

Metro Mining (MMI)

Rating: Buy | Risk: High | Price Target: \$0.17

26 June 2025

Site visit confirms strong CY25 outlook

Key Information

Current Price (\$ps)	0.06
12m Target Price (\$ps)	0.17
52 Week Range (\$ps)	0.03 - 0.07
Target Price Upside (%)	176.4%
TSR (%)	192.5%
Reporting Currency	AUD
Market Cap (\$m)	378
Sector	Materials
Avg Daily Volume (m)	4.3
ASX 200 Weight (%)	0%

Fundamentals

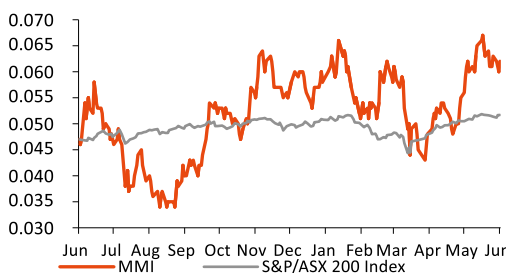
YE 31 Dec (AUD)	FY24A	FY25E	FY26E	FY27E
Sales (\$m)	307	477	554	553
NPAT (\$m)	1	103	142	148
EPS (cps)	(0.4)	1.7	2.3	2.4
EPS Growth (%)	(36.5%)	503.2%	37.2%	4.4%
DPS (cps) (AUD)	0.0	1.0	1.0	1.0
Franking (%)	0%	0%	0%	0%

Ratios

YE 31 Dec	FY24A	FY25E	FY26E	FY27E
P/E (x)	(14.2)	3.6	2.7	2.5
EV/EBITDA (x)	10.1	2.4	1.9	2.0
Div Yield (%)	0.0%	16.1%	16.1%	16.1%
Payout Ratio (%)	0.0%	58.8%	42.9%	41.1%

Price Performance

YE 31 Dec	1 Mth	2 Mth	3 Mth	1 Yr
Relative (%)	8.3%	21.8%	(5.4%)	21.9%
Absolute (%)	10.7%	29.2%	1.6%	31.9%
Benchmark (%)	2.4%	7.4%	7.0%	10.0%



Major Shareholders

Virtue Investments	9.9%
Willims Group	8.3%
Balanced Property Pty Ltd.	5.6%

Andrew Hines | Head of Research

+61 3 9268 1178

andrew.hines@shawandpartners.com.au

Peter Kormendy | Senior Research Analyst

+61 3 9268 1099

Peter.Kormendy@shawandpartners.com.au

Dorab Postmaster | Analyst

+61 8 9263 5211

Dorab.Postmaster@shawandpartners.com.au

Event

Metro Mining hosted a site visit to its Bauxite Hills bauxite operation in Far North Queensland. The visit confirmed that Metro has the flow sheet to deliver on CY25 production guidance of 6.5-7.0Mt (Shawf 6.6Mt) and we make no material changes to our forecasts. It was a well-attended site visit with a wide range of investors and sell-side analysts. The company is now attracting far more attention from the market. Metro is one of Shaw's top picks for CY25 and we maintain our BUY recommendation and 17cps PT.

Highlights

- The only negative from the site visit is that June production remains constrained by barge constraints due to the near cyclone event in April which caused sand and silt buildup in the barge channel. The bed levelling has taken longer than expected although should be complete in the next 1-2 weeks. Barges are currently limited to a 1.1m draft which means they cannot be loaded more than about 4,800t which is constraining daily production to 21-22kt. We pull back our June quarter production forecast from 1.8Mt to 1.725Mt but do not change our CY25 forecast of 6.6Mt which remains at the bottom end of guidance of 6.5-7.0Mt. Management has confirmed that it is on track to meet guidance.
- Apart from the barging, every other aspect of the flowsheet is performing well. The Ikamba transhipper appears capable of delivering >10Mt annual production if required, and the screening operations are no longer a bottleneck with the new wobbler screen in operation. The mining operation could not be simpler and is easily scalable.
- A positive for the June quarter is that no shipments have been made into the low priced legacy contracts, which means that pricing will be better than previously expected. We have bumped up our price assumption by A\$2/wmt from A\$70/wmt to A\$72/wmt (FOB) which offsets the slightly lower production.
- Metro have outlined a simple pathway to expand to 8Mt in CY26 through debottlenecking the barges and extending production further into the wet season. Our forecast remains 7.5Mt for CY26.
- The stock remains exceptionally cheap and we can easily see Metro carrying a A\$1bn enterprise value once the company demonstrates its ability to operate the assets at full production. We model Metro generating free cash flow of ~A\$50m in the June quarter, and A\$79m in the September quarter. Metro will be in a net cash position in the September quarter.

Quarterly operations	Dec-24	Mar-25	Jun-25f	Sep-25f	Dec-25f	CY25f	CY26f
Bauxite shipped (kt)	2,056	184	1,725	2,441	2,250	6,600	7,500
Price A\$/wmt - FOB	51.0	62.0	72.0	66.0	62.0	66.1	64.2
Revenue (A\$m) - FOB	104.9	9.0	124.2	161.1	139.5	433.8	481.7
Costs (A\$m)	68.7	21.4	66.0	76.3	72.5	236.1	221.6
Site EBITDA (A\$m)	36.2	-12.4	58.2	84.9	67.0	197.7	260.1
Operating cash flow	33.7	-18.5	55.2	81.9	64.0	182.6	248.1
Investing cash flow	-8.1	-3.3	-5.0	-3.0	-2.0	-13.3	-9.0
Financing cash flow	-11.1	3.1	-6.3	-17.1	-16.8	-37.1	-62.3
Cash balance	31.2	12.2	56.2	117.9	163.0	163.0	339.9
Free cash flow (A\$m)	25.7	-21.8	50.2	78.9	62.0	169.2	239.1
FCFps (cps)	0.4	-0.4	0.8	1.3	1.0	2.8	3.9
FCF yield (%)	26%	-22%	50%	79%	62%	42%	60%

Recommendation

We retain our BUY recommendation and 17cps price target. Metro Mining is one of Shaw and Partners top emerging company picks for 2025.

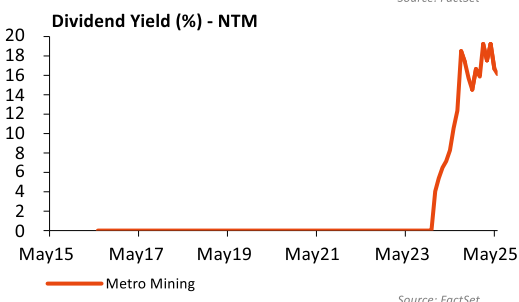
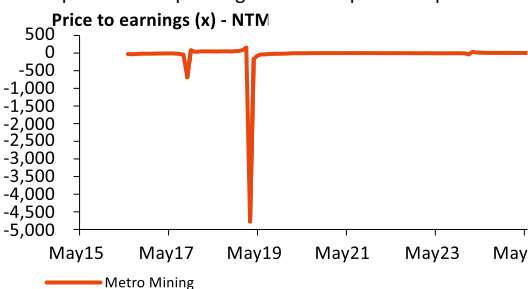
Metro Mining Materials

FactSet: MMI-AU / Bloomberg: MMI AU

Key Items	Data
Recommendation	BUY
Risk	HIGH
Price (\$ps)	0.06
Target Price (\$ps)	0.17
52 Week Range (\$ps)	0.03 - 0.07
Shares on Issue (m)	6,098
Market Cap (\$m)	378
Enterprise Value (\$m)	438
TSR (%)	192.5%
Valuation per share (cps) (AUD)	0.17
Valuation (\$m)	1,042.69

Company Description

Metro Mining operates the Bauxite Hills operation in Far North Queensland and exports bauxite to customers in China. The company commenced operations in 2018 and is in the process of expanding from 3.5Mtpa to 7Mtpa.



Financial Year End: 31 December

Investment Summary (AUD)	FY23A	FY24A	FY25E	FY26E	FY27E
EPS (Reported) (cps)	(0.3)	0.0	1.7	2.3	2.4
EPS (Underlying) (cps)	(0.3)	(0.4)	1.7	2.3	2.4
EPS (Underlying) Growth (%)	77.3%	(36.5%)	503.2%	37.2%	4.4%
PE (Underlying) (x)	(6.8)	(14.2)	3.6	2.7	2.5
EV / EBIT (x)	86.4	17.4	2.8	2.2	2.2
EV / EBITDA (x)	20.1	10.1	2.4	1.9	2.0
DPS (cps) (AUD)	0.0	0.0	1.0	1.0	1.0
Dividend Yield (%)	0.0%	0.0%	16.1%	16.1%	16.1%
Franking (%)	0%	0%	0%	0%	0%
Payout Ratio (%)	0.0%	0.0%	58.8%	42.9%	41.1%
Free Cash Flow Yield (%)	(0.2%)	9.3%	45.2%	59.9%	46.8%
Profit and Loss (AUD) (m)	FY23A	FY24A	FY25E	FY26E	FY27E
Sales	236	307	477	554	553
Sales Growth (%)	32.6%	30.3%	55.2%	16.1%	(0.2%)
Other Operating Income	0	2	0	0	0
EBITDA	22	43	182	225	223
EBITDA Margin (%)	9.2%	14.1%	38.2%	40.6%	40.4%
Depreciation & Amortisation	(17)	(18)	(25)	(29)	(29)
EBIT	5.1	25.2	157.3	196.2	194.8
EBIT Margin (%)	2.2%	8.2%	33.0%	35.4%	35.3%
Net Interest	(19)	(47)	(18)	(5)	5
Pretax Profit	(13)	(22)	139	191	200
Tax	0	0	(36)	(50)	(52)
Tax Rate (%)	0.0%	0.0%	(26.0%)	(26.0%)	(26.0%)
NPAT Underlying	(13)	1	103	142	148
Significant Items	0	(23)	0	0	0
NPAT Reported	(13)	(22)	103	142	148
Cashflow (AUD) (m)	FY23A	FY24A	FY25E	FY26E	FY27E
EBIT	5	25	157	196	195
Tax Paid	0	0	0	0	(50)
Net Interest	0	0	1	5	8
Change in Working Capital	0	0	(3)	1	0
Depreciation & Amortisation	17	18	25	29	29
Operating Cashflow	12	47	180	231	182
Capex	(12)	(17)	(9)	(4)	(4)
Acquisitions and Investments	0	0	0	0	0
Disposal of Fixed Assets/Investments	0	0	0	0	0
Other	(13)	(8)	(1)	(1)	(1)
Investing Cashflow	(25)	(26)	(10)	(5)	(5)
Free Cashflow	(0)	29	170	225	176
Equity Raised / Bought Back	0	51	0	0	0
Dividends Paid	0	0	0	(61)	(61)
Change in Debt	39	(12)	(24)	(51)	0
Other	(15)	(27)	(19)	(10)	(3)
Financing Cashflow	24	12	(43)	(122)	(64)
Net Change in Cash	12	33	128	104	113
Balance Sheet (AUD) (m)	FY23A	FY24A	FY25E	FY26E	FY27E
Cash	17	36	164	268	380
Accounts Receivable	9	7	11	13	13
Inventory	3	5	8	9	9
Other Current Assets	6	8	8	8	8
PPE	87	100	84	59	35
Total Assets	157	220	340	423	512
Accounts Payable	24	32	36	40	40
Short Term Debt	33	24	51	0	0
Long Term Debt	46	51	0	0	0
Total Liabilities	156	202	182	134	134
Ratios	FY23A	FY24A	FY25E	FY26E	FY27E
ROE (%)	(93.3%)	4.0%	111.9%	76.9%	55.1%
Gearing (%)	86.2%	48.8%	(361.4%)	623.6%	556.0%
Net Debt / EBITDA (x)	2.8	0.9	(0.6)	(1.2)	(1.7)

Bauxite Hills Site Visit - expansion to 7Mt now operational

We visited the Bauxite Hills operation on June 25th to see operational expansion to 7Mtpa. This was our third visit to the site in the past 18 months, and it is pleasing to see the gradual improvements that have been made as the flowsheet has been upgraded to reliably deliver on a 7Mt production target. In fact, the company is now talking about further debottlenecking the operation to 8Mt for minimal capex.

The Ikamba has been further upgraded since our last visit with the conveyors and chutes modified to handle Metro's 'sticky' bauxite. The Ikamba is game changing for Metro Mining. It increases transshipping capacity to >9Mt/a, will allow faster loading of vessels and it can operate in rougher weather conditions. It allows Metro Mining to utilise larger vessels than even the nearby Rio Tinto operations at Weipa, which gives Metro a significant freight advantage and makes Metro the lowest cost producer of bauxite to China.

The overwhelming impression from the site visit was the simplicity of the Bauxite Hills mining operation. The mining is free dig and there is no processing of the ore apart from screening. The main challenges are driven by the remote location, weather and the logistical planning of matching barge loading with tidal conditions and ship arrivals.

Figure 1: Bauxite Mining at Bauxite Hills



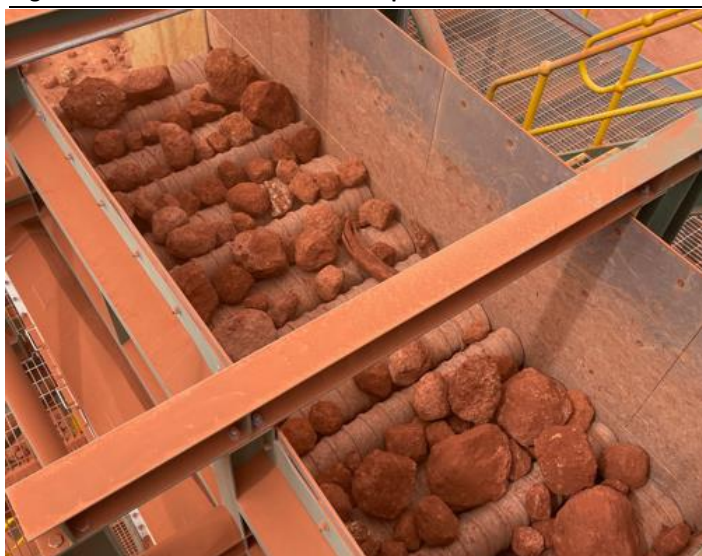
Source: Shaw and Partners

Figure 2: The Ikamba loading a cape size vessel



Source: Shaw and Partners

Figure 3: The new wobbler screen in operation



Source: Shaw and Partners

Figure 4: Bauxite being loaded into a cape size vessel



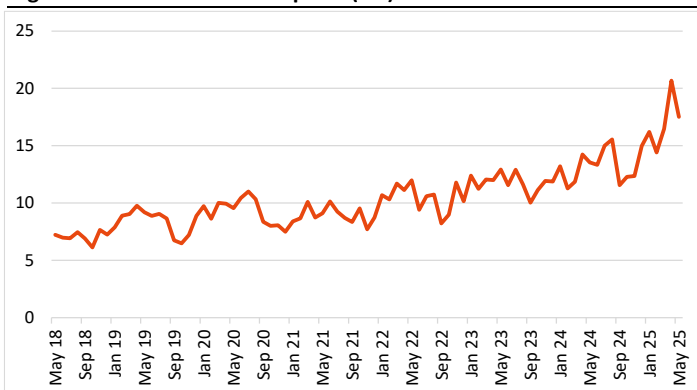
Source: Shaw and Partners

Chinese Bauxite Imports Surging Higher

Chinese May customs data has shown that Chinese imports of bauxite have pulled back from the peak in April but remain significantly higher year-on-year. Year to date imports of 85.3Mt are up 33% on 2024 and our current projection for China to import 180Mt of bauxite in 2025 (up 13% on 159Mt in 2024) now looks very conservative.

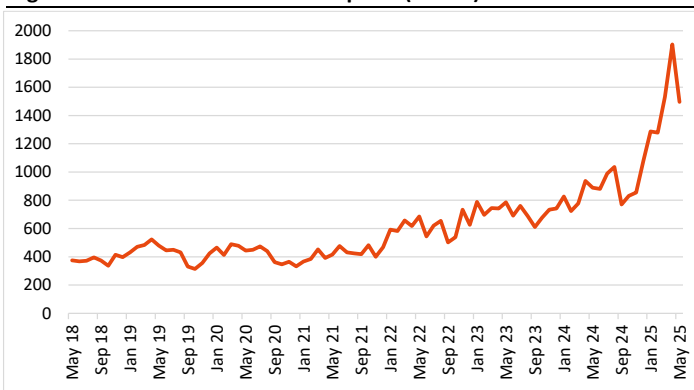
In our view the bauxite market is going through the same structural change which impacted iron ore and coal in the 2000s. Growth in Chinese alumina refining has overwhelmed its domestic bauxite supply and China is now increasingly reliant on imports, particularly from Guinea.

Figure 5: Chinese Bauxite Imports (Mt)



Source: China Customs Data

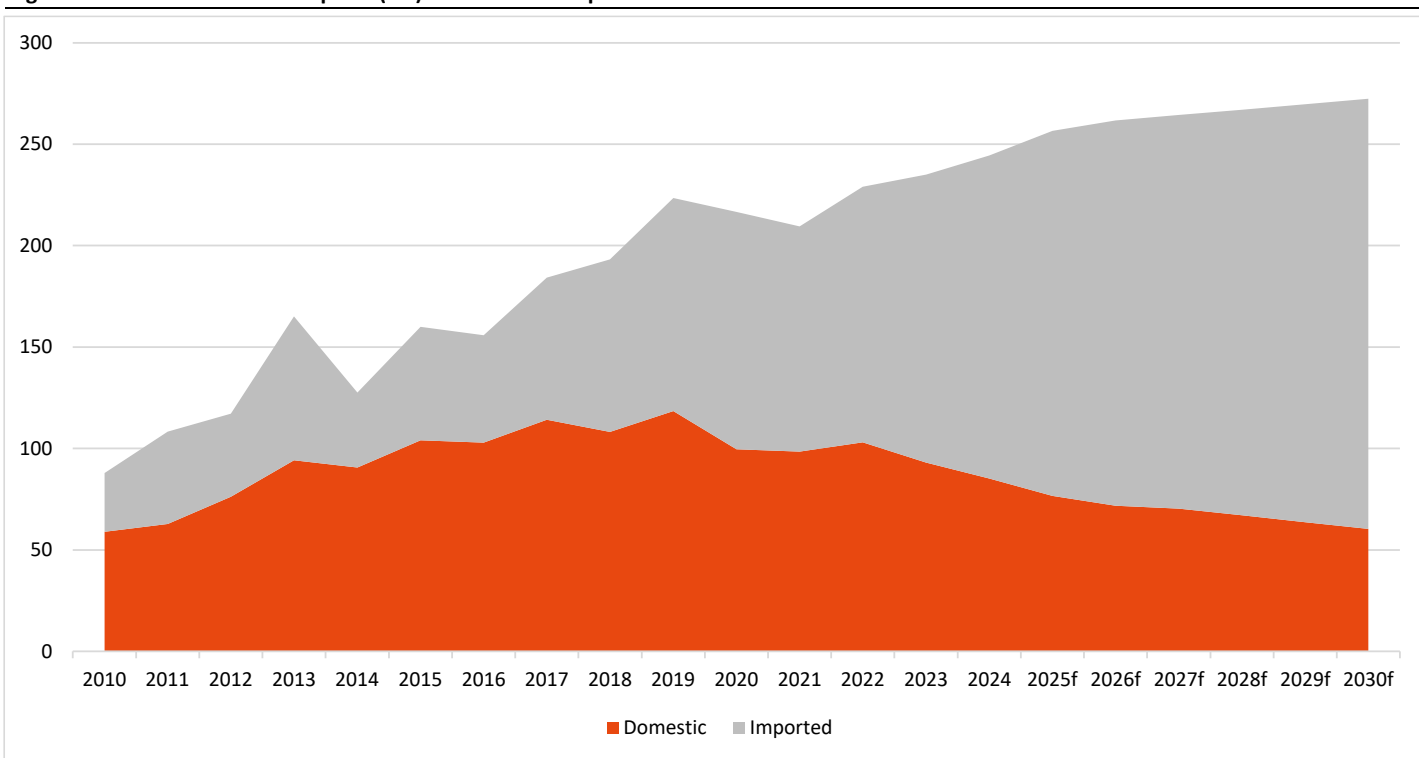
Figure 6: 2023 Chinese Bauxite Imports (USDm)



Source: China Customs Data

We expect to see a flattening out in China's overall alumina demand as it reaches its self-imposed 45Mt ceiling on aluminium production. However, domestic supply of bauxite is expected to continue declining due to declining grades, environmental constraints and location of bauxite resources. Imports are expected to keep rising, although we are surprised at the pace of import growth in 2025.

Figure 7: China bauxite consumption (Mt) – Domestic v Imports



Source: Alumina Ltd Mar 2023 presentation, CM Group, Shaw and Partners forecasts

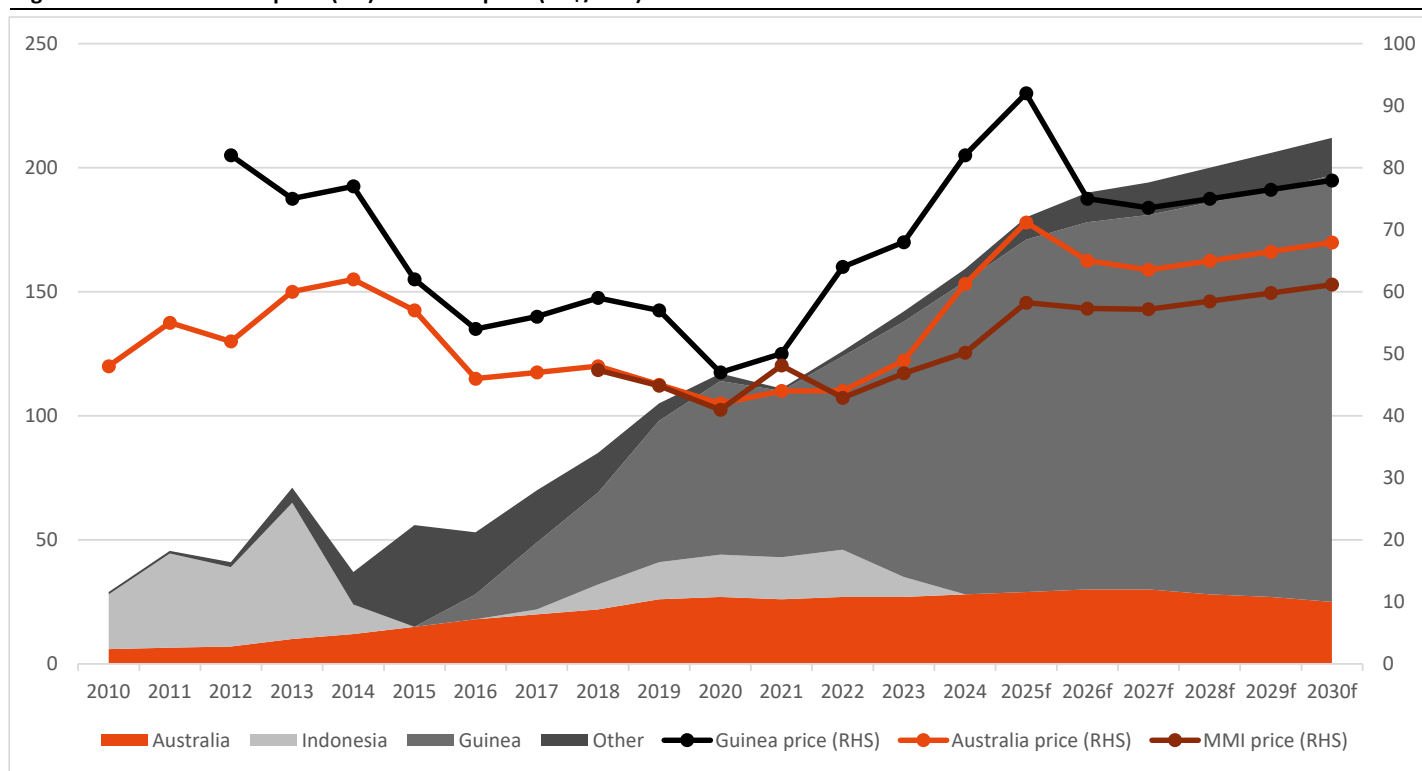
Bauxite market is going through a structural change

The aluminium, alumina and bauxite industries have been through substantial change in the past 20 years as a result of four major trends:

1. **The disaggregation of the industry:** The value chain from bauxite to alumina to aluminium has become increasingly disaggregated with 3rd party sales of bauxite and alumina to Chinese and other customers. Historically, the industry was largely integrated with companies such as Rio Tinto, Alcoa and Norsk Hydro producing aluminium from their own sourced bauxite and alumina. As a result, the prices of bauxite and alumina now trade on their own supply/demand fundamentals.
2. **The emergence and subsequent decline of China bauxite production:** China is a major consumer and producer of bauxite, alumina and aluminium. China ramped-up domestic bauxite production to support downstream alumina and aluminium production from the early 2000s. By 2019 China was the world's largest producer of bauxite. However, it has begun to exhaust its reserves of quality bauxite, much the same way as it did with iron ore in the 2000's. As a result, China domestic production has been in decline since 2019, a trend which is expected to continue.
3. **Increased demand by China for imported bauxite:** Chinese alumina refineries have begun to source bauxite from outside China due to declining quality and quantity of domestic production. Chinese domestic production is expected to continue to decline, and China will become further reliant on imports.
4. **The emergence of Guinea as a major bauxite producer:** The growth in Guinean exports has been phenomenal in the past decade due to Chinese investment. The shipping cost to transport bauxite from West Africa is approximately US\$25/t and so this forms a significant proportion of the landed cost of bauxite in China.

Historically there have been three major exporters of bauxite to China; Guinea, Indonesia and Australia. In January 2014 Indonesia banned the export of all low value commodities, a policy designed to encourage downstream processing investment. In Jan 2017, the government granted a five-year exemption to nickel and bauxite exporters to continue to until 11 Jan 2022. The exemption was repealed for nickel in 2019, and bauxite in mid-2023.

Figure 8: China bauxite imports (Mt) & bauxite price (US\$/dmt)



Source: Alumina Ltd Mar 2023 presentation, CM Group, Shaw and Partners forecasts

Guinea supply disruptions

The Guinean government has revoked a range of mining licences, which appears mainly aimed at the developers and producers of bauxite. The most high profile is Guinea Alumina Corporation (GAC) which is the bauxite mining subsidiary of Emirates Global Aluminium (EGA) which operates the Al Taweelah alumina refinery in the UAE. Guinea News has published the [full list of mining licences](#) that have been revoked.

The revoking of mining licenses in Guinea is a combination of resource nationalism, domestic politics and strategic economic policy. The current government took power in a military coup in 2021, and much of this will be positioning by the government ahead of planned elections later this year. The government is also copying moves by Saudi and Indonesia in using resource investment as a stepping stone to nation building downstream investment.

Disruptions to bauxite supply from Guinea has the potential to result in further spikes in the bauxite price, similar to the disruptions which saw the Guinea bauxite price briefly reach US\$130/t in January this year.

The timeline of recent events in Guinea:

- May 8th – Reuters reported that the Guinea government had [commenced proceedings to revoke GAC's mining licence](#).
- May 12th - Guinea's Prime Minister, Bah Oury, announced at the [African CEO Forum](#) that the country would implement significant reforms in the mining sector, planning to emulate Saudi Arabia's oil economy model by leveraging bauxite resources to drive industrialization. The government intends to establish a state-controlled enterprise to lead alumina refinery construction, strengthening national control over the industrial chain and shifting from its current role as a mere shareholder in mining projects. The Prime Minister emphasized the need for "local processing of mineral products," calling it "an economic sovereignty challenge addressed with wisdom and determination."
- May 14th - Transitional President Mamady Doumbouya read a decree on national television, revoking mining concessions, industrial exploitation licenses, and semi-industrial exploitation licenses granted to multiple companies. In accordance with Article 71 of Decree No. D 2014-012 PRG-SGG dated January 17, 2014, concerning the authorization and management of mining licenses. The licenses are revoked and are being returned to the State without compensation.
- May 17th - The Minister of Mines and Geology, Bouna Sylla, read a decree on national television that more than 100 mining permits have been revoked. <https://guineenews.org/2025/05/18/exploitation-mini%C3%A8re-retrait-d%C3%A9tats-permis-miniers/>

Most of the licences that have been revoked appear to be small scale development assets and will have limited impact on Guinea's production, with two notable exceptions:

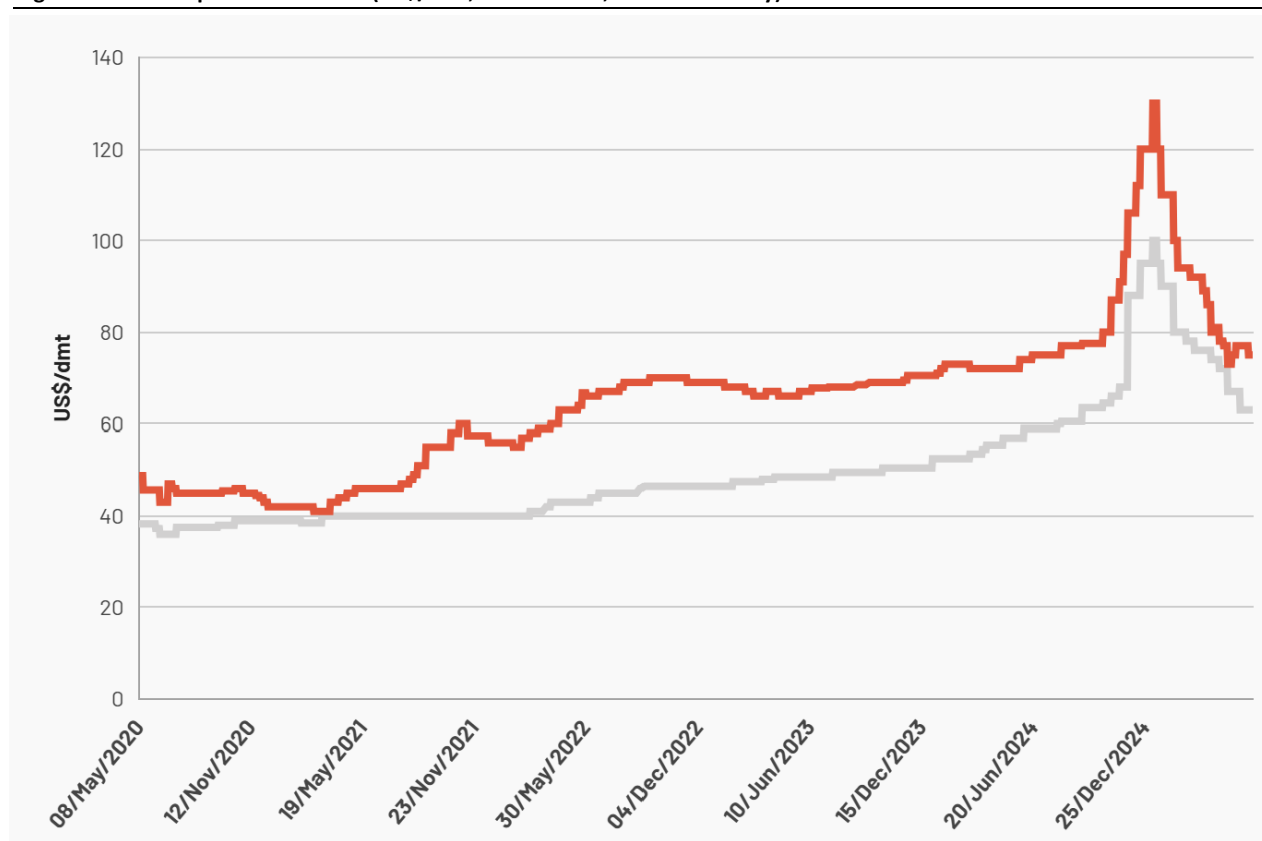
1. **Guinea Alumina Corporation** which was producing ~14mtpa of bauxite before the operation was shutdown mid-2024, and
2. **Axis Minérales which produced 23Mt of bauxite in 2024.** Our understanding is that the mining area licenced to Axis is actually being mined by three separate mining companies: SD Mining, SPIC 11th Bureau, and Henan International through a leasing agreement. The revocation of mining rights essentially transfers the original miner's rights to the state, with leasing contracts to be renegotiated between the government and the three mining companies. Theoretically, this adjustment of "separating ownership from operational rights" should not directly affect production. However, on May 15th the three mining companies received notices to halt production, with logistics and mining operations currently suspended, and the specific resumption time unknown.

Bauxite Pricing Explained

Bauxite is a difficult commodity to forecast, or even to understand how it is priced.

- Firstly – bauxite is not a single commodity. It is a catch-all name for all minerals that contain Al_2O_3 (alumina), e.g. gibbsite, boehmite, diaspore – so there is no single price for bauxite, it is not like copper or gold.
- CM Group publish a range of bauxite indices which buyers and sellers of bauxite can use as a starting point for their price negotiations. There are CBIX (China), GBIX (Guinea) and ABIX (Australia) indices. Each index references a specific quality of bauxite in terms of alumina and silica content. The higher the alumina content the better (higher grade) and the lower the silica the better (lower cost to process because it uses less caustic). There are high-temp and low-temp bauxites, which refers to the temperature required in an alumina refinery to process the bauxite. GBIX is a low-temp bauxite, ABIX is high-temp.
- Different alumina refineries are optimised to process a particular type of bauxite – they cannot quickly be changed to a different feed, although they are capable of blending different bauxites.
- The indices are generated by CM Group by talking to buyers and sellers of bauxite and ‘triangulating’ recent spot cargos price points. CM Group publishes these indices weekly on a Wednesday (subscription required). If no cargos have been sold in the past week, the price doesn’t move.
- GBIX typically trades at a US\$10/t premium to the ABIX index because of its lower silica content, despite its lower grade.
- GBIX is currently trading at US\$75/t after peaking at US\$130/t in early January. ABIX is currently at US\$63/t after peaking at US\$100/t. The GBIX index ticked up to US\$75/t from US\$73/t on Wed May 21st, which provides some indication that the price is finding a floor after the recent price spike.
- Bauxite pricing has increased because of strong demand from China coupled with declining Chinese domestic supply, Indonesian export bans, and supply disruptions in Guinea (notably GAC export bans, which are yet to be resolved).

Figure 9: CM Group Bauxite Indices (US\$/dmt, Guinea - red, Australia – Grey).



Source: CM Group

- Metro Mining sells bauxite to a range of Chinese customers (and now also EGA in Abu Dhabi) on 1-3 year contracts. These contracts are for a set volumes, but pricing is negotiated on a quarterly basis. The price negotiations are likely to be informed by the most recent ABIX index, but at the end of the day it is a genuinely bilateral pricing discussion between Metro and its customers and pricing could be at discounts or premiums to ABIX depending on the current market conditions and market outlook. Metro CEO Simon Wensley meets with his customers in the lead-up to each quarter to agree the price for the coming quarter. Prices for the September quarter are yet to be finalised with only about half of the contracts agreed. Pricing will be down on the June quarter given the pullback in the ABIX index..
- Metro's bauxite is high grade (~50% Alumina) but high in silica (~12-13%), so it typically receives a ~US\$7/t discount to the ABIX index. The ABIX index is usually set by spot cargos being sold by Rio Tinto from Weipa, which is essentially the same bauxite as Metro, but washed to remove some silica.
- Metro also has some legacy contracts that are at a fixed price with foundation customer Xinfra. These sales are at a large discount to current spot prices and will represent about 20% of sales in 2025 and 6% in 2026, after which Metro becomes fully exposed to spot prices.

To calculate Metro's achieved price, we forecast the ABIX index (Shawf US\$70/dmt in CY25, US\$65/dmt in CY26), and then convert it to an achieved Metro Mining price in A\$/wmt by adjusting for moisture (12%), converting to A\$, allowing for legacy fixed prices, and applying a discount for Metro Mining bauxite quality.

In 2024, the ABIX index averaged US\$61.3/t, which resulted in Metro Mining achieving an fob sales price of A\$46.1/wmt. In 2025 we expect that price to increase to A\$66/wmt, which in our view is conservative.

There is one final complication. Metro sells some of its bauxite delivered to China (CIF) and some at the point it is delivered onto the ship (FOB). So the actual achieved price, as calculated as revenue divided by tonnes shipped, will be a blend of the CIF and FOB sales. This does not affect earnings – if the sales are CIF then revenue and costs both go up by the same amount (the freight cost), if FOB then there is no freight cost. It washes out at the EBITDA level but can cause volatility in the apparent price received.

Figure 10: Metro Mining bauxite price calculation

Price Assumptions	2023	2024	2025f	2026f	2027f	2028f	2029f	2030f
Bauxite Pricing								
- ABIX benchmark (US\$/dmt)	48.9	61.3	70.4	65.0	63.5	65.0	66.4	68.0
- ABIX benchmark (A\$/dmt)	73.0	92.9	109.3	100.9	98.6	100.8	103.1	105.4
- moisture discount (12%)	12%	12%	12%	12%	12%	12%	12%	12%
- ABIX benchmark (A\$/wmt)	64.2	81.7	96.2	88.8	86.7	88.7	90.7	92.8
- Realisation factor (quality discount)	100%	86%	91%	90%	90%	90%	90%	90%
- Non-Xinfra average sales price (A\$/wmt)	64.5	70.3	87.7	79.9	78.1	79.8	81.7	83.5
- Xinfra contract price (A\$/wmt)	51.0	51.0	51.0	51.0	51.0	51.0	51.0	51.0
- Metro average sales price (A\$/wmt) - CIF	61.5	66.9	80.0	78.2	78.1	79.8	81.7	83.5
- % FOB sales	55%	62%	55%	31%	31%	31%	31%	31%
- Metro average sales price (A\$/wmt) - FOB	40.4	46.1	66.0	64.2	64.1	65.8	67.3	68.9
Average sales price (blend FOB/CIF A\$/wmt)	51.6	54.1	72.3	73.8	73.7	75.4	77.2	78.9

Source: Company Reports, Shaw and Partners forecasts

Figure 11: Metro Mining quarterly financials

Quarterly operations	Mar-24	Jun-24	Sep-24	Dec-24	Mar-25	Jun-25f	Sep-25f	Dec-25f	Mar-26f	Jun-26f	Sep-26f	Dec-26f
Bauxite mined (kt)	40	1,407	2,148	2,046	150	1,725	2,475	2,250	200	2,200	2,700	2,400
Bauxite shipped (kt)	80	1,418	2,130	2,056	184	1,725	2,441	2,250	200	2,200	2,700	2,400
ABIX Index (US\$/dmt)	53	57	60	75	83	69	65	65	65	65	65	65
Revenue A\$/wmt - CIF	60.2	63.8	65.3	72.7	84.0	86.0	80.0	76.0	78.2	78.2	78.2	78.2
Revenue (A\$m) - CIF	4.8	90.5	139.1	149.5	15.5	148.4	195.3	171.0	15.6	172.1	211.2	187.8
Revenue A\$/wmt - FOB	0.0	43.4	44.0	51.0	62.0	72.0	66.0	62.0	64.2	64.2	64.2	64.2
Revenue (A\$m) - FOB	0.0	61.5	93.7	104.9	9.0	124.2	161.1	139.5	12.8	141.3	173.4	154.2
Costs												
Site cost (A\$/wmt)	0.0	31.8	23.6	26.2	120.0	29.0	22.0	23.0	75.0	21.5	18.0	18.0
Freight (A\$/wmt)	0.0	20.4	21.3	21.7	22.0	14.0	14.0	14.0	14.0	14.0	14.0	14.0
Royalty (A\$/wmt)	0.0	6.3	6.6	7.2	9.2	9.2	9.2	9.2	9.2	9.0	9.0	9.0
Total cost (A\$/wmt)	0.0	58.5	51.5	55.1	151.2	52.2	45.2	46.2	98.2	44.5	41.0	41.0
Total cost (ex freight)	0.0	38.1	30.2	33.4	129.2	38.2	31.2	32.2	84.2	30.5	27.0	27.0
Site cost (A\$m)	15.0	45.1	50.3	53.9	22.1	50.0	53.7	51.8	15.0	47.3	48.6	43.2
EBITDA (A\$/wmt)	0.0	5.3	13.8	17.6	-67.2	33.8	34.8	29.8	-20.0	33.7	37.2	37.2
Site EBITDA (A\$m)	-15.0	7.5	29.4	36.2	-12.4	58.2	84.9	67.0	-4.0	74.2	100.5	89.4
Other costs (A\$m)	-2.9	-3.0	5.9	4.4	-6.1	-3.0	-3.0	-3.0	-3.0	-3.0	-3.0	-3.0
Queensland royalty deferred pay	0.0	-3.2	-6.0	-6.8	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Quarterly cash flows (A\$m)												
Operating cash flow	-17.9	1.3	29.3	33.7	-18.5	55.2	81.9	64.0	-7.0	71.2	97.5	86.4
Investing cash flow	-9.6	-12.9	-6.7	-8.1	-3.3	-5.0	-3.0	-2.0	-5.0	-1.0	-1.5	-1.5
Financing cash flow	18.4	23.4	-18.4	-11.1	3.1	-6.3	-17.1	-16.8	-13.5	-17.2	-15.9	-15.6
Cash balance	2.8	13.4	16.9	31.2	12.2	56.2	117.9	163.0	137.5	190.5	270.6	339.9
Debt position (A\$m)												
Nebari loan		52.2	50.7	83.0	90.4	90.4	78.6	66.7	54.9	43.0	31.2	19.3
Nebari royalty		17.9	17.9	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Junior debt		23.3	11.7	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total (A\$m)		93.5	80.3	83.0	90.4	90.4	78.6	66.7	54.9	43.0	31.2	19.3
Net debt (cash) (A\$m)		80.1	63.5	51.8	78.2	34.3	-39.3	-96.3	-82.7	-147.5	-239.5	-320.6
Debt repayments												
Nebari loan		0.0	0.0	-25.5	-8.0	0.0	11.9	11.9	11.9	11.9	11.9	11.9
Nebari royalty		0.0	0.0	17.9	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Junior debt		0.0	0.0	11.7	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total (A\$m)		0.0	0.0	4.1	-8.0	0.0	11.9	11.9	11.9	11.9	11.9	11.9

Source: Company Reports, Shaw and Partners forecasts

Figure 12: Metro Mining P&L (A\$m)

Profit & Loss (A\$m)	2019	2020	2021	2022	2023	2024	2025f	2026f	2027f	2028f	2029f	2030f
Sales (kt)	3,504	2,481	2,798	3,432	4,567	5,684	6,600	7,500	7,500	7,500	7,500	7,500
% FoB	0%	0%	0%	13%	55%	62%	55%	31%	31%	31%	31%	31%
Revenue	199	128	160	178	236	307	477	554	553	566	579	592
per tonne (A\$/wmt)	57	52	57	52	52	54	72	74	74	75	77	79
ABIX bauxite (US\$/dmt)	51	40	40	44	49	61	70	65	64	65	66	68
Revenue (adj for CIF)	199	128	160	188	281	381	528	587	586	599	612	626
per tonne (A\$/t)	57	52	57	55	62	67	80	78	78	80	82	84
Other income	0	0	0	1	0	2	0	0	0	0	0	0
Operating expenses	-143	-108	-167	-178	-179	-215	-221	-247	-247	-247	-252	-258
Royalties	-20	-12	-11	-17	-26	-38	-61	-67	-67	-69	-71	-72
Admin & other expenses	-9	-5	-6	-6	-9	-13	-13	-15	-16	-16	-16	-17
Total costs	-172	-126	-184	-201	-214	-266	-295	-329	-330	-332	-339	-347
per tonne (A\$/t)	49	51	66	59	47	47	45	44	44	44	45	46
Customer paid freight costs	0	0	0	-10	-45	-73	-51	-33	-33	-33	-34	-35
Adjusted total cost (A\$/t)	49	51	66	62	57	60	52	48	48	49	50	51
EBITDA	27	2	-79	-23	22	43	182	225	223	234	240	245
per tonne (A\$/t)	8	1	-28	-7	5	8	28	30	30	31	32	33
finance leases					-3	-5	-5	-5	-5	-5	-5	-5
Underlying EBITDA	27	2	-79	-23	19	39	178	220	219	230	235	241
per tonne (A\$/t)	8	1	-28	-7	4	7	27	29	29	31	31	32
Depreciation & Amortisation	-10	-10	-12	-14	-17	-18	-25	-29	-29	-29	-29	-29
EBIT	17	-8	-91	-37	5	25	157	196	195	206	211	217
Net Finance Expense	-11	-8	-5	-14	-19	-47	-18	-5	5	12	16	20
Profit before tax	6	-15	-96	-50	-13	-22	139	191	200	218	227	237
Income tax (expense)/benefit	-2	4	-9	0	0	0	-36	-50	-52	-57	-59	-62
Reported NPAT	4	-11	-106	-50	-13	-22	103	142	148	161	168	175
Exceptional items	0	0	-54	0	0	-23	0	0	0	0	0	0
Underlying NPAT	4	-11	-52	-50	-13	1	103	142	148	161	168	175

Source: Company reports, Shaw and Partners forecasts

Figure 13: Metro Mining Cash Flow (A\$m)

CASH FLOW (A\$m)	2019	2020	2021	2022	2023	2024	2025f	2026f	2027f	2028f	2029f	2030f
Operating activities												
Receipts from customers	209	135	145	191	227	315	477	554	553	566	579	592
Payments to suppliers and employees	-171	-135	-163	-193	-215	-269	-295	-329	-329	-331	-339	-347
Income taxes paid	0	0	0	0	0	0	0	0	-50	-52	-57	-59
Net cash flow from operating activities	38	0	-18	-1	12	47	180	231	182	193	197	202
Investing activities												
Payments for PPE	-7	-1	0	-3	-12	-17	-9	-4	-4	-4	-4	-5
Other	-3	6	-3	-4	-25	-20	-1	-1	-1	-1	-1	-1
Net cash flow from investing activities	-10	4	-4	-7	-36	-38	-10	-5	-5	-5	-5	-6
Free cash flow	28	-3	-18	-4	0	29	170	225	176	188	192	197
Financing activities												
Proceeds from Equity	0	0	25	20	0	51	0	0	0	0	0	0
Proceeds from borrowings	18	0	0	10	42	27	0	0	0	0	0	0
Repayments of borrowings	-23	-1	-1	-1	-3	-39	-24	-51	0	0	0	0
Dividends paid	0	0	0	0	0	0	0	-61	-61	-121	-121	-121
Other	-12	-10	10	-1	-15	24	-19	-10	-3	0	2	5
Net cash flow from financing activities	-17	-11	9	8	24	12	-43	-122	-64	-121	-119	-117
Net increase/(decrease) in cash	11	-6	-12	0	0	21	128	104	113	67	73	80

Source: Company reports, Shaw and Partners forecasts

Key risks

- The Chinese bauxite market is supplied by production from Guinea which is backed by Chinese investment. There is a risk that if Guinea continues to expand then MMI will not be able to sell its expanded production or be forced to discount the price.
- Metro Mining is expanding its operation to 7.0Mtpa. All elements of the new flowsheet are now in place, but Metro has not yet demonstrated that the operation is capable of sustaining production rates to achieve the 6.5-7.0Mt CY25 guidance.
- Metro operates in Far North Queensland and transshipping operations are weather dependent. Cyclonic activity or adverse wind conditions can prevent the barges from operating.

Core drivers and catalyst

- The bauxite market is well supported by strong demand growth from China as Chinese alumina refineries increasingly rely on imported bauxite as domestic production declines. Chinese production of bauxite peaked in 2018.
- Metro Mining's Bauxite Hills project is well placed to supply the growing Chinese market due to the proximity to markets. As a low value product, freight costs make up almost half the cost of delivering bauxite to China.
- Metro Mining is expanding production to 6.5 - 7.0 Mtpa in CY25. This will result in a significant step-up in free cash flow generation due to higher production and the associated economies of scale reduction in unit costs.

Rating Classification

Buy	Expected to outperform the overall market
Hold	Expected to perform in line with the overall market
Sell	Expected to underperform the overall market
Not Rated	Shaw has issued a factual note on the company but does not have a recommendation

Risk Rating

High	Higher risk than the overall market – investors should be aware this stock may be speculative
Medium	Risk broadly in line with the overall market
Low	Lower risk than the overall market

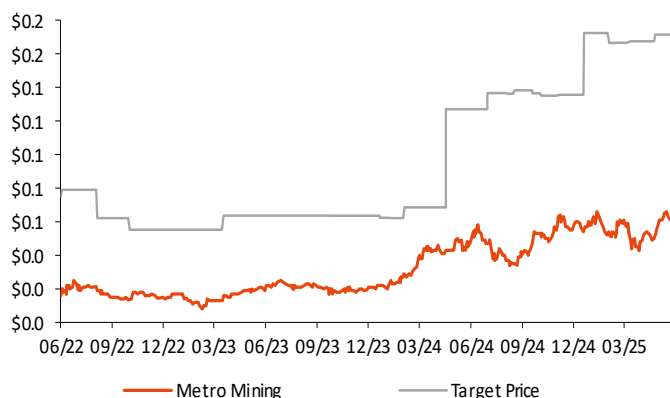
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Distribution of Investment Ratings

Rating	Count	Recommendation Universe
Buy	79	89%
Hold	10	11%
Sell	0	0%

History of Investment Rating and Target Price - Metro Mining

Date	Closing Price (\$)	Target Price (\$)	Rating
26-Jun-25	0.06	0.17	Buy
21-May-25	0.05	0.17	Buy
2-Apr-25	0.06	0.17	Buy
13-Mar-25	0.05	0.17	Buy
28-Feb-25	0.05	0.17	Buy
14-Jan-25	0.05	0.17	Buy
27-Nov-24	0.06	0.14	Buy
30-Oct-24	0.05	0.14	Buy
14-Oct-24	0.05	0.14	Buy
12-Sep-24	0.04	0.14	Buy
29-Aug-24	0.04	0.14	Buy
26-Jul-24	0.05	0.14	Buy
13-May-24	0.04	0.13	Buy
29-Feb-24	0.03	0.07	Buy
30-Jan-24	0.02	0.06	Buy
16-Jan-24	0.02	0.06	Buy
19-Oct-23	0.02	0.06	Buy
13-Apr-23	0.02	0.06	Buy
28-Oct-22	0.01	0.06	Buy
31-Aug-22	0.02	0.06	Buy
29-Jun-22	0.02	0.08	Buy



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Sydney Head Office	Melbourne	Brisbane	Adelaide	Canberra	Perth	Noosa
Level 7, Chifley Tower	Level 36	Level 28	Level 25	Level 9	Level 47	Suite 11a Q Place
2 Chifley Square	120 Collins Street	111 Eagle Street	91 King William Street	5 Constitution Avenue	108 St Georges Terrace	2 Quamby Place
Sydney NSW 2000	Melbourne VIC 3000	Brisbane QLD 4000	Adelaide SA 5000	Canberra ACT 2601	Perth WA 6000	Noosa Heads QLD 4567
Telephone: +61 2 9238 1238	Telephone: +61 3 9268 1000	Telephone: +61 7 3036 2500	Telephone: +61 8 7109 6000	Telephone: +61 2 6113 5300	Telephone: +61 8 9263 5200	Telephone: +61 7 3036 2570
Toll Free: 1800 636 625	Toll Free: 1800 150 009	Toll Free: 1800 463 972	Toll Free: 1800 636 625	Toll Free: 1800 636 625	Toll Free: 1800 198 003	Toll Free: 1800 271 201