ShawandPartners
Financial Services

Metro Mining (MMI)

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

11 August 2025

Guinea Bauxite exports down 35%

Key Information

Current Price ($ps)	0.07
12m Target Price ($ps)	0.17
52 Week Range ($ps)	0.03 - 0.08
Target Price Upside (%)	138.3%
TSR (%)	152.6%
Reporting Currency	AUD
Market Cap ($m)	427
Sector	Materials
Avg Daily Volume (m)	10.6
ASX 200 Weight (%)	0%

Fundamentals

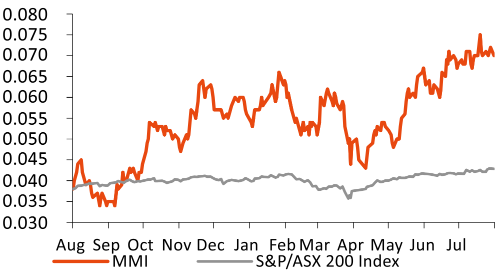
YE 31 Dec (AUD)	FY24A	FY25E	FY26E	FY27E
Sales ($m)	307	444	551	550
NPAT ($m)	1	83	139	145
EPS (cps)	(0.4)	1.4	2.3	2.4
EPS Growth (%)	(36.5%)	422.7%	68.1%	4.3%
DPS (cps) (AUD)	0.0	1.0	1.0	1.0
Franking (%)	0%	0%	0%	0%

Ratios

YE 31 Dec	FY24A	FY25E	FY26E	FY27E
P/E (x)	(14.2)	5.1	3.1	2.9
EV/EBITDA (x)	11.3	3.2	2.2	2.2
Div Yield (%)	0.0%	14.3%	14.3%	14.3%
Payout Ratio (%)	0.0%	73.5%	43.7%	41.9%

Price Performance

YE 31 Dec	1 Mth	2 Mth	3 Mth	1 Yr
Relative (%)	0.3%	2.0%	25.1%	71.0%
Absolute (%)	2.9%	4.5%	32.1%	84.2%
Benchmark (%)	2.6%	2.5%	7.0%	13.2%



Price performance indexed to 100 *Source: FactSet*

Major Shareholders

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

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Event

Exports of bauxite from Guinea have dropped 35% from recent highs as a result of licence revocations and the onset of the wet season. It takes about 40 days to ship bauxite from Guinea to China so the current pullback in shipments will impact the bauxite market in September. The Guinea bauxite price has stabilised at US$73-77/t in the past three months and could spike higher again if Chinese alumina refineries run low on supply from Guinea.

Highlights

- Exports of bauxite from Guinea surged higher in the 2nd quarter of 2025 with weekly shipments peaking at 4.96Mt in the second week of May. Since then, exports have declined and dropped to just 1.8Mt in the first week of July and 3.25Mt in the last week of reported data (week commencing July 21st).
- The reduction in shipments is partly seasonal and partly structural. The wet season in Guinea runs from May to October with monsoon rains in July and August usually exceeding 1,000mm each month. The rain interrupts mining and transport of bauxite.
- In May this year, the Government of Guinea announced a series of bauxite licence revocations. The revoking of mining licenses in Guinea is a combination of resource nationalism, domestic politics and strategic economic policy. Most of the licences that have been revoked appear to be small scale development assets and have limited impact on Guinea's production, with two notable exceptions: **Guinea Alumina Corporation** which was producing ~14mtpa of bauxite before the operation was shutdown mid-2024, and **Axis Minérales** which sub-leased its licence to SD Mining, SPIC 11th Bureau, and Henan International and produced 23Mt of bauxite in 2024.
- In our view the bauxite market is going through the same structural changes that impacted iron ore in the 2000s. The combination of strong Chinese demand over-whelming China's ability to supply itself from domestic sources, coupled with the move to a spot trading market, results in a higher price and elevated volatility. That is good news for those at the bottom end of the cost curve like Metro Mining.
- Metro shipped 714kt of bauxite in July, which is about 100kt below its original plan due to the barge constraints which were only resolved on July 12th. However, Metro remains on track to meet our 6.5Mt production forecast for the full year which is at the bottom end of 6.5-7.0Mt guidance.
- On our modelling, Metro Mining will generate about $64m of free cash flow in the September quarter which will mean that the company will be in a net cash position at 30-Sept. Historical concerns about the company's balance sheet will be forgotten, and this should continue to rerate the stock which we view as trading at less than half its fundamental value based on our DCF valuation.

Quarterly operations	Dec-24	Mar-25	Jun-25	Sep-25f	Dec-25f	CY25f	CY26f
Bauxite shipped (kt)	2,056	184	1,685	2,306	2,325	6,500	7,500
Price A$/wmt - FOB	51.0	62.0	71.9	58.7	62.0	63.4	63.9
Revenue (A$m) - FOB	104.9	9.0	121.2	135.4	144.2	409.7	479.3
Costs (A$m)	68.7	21.3	67.4	76.1	76.7	241.5	239.1
Site EBITDA (A$m)	36.2	-12.3	53.8	59.3	67.4	168.3	240.3
Operating cash flow	33.7	-18.5	25.8	71.3	64.4	143.0	238.3
Investing cash flow	-8.1	-3.3	-4.5	-3.0	-2.0	-12.8	-9.0
Financing cash flow	-11.1	3.1	-6.2	-17.0	-16.7	-36.8	-61.9
Cash balance	31.2	12.2	28.7	80.0	125.7	125.7	293.1

Recommendation

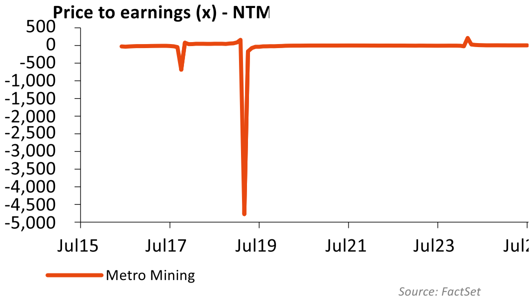
We retain our BUY recommendation and 17cps price target. Metro Mining is one of Shaw and Partners top emerging company picks for 2025.

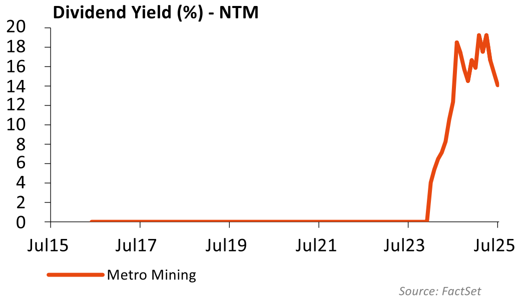
Metro Mining
Materials
Materials
FactSet: MMI-AU / Bloomberg: MMI AU

Key Items	Data
Recommendation	BUY
Risk	HIGH
Price ($ps)	0.07
Target Price ($ps)	0.17
52 Week Range ($ps)	0.03 - 0.08
Shares on Issue (m)	6,098
Market Cap ($m)	427
Enterprise Value ($m)	487
TSR (%)	152.6%
Valuation per share (cps) (AUD)	0.17
Valuation ($m)	1,015.13

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**	**1.4**	**2.3**	**2.4**
EPS (Underlying) (cps)	**(0.3)**	**(0.4)**	**1.4**	**2.3**	**2.4**
EPS (Underlying) Growth (%)	77.3%	(36.5%)	422.7%	68.1%	4.3%
PE (Underlying) (x)	**(6.8)**	**(14.2)**	**5.1**	**3.1**	**2.9**
EV / EBIT (x)	**96.0**	**19.3**	**3.8**	**2.5**	**2.5**
EV / EBITDA (x)	**22.3**	**11.3**	**3.2**	**2.2**	**2.2**
DPS (cps) (AUD)	0.0	0.0	1.0	1.0	1.0
Dividend Yield (%)	0.0%	0.0%	14.3%	14.3%	14.3%
Franking (%)	0%	0%	0%	0%	0%
Payout Ratio (%)	0.0%	0.0%	73.5%	43.7%	41.9%
Free Cash Flow Yield (%)	(0.2%)	9.3%	33.6%	52.2%	41.0%

Profit and Loss (AUD) (m)	FY23A	FY24A	FY25E	FY26E	FY27E
Sales	236	307	444	551	550
Sales Growth (%)	*32.6%*	*30.3%*	*44.6%*	*24.1%*	*(0.2%)*
Other Operating Income	0	2	0	0	0
EBITDA	**22**	**43**	**154**	**223**	**221**
EBITDA Margin (%)	*9.2%*	*14.1%*	*34.7%*	*40.4%*	*40.2%*
Depreciation & Amortisation	(17)	(18)	(25)	(29)	(29)
EBIT	**5.1**	**25.2**	**129.4**	**194.2**	**192.7**
EBIT Margin (%)	*2.2%*	*8.2%*	*29.1%*	*35.2%*	*35.0%*
Net Interest	(19)	(47)	(18)	(6)	3
Pretax Profit	(13)	(22)	112	188	196
Tax	0	0	(29)	(49)	(51)
Tax Rate (%)	*0.0%*	*0.0%*	*(26.0%)*	*(26.0%)*	*(26.0%)*
NPAT Underlying	**(13)**	**1**	**83**	**139**	**145**
Significant Items	0	(23)	0	0	0
NPAT Reported	**(13)**	**(22)**	**83**	**139**	**145**

Cashflow (AUD) (m)	FY23A	FY24A	FY25E	FY26E	FY27E
EBIT	5	25	129	194	193
Tax Paid	0	0	0	0	(49)
Net Interest	0	0	1	4	7
Change in Working Capital	0	0	(2)	0	0
Depreciation & Amortisation	17	18	25	29	29
Operating Cashflow	**12**	**47**	**153**	**227**	**179**
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**	**143**	**222**	**174**
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)	(11)	(4)
Financing Cashflow	**24**	**12**	**(43)**	**(123)**	**(65)**
Net Change in Cash	**12**	**33**	**100**	**99**	**110**

Balance Sheet (AUD) (m)	FY23A	FY24A	FY25E	FY26E	FY27E
Cash	17	36	137	236	345
Accounts Receivable	9	7	11	13	13
Inventory	3	5	7	9	9
Other Current Assets	6	8	8	8	8
PPE	87	100	84	60	35
Total Assets	**157**	**220**	**311**	**391**	**478**
Accounts Payable	24	32	35	40	40
Short Term Debt	33	24	51	0	0
Long Term Debt	46	51	0	0	0
Total Liabilities	**156**	**202**	**181**	**134**	**134**

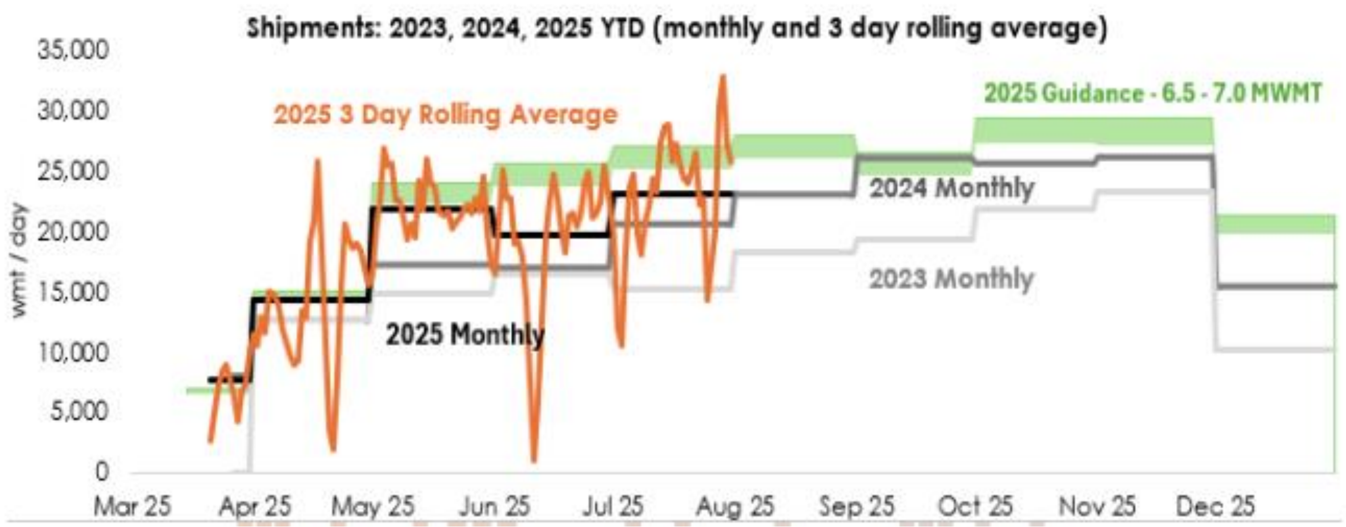
Ratios	FY23A	FY24A	FY25E	FY26E	FY27E
ROE (%)	(93.3%)	4.0%	100.9%	85.6%	59.5%
Gearing (%)	86.2%	48.8%	(224.0%)	685.7%	577.7%
Net Debt / EBITDA (x)	2.8	0.9	(0.6)	(1.1)	(1.6)

Metro production - on track for 6.5Mt in CY25

Metro Mining shipped 714kt of bauxite in July 2025, which is about 100kt below the original target for July. The lower production was due to barging constraints. Skardon River experienced a near-cyclone event in early April which caused silting of the river channel. Barges were limited to a 1.1m draft which means they cannot be loaded more than about 4,800t which constrained daily production to 21-22kt. That constraint has now been lifted.

In the chart below, Metro is showing the required shipment rates to meet its guidance of 6.5-7.0Mt in the green bands. June and July were below target due to the constraints on barges. The constraint was lifted on July 12th, and if we assume that Metro now meets the mid-point of the green band for the rest of the year, then it is on-track to meet our production forecast of 6.5Mt which is at the low end of the guidance range.

Figure 1: Metro Bauxite Shipments



Source: Metro ASX release August 5th 2025

Figure 2: Metro Bauxite Shipments 2025 – target v actual

CY25 targets	Target	Actual	Quarters	Daily rate (kt/d)
JAN	100	100		3.2
FEB	0	0		0.0
MAR	84	84	184	2.7
APR	420	425		14.2
MAY	713	672		21.7
JUN	720	589	1,686	19.6
JUL	806	714		23.0
AUG	837			27.0
SEP	750		2,301	25.0
OCT	868			28.0
NOV	840			28.0
DEC	620		2,328	20.0
TOTAL	**6,758**		**6,499**	

Source: Company Reports, Shaw and Partners forecasts

Guinea Bauxite exports

Guinea's **Ministry of Mines and Geology** regularly publishes a report known as **"Flash Hebdo"**, which includes weekly export statistics for bauxite. This bulletin is the official source for weekly volumes, segmenting by operator and export ports. However, access to these bulletins is sporadic and they do not appear to be published regularly on the government's webpage. We have sourced most of them via the Ministry's LinkedIn account. Leading consultant to the bauxite and alumina industry CM Group also sources the data from the Guinean Government and publishes the information in a weekly newsletter.

The chart below shows Guinea exports on a weekly basis and a 6 week rolling average (which roughly correlates with the shipping time from Guinea to China).

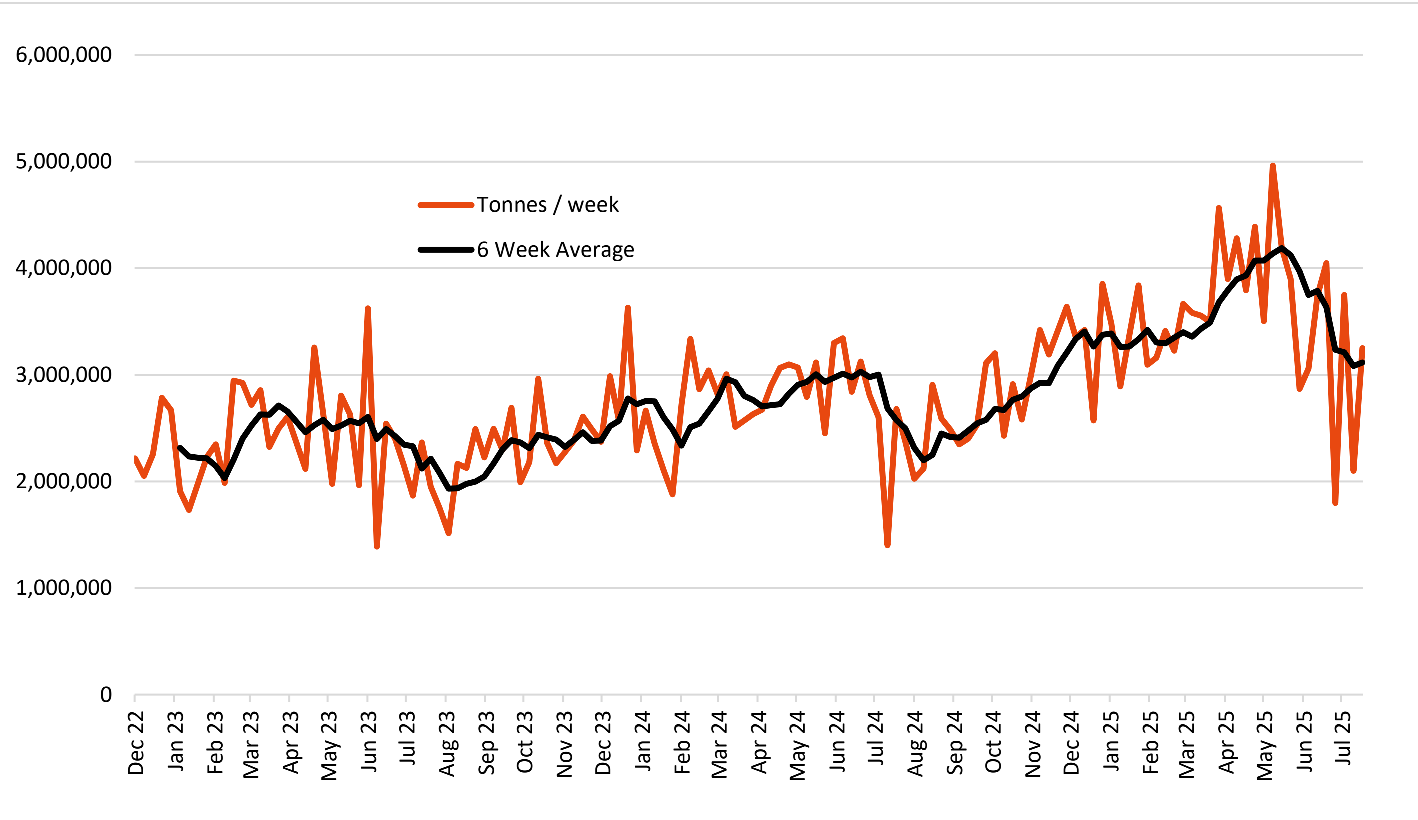
There are four clear trends in the data:

1. Exports have been rising year-on-year,
2. There is a wet season lull each year from June to October,
3. There was a surge in exports earlier this year in April and May,
4. Exports have been declining now for the past two months which is the impact of licence restrictions and the onset of the wet season.

It takes about 6 weeks for bauxite to reach China from Guinea by sea – so the surge in exports from April May was hitting China in the past few weeks, bauxite prices have hung in well. That's because the traders know the reduction in exports will hit the market in September.

China relies on Guinea for about 80% of its bauxite imports – so the impact of the slowdown will be material.

Figure 3: Guinea bauxite exports (Mt/week)



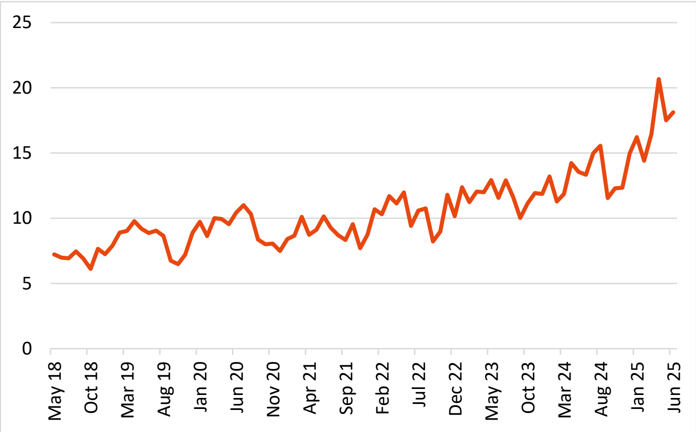
Source: Government of Guinea, CM Group, Shaw and Partners

Chinese Bauxite Imports Surging Higher

Chinese June customs data has shown that Chinese imports of bauxite pulled back in June after the surge higher in April. Imports in June were 18.1Mt, down from the peak of 20.7Mt in April. Year to date imports of 103.4Mt are up 33% on 2024 and our current projection for China to import 180Mt of bauxite in 2025 (up 13% on 159Mt in 2024) looks conservative.

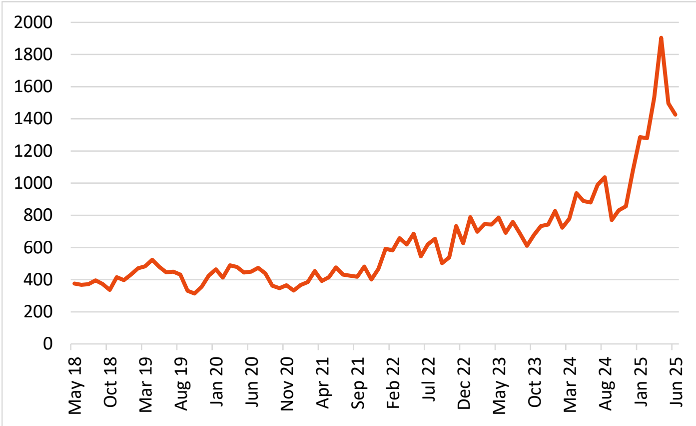
In our view the bauxite market is going through the same structural change which impacted iron ore and coal in the 2000s. Growth in Chinese alumina refining has overwhelmed its domestic bauxite supply and China is now increasingly reliant on imports, particularly from Guinea.

Figure 4: Chinese Bauxite Imports (Mt)



Source: China Customs Data

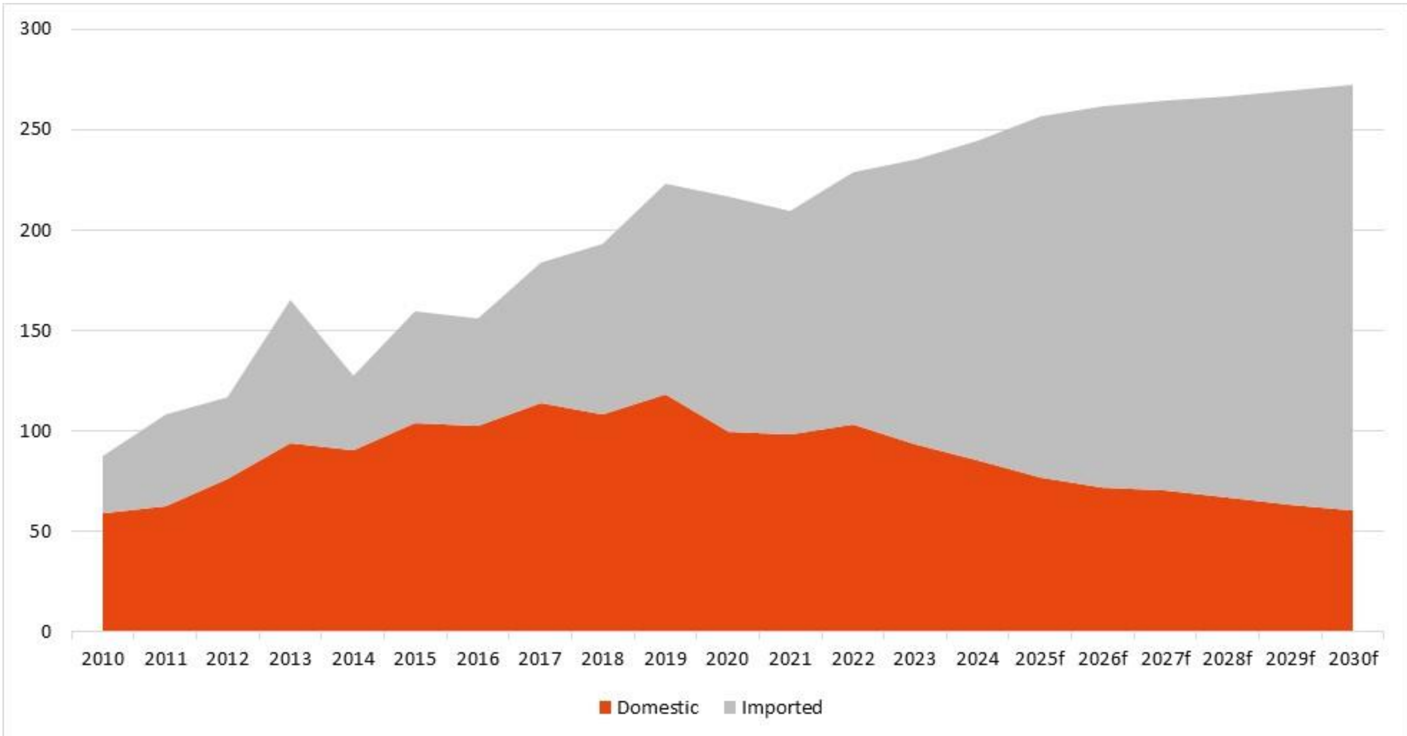
Figure 5: 2023 Chinese Bauxite Imports (USDm)



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 6: China bauxite consumption (Mt) – Domestic v Imports



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

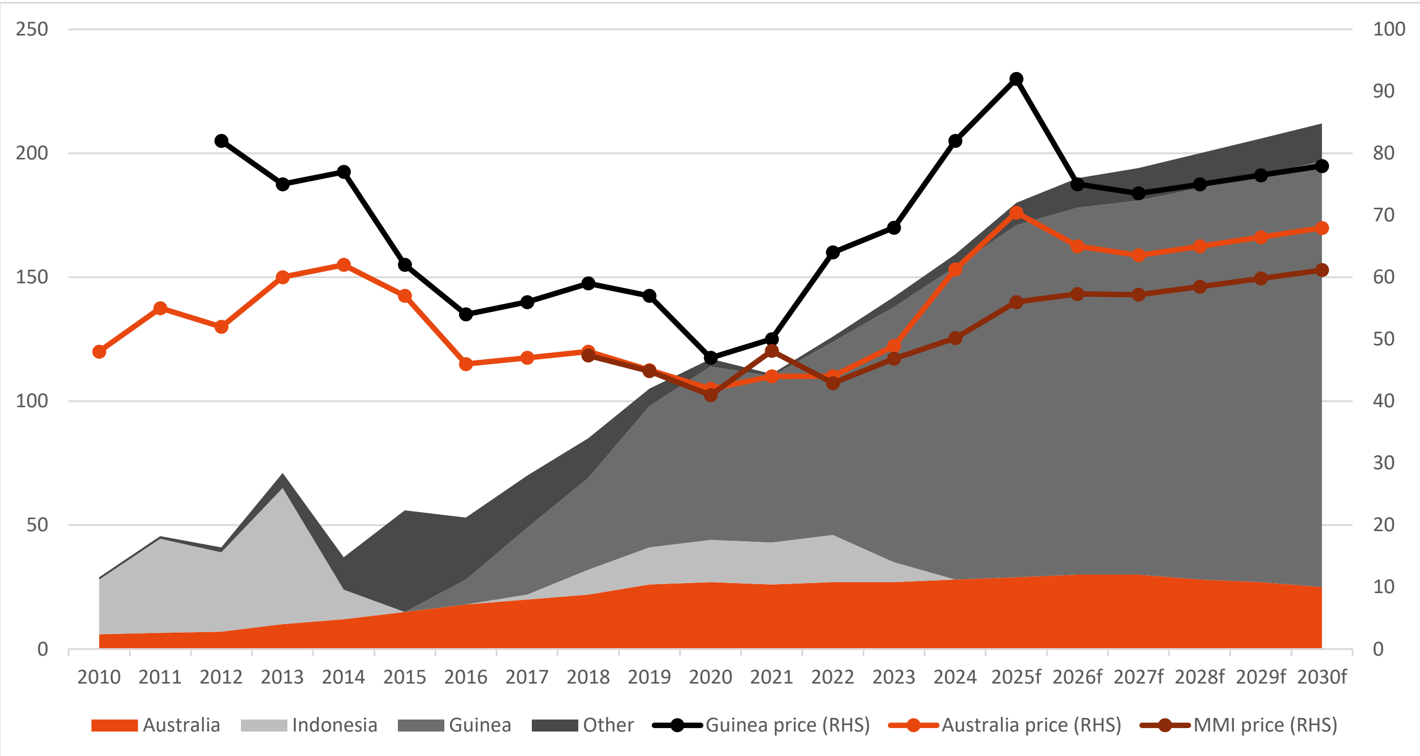
Bauxite market is going through a structural change

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 7: 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-miniere-retrait-dautres-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

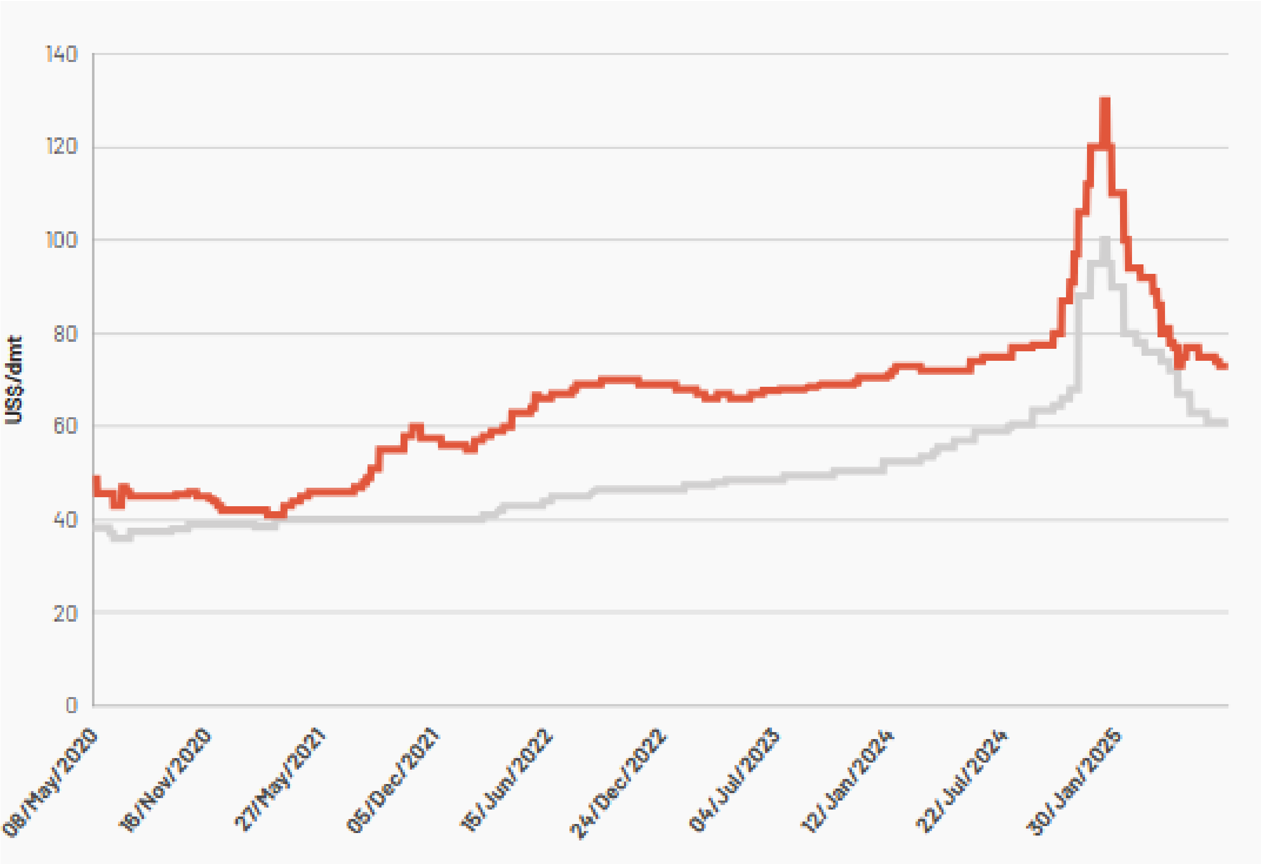
2. **Axis Minérales which produced 23Mt of bauxite in 2024**. Our understanding is that the mining area licenced to Axis is actually being mined by three separate mining companies: SD Mining, SPIC 11th Bureau, and Henan International through a leasing agreement. The revocation of mining rights essentially 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$73/t after peaking at US$130/t in early January. ABIX is currently at US$61/t after peaking at US$100/t. The GBIX index has stabilised at US$73-77/t in the past three months 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.

Figure 8: 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.
- 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 Xinfa. 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$70.4/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$62.1/wmt.

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 9: 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	108.8	100.4	98.2	100.4	102.7	105.0
- moisture discount (12%)	12%	12%	12%	12%	12%	12%	12%	12%
- ABIX benchmark (A$/wmt)	64.2	81.7	95.7	88.4	86.4	88.3	90.3	92.4
- Realisation factor (quality discount)	100%	86%	87%	90%	90%	90%	90%	90%
- Non-Xinfa average sales price (A$/wmt)	64.5	70.3	82.9	79.5	77.7	79.5	81.3	83.2
- Xinfa 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	76.1	77.9	77.7	79.5	81.3	83.2
- % FOB sales	55%	62%	55%	31%	31%	31%	31%	31%
- Metro average sales price (A$/wmt) - FOB	40.4	46.1	62.1	63.9	63.7	65.5	67.0	68.5
Average sales price (blend FOB/CIF A$/wmt)	51.6	54.1	68.4	73.5	73.3	75.1	76.8	78.6

Source: CM Group, Company Reports, Shaw and Partners forecasts

Figure 10: Metro Mining quarterly financials

Quarterly operations	Mar-24	Jun-24	Sep-24	Dec-24	Mar-25	Jun-25	Sep-25f	Dec-25f	Mar-26f	Jun-26f	Sep-26f	Dec-26f
Bauxite mined (kt)	40	1,407	2,148	2,046	150	1,713	2,312	2,325	200	2,200	2,700	2,400
Bauxite shipped (kt)	80	1,418	2,130	2,056	184	1,685	2,306	2,325	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	81.3	68.7	76.0	77.9	77.9	77.9	77.9
Revenue (A$m) - CIF	4.8	90.5	139.1	149.5	15.5	137.0	158.5	176.7	15.6	171.4	210.4	187.0
Revenue A$/wmt - FOB	0.0	43.4	44.0	51.0	62.0	71.9	58.7	62.0	63.9	63.9	63.9	63.9
Revenue (A$m) - FOB	0.0	61.5	93.7	104.9	9.0	121.2	135.4	144.2	12.8	140.6	172.6	153.4
Costs												
Site cost (A$/wmt)	0.0	31.8	23.6	26.2	120.0	31.0	24.0	24.0	75.0	25.0	20.0	20.0
Freight (A$/wmt)	0.0	20.4	21.3	21.7	22.0	9.4	10.0	14.0	14.0	14.0	14.0	14.0
Royalty (A$/wmt)	0.0	6.3	6.6	7.2	8.7	9.0	9.0	9.0	8.7	8.9	8.9	8.9
Total cost (A$/wmt)	0.0	58.5	51.5	55.1	150.7	49.4	43.0	47.0	97.7	47.9	42.9	42.9
Total cost (ex freight)	0.0	38.1	30.2	33.4	128.7	40.0	33.0	33.0	83.7	33.9	28.9	28.9
Site cost (A$m)	15.0	45.1	50.3	53.9	22.1	52.2	55.3	55.8	15.0	55.0	54.0	48.0
EBITDA (A$/wmt)	0.0	5.3	13.8	17.6	-66.7	31.9	25.7	29.0	-19.8	30.0	35.0	35.0
Site EBITDA (A$m)	-15.0	7.5	29.4	36.2	-12.3	53.8	59.3	67.4	-4.0	65.9	94.4	83.9
Other costs (A$m)	-2.9	-3.0	5.9	4.4	-6.2	-3.0	-3.0	-3.0	-3.0	-3.0	-3.0	-3.0
Queensland royalty deferre	0.0	-3.2	-6.0	-6.8	0.0	-9.0	0.0	0.0	0.0	0.0	0.0	0.0
Quarterly cash flows (A$m)												
Operating cash flow	-17.9	1.3	29.3	33.7	-18.5	25.8	71.3	64.4	3.0	62.9	91.4	80.9
Investing cash flow	-9.6	-12.9	-6.7	-8.1	-3.3	-4.5	-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	-6.2	-17.0	-16.7	-13.4	-17.1	-15.8	-15.5
Cash balance	2.8	13.4	16.9	31.2	12.2	28.7	80.0	125.7	110.4	155.2	229.2	293.1
Debt position (A$m)												
Nebari loan		52.2	50.7	83.0	90.4	86.5	74.6	62.8	50.9	39.1	27.2	15.4
Nebari royalty		17.9	17.9	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Junior debt		23.3	11.7	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total (A$m)		93.5	80.3	83.0	90.4	86.5	74.6	62.8	50.9	39.1	27.2	15.4
Net debt (cash) (A$m)		80.1	63.5	51.8	78.2	57.8	-5.4	-63.0	-59.5	-116.1	-202.0	-277.8
Debt repayments												
Nebari loan		0.0	0.0	-25.5	-8.0	0.0	11.9	11.9	11.9	11.9	11.9	11.9
Nebari royalty		0.0	0.0	17.9	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Junior debt		0.0	0.0	11.7	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total (A$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 11: Metro Mining P&L (A$m)

Profit & Loss (A$m)	2019	2020	2021	2022	2023	2024	2025f	2026f	2027f	2028f	2029f	2030f
Sales (kt)	3,504	2,481	2,798	3,432	4,567	5,684	6,500	7,500	7,500	7,500	7,500	7,500
% FoB	0%	0%	0%	13%	55%	62%	55%	31%	31%	31%	31%	31%
Revenue	**199**	**128**	**160**	**178**	**236**	**307**	**445**	**551**	**550**	**563**	**576**	**589**
per tonne (A$/wmt)	57	52	57	52	52	54	68	74	73	75	77	79
ABIX bauxite (US$/dmt)	51	40	40	44	49	61	70	65	64	65	66	68
Revenue (adj for CIF)	199	128	160	188	281	381	495	584	583	596	610	624
per tonne (A$/t)	57	52	57	55	62	67	76	78	78	80	81	83
Other income	0	0	0	1	0	2	0	0	0	0	0	0
Operating expenses	-143	-108	-167	-178	-179	-215	-228	-247	-247	-247	-252	-258
Royalties	-20	-12	-11	-17	-26	-38	-57	-67	-67	-69	-70	-72
Admin & other expenses	-9	-5	-6	-6	-9	-13	-13	-15	-16	-16	-16	-17
Total costs	**-172**	**-126**	**-184**	**-201**	**-214**	**-266**	**-298**	**-329**	**-329**	**-332**	**-339**	**-347**
per tonne (A$/t)	49	51	66	59	47	47	46	44	44	44	45	46
Customer paid freight costs	0	0	0	-10	-45	-73	-50	-33	-33	-33	-34	-35
Adjusted total cost (A$/t)	49	51	66	62	57	60	54	48	48	49	50	51
EBITDA	**27**	**2**	**-79**	**-23**	**22**	**43**	**147**	**223**	**221**	**232**	**237**	**243**
per tonne (A$/t)	8	1	-28	-7	5	8	23	30	29	31	32	32
finance leases					-3	-5	-5	-5	-5	-5	-5	-5
Underlying EBITDA	**27**	**2**	**-79**	**-23**	**19**	**39**	**143**	**218**	**217**	**228**	**233**	**238**
per tonne (A$/t)	8	1	-28	-7	4	7	22	29	29	30	31	32
Depreciation & Amortisation	-10	-10	-12	-14	-17	-18	-25	-29	-29	-29	-29	-29
EBIT	**17**	**-8**	**-91**	**-37**	**5**	**25**	**123**	**194**	**193**	**204**	**209**	**214**
Net Finance Expense	-11	-8	-5	-14	-19	-47	-18	-7	3	9	13	17
Profit before tax	**6**	**-15**	**-96**	**-50**	**-13**	**-22**	**105**	**187**	**195**	**213**	**222**	**232**
Income tax (expense)/benefit	-2	4	-9	0	0	0	-27	-49	-51	-55	-58	-60
Reported NPAT	**4**	**-11**	**-106**	**-50**	**-13**	**-22**	**78**	**139**	**145**	**158**	**164**	**171**
Exceptional items	0	0	-54	0	0	-23	0	0	0	0	0	0
Underlying NPAT	**4**	**-11**	**-52**	**-50**	**-13**	**1**	**78**	**139**	**145**	**158**	**164**	**171**

Source: Company reports, Shaw and Partners forecasts

Figure 12: Metro Mining Cash Flow (A$m)

CASH FLOW (AS$m)	2019	2020	2021	2022	2023	2024	2025f	2026f	2027f	2028f	2029f	2030f
Operating activities												
Receipts from customers	209	135	145	191	227	315	445	551	550	563	576	589
Payments to suppliers and employees	-171	-135	-163	-193	-215	-269	-297	-329	-329	-331	-339	-346
Income taxes paid	0	0	0	0	0	0	0	0	-49	-51	-55	-58
Net cash flow from operating activities	**38**	**0**	**-18**	**-1**	**12**	**47**	**147**	**226**	**179**	**191**	**195**	**200**
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**	**137**	**221**	**174**	**186**	**189**	**194**
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	-11	-4	-1	1	3
Net cash flow from financing activities	**-17**	**-11**	**9**	**8**	**24**	**12**	**-43**	**-123**	**-65**	**-122**	**-120**	**-118**
Net increase/(decrease) in cash	11	-6	-12	0	0	21	94	98	109	64	69	76

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 transhipping 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

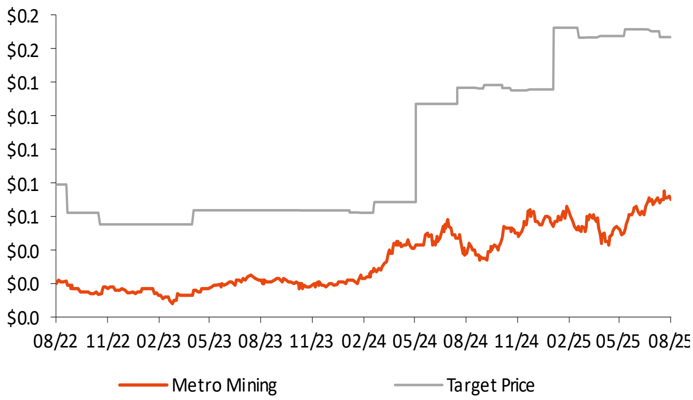
RISK STATEMENT: Where a company is designated as 'High' risk, this means that the analyst has determined that the risk profile for this company is significantly higher than for the market as a whole, and so may not suit all investors. Clients should make an assessment as to whether this stock and its potential price volatility is compatible with their financial objectives. Clients should discuss this stock with their Shaw adviser before making any investment decision.

Distribution of Investment Ratings

Rating	Count	Recommendation Universe
Buy	80	87%
Hold	12	13%
Sell	0	0%

History of Investment Rating and Target Price - Metro Mining

Date	Closing Price ($)	Target Price ($)	Rating
22-Jul-25	0.07	0.17	Buy
4-Jul-25	0.07	0.17	Buy
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



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