.0
Yield	%	0.0	0.0	17.0	22.4	16.0
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	34.3	38.3	34.2	28.1
EBIT Margin	%	7.4	28.2	32.5	28.1	21.4
Return On Assets	%	9.4	33.1	37.7	30.1	20.7
Return On Equity	%	0.2	75.9	56.6	42.7	28.6
Eff Tax rate	%	0.0	0.0	30.0	30.0	30.0

OTHER DATA						
Share Price	$/sh.	0.060	0.062	0.062	0.062	0.062
Number of shares	M	6071.9	6303.2	6303.2	6303.2	6303.2
Market Capitalisation	$M	364.3	390.8	390.8	390.8	390.8
EV	$M	408.3	294.7	146.9	112.7	88.5

Share Price	($)	0.062
Iss. Shares	(M)	6,098.1
Performance Rights	(M)	205.1
Mkt Cap.	($M)	378.1

RESERVES & RESOURCES		**CY24A**	**CY25F**	**CY26F**	**CY27F**	**CY28F**
Reserves						
Tonnes	Mt	77.7	71.2	64.2	57.2	50.2
Grade Al2O3	%	49.8	49.8	49.8	49.8	49.8
Grade SiO2	%	13.3	13.3	13.3	13.3	13.3
M & I Resources						
Tonnes	Mt	114.4	107.9	100.9	93.9	86.9
Grade Al2O3	%	48.8	48.8	48.8	48.8	48.8
Grade SiO2	%	14.2	14.2	14.2	14.2	14.2
PRODUCTION (100%)						
Bauxite Mined	Mt	5.66	6.48	7.00	7.00	7.00
Bauxite Sales (Shipped)	Mt	5.68	6.48	7.00	7.00	7.00
REVENUE (attributable)						
Bauxite Hills	$M	307.3	468.7	571.5	517.4	462.4
Other	$M	0.0	0.0	0.0	0.0	0.0
Total	$M	307.3	468.7	571.5	517.4	462.4
COSTS						
Site Costs	A$/WMT	27	24	23	23	23
Royalties	A$/WMT	6	10	10	9	8
Total Costs	A$/WMT	47	46	49	47	46
Total costs	$M	264.9	297.9	341.6	329.5	321.5
Corp / Other	$M	0.0	10.0	11.0	11.0	11.0
Total	$M	264.9	307.9	352.6	340.5	332.5
CAPEX						
Bauxite Hills	$M	29.1	16.0	9.0	9.0	9.0
Other	$M	0.0	0.0	0.0	0.0	0.0
Total	$M	29.1	16.0	9.0	9.0	9.0
DEPRECIATION						
Bauxite Hills	$M	18.0	28.4	33.5	31.3	31.1
Other	$M	0.0	0.0	0.0	0.0	0.0
Total	$M	18.0	28.4	33.5	31.3	31.1
EBITDA						
Bauxite Hills	$M	42.4	160.7	219.0	176.9	129.9
Other (incl. writedowns)	$M	-1.6	0.0	0.0	0.0	0.0
Total	$M	40.8	160.7	219.0	176.9	129.9



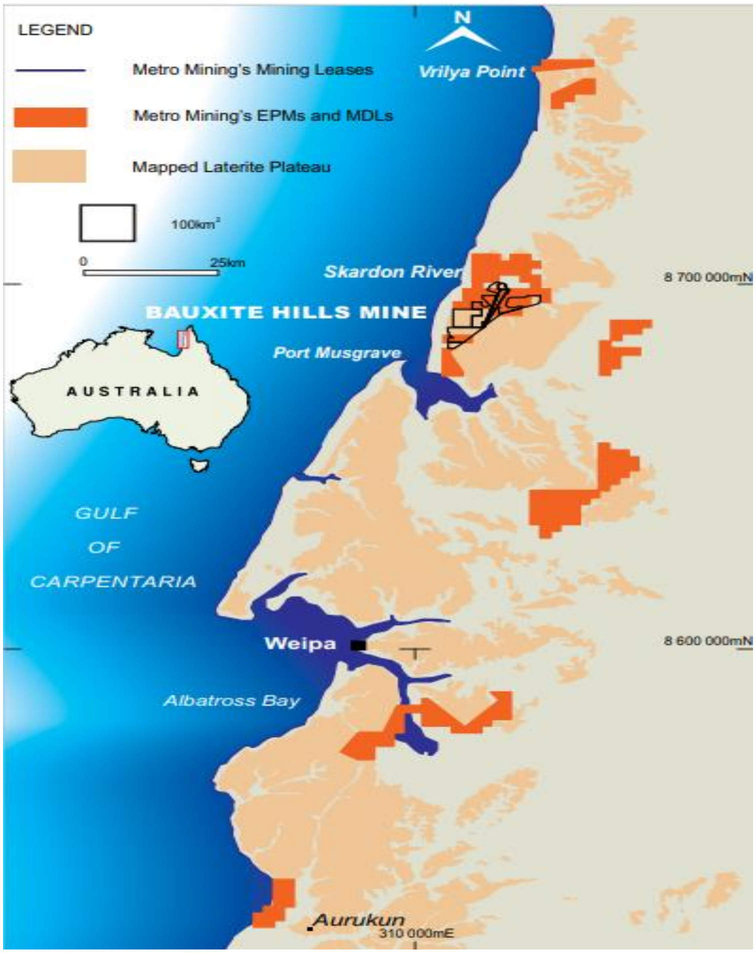
ASSUMPTIONS						
Exchange Rate	A$/US$	0.66	0.62	0.64	0.65	0.66
Benchmark Price CIF	US$/DMT	55	71	70	65	60
Bauxite Price CIF	US$/DMT	48	64	63	58	53
Bauxite Price CIF	US$/WMT	42	56	55	51	47
Bauxite Price CIF	A$/WMT	64	90	87	79	71
Bauxite Price FOB	A$/WMT	45	76	73	63	55
Av Price Received	A$/WMT	54	72	82	74	66
EBITDA Margin	A$/WMT	7	25	31	25	19

VALUATION (fully diluted)	**A$M**	**A$ps**
Bauxite Hills Mine (NPV10)	$ 741.1	$ 0.118
Exploration	$ -	$ -
Corporate / Other	$ (70.5)	$ (0.011)
Net Cash (Debt) CY25	$ 96.1	$ 0.015
Total	**$ 766.6**	**$ 0.122**

Source: Petra Capital

Bauxite Hills Site Visit (June 25th)

Figure 1: Bauxite Hills location map



Source: MMI.

Figure 2: Scania truck with triple trailer (180t) being loaded with bauxite

Source: Petra Capital. Material from this pit was being trucked ~5km to the Skardon River BLF.

Figure 3: Bauxite being loaded for screening and conveyer to barges

Source: Petra Capital. Ore is screened to 90-100mm with oversize bauxite ore transferred across the wobbler screen for additional crushing.

Figure 4: Bauxite being loaded from BLF onto a barge

Source: Petra Capital.

Figure 5: Loaded barge ready to be pushed out to OFT

Source: Petra Capital.

Figure 6: OFT (left) loading Newcastlemax ship around 20km offshore

Source: Petra Capital.

Figure 7: OFT showing two cranes loading bauxite from barge into chutes for transfer via conveyor onto the Newcastlemax ship

Source: Petra Capital.

Figure 8: OFT ship loading boom transferring bauxite into Newcastlemax cargo hold

Source: Petra Capital.

Petra Capital

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