This report is prepared solely for the use of Simon Wensley of Metro Mining

2 March 2026

Metro Mining Limited (MMI)

Buyback supports a stronger outlook

BUY **Share Price: A$0.07**

Target Price: A$0.10

MMI reported CY25 EBITDA of A$78.3M (vs Petra at $65.2M) and headline net profit of A$142.3M (Petra $147.9M). Underlying Net Profit of A$33.4m (Petra A$29.7M) excluding non-cash impacts comprising a A$47.7M impairment reversal (previously announced), FX gains of A$35.4M and A$27.5M income tax benefit. Net operational cashflow was A$56.6M (vs Petra A$58.2M). MMI also announced an on-market buyback of up to 305M shares (5% of issued capital). The buyback is part of MMI's ongoing capital management strategy and reflects the Board's confidence in the company's financial position and outlook. Looking ahead, we expect earnings to improve with higher production and completion of the legacy low priced contracts - we forecast CY26 EBITDA of A$107.6m (+37%). Mining operations are expected to recommence after the wet season in mid-March with CY26 guidance of 6.6 - 7.1Mt (Petra 6.75Mt). Reiterate BUY with a target price of 9.6c/sh (prev. 9.5c).

CY25 Result and Outlook

- CY25 shipments +9% to 6.2M WMT (CY24 5.7Mt).
- Revenue of A$378.4M (+23% YoY) and underlying EBITDA of A$78.3M (+260%).
- Adjusted NPAT rose from A$0.1M to A$33.4M
- Net op. cashflow rose from A$20.2M to A$56.6M.
- Cash at end Dec. of A$57.5M, debt of A$58.9M.
- CY26 shipment guidance target of 6.6 - 7.1M WMT implying a 6-15% increase vs CY25 shipments.
- MMI expects a stronger CY26 with higher production and targeted cost savings.
- Increased supply from Guinea has resulted in weaker Australian bauxite prices of ~US$55/DMT CIF.
- We model CY26 prices of US$58/DMT CIF.

Capital Management

- 5% buyback announced with start date March 27th.
- A buyback provides capital management flexibility whilst enabling MMI to consider growth opportunities.

Financial Summary

- Valuation – 9.6c/share based on 1xP/NPV$_8$.
- PE (CY26/27): 6.4x & 4.8x.
- EV/EBITDA (CY26/27): 3.6x & 2.4x.

Key Dates Ahead

- 1H CY26 – Debottlenecking & cost reduction studies.
- March '26 – Pricing negotiations for Jun. Q'26.

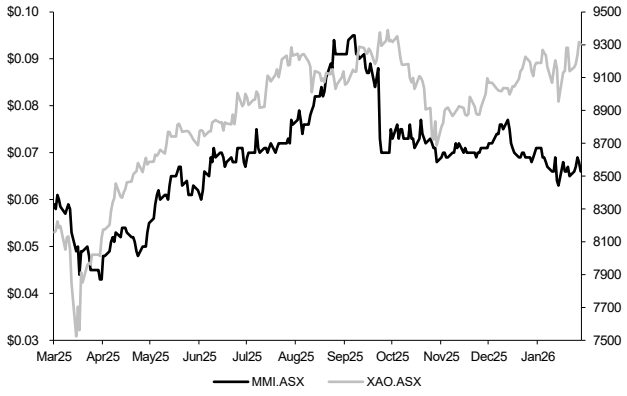
Company Data

Shares – ordinary (M)	6110.8
Dilution (M)	223.3
Total (fully diluted) (M)	6334.1
Market capitalisation ($M)	433.9
12 month low/high ($)	0.04 / 0.09
Average monthly turnover ($M)	21.2
GICS Industry	Metals & Mining

Financial Summary (fully diluted/normalised)

Year End Dec	CY25A	CY26F	CY27F	CY28F	CY29F
Revenue ($M)	378.8	429.0	446.7	455.9	455.9
Costs ($M)	300.5	321.4	328.3	329.6	329.6
EBITDA ($M)	78.3	107.6	118.4	126.3	126.3
NPAT (A$M)	33.4	71.3	89.7	72.1	77.5
EPS (cps)	0.5	1.1	1.5	1.2	1.3
EPS Growth (%)	>100	>100	32.3	-19.7	7.5
PER (x)	13.5	6.3	4.8	5.9	5.5
Cashflow (A$M)	56.6	105.3	122.1	135.1	107.5
CFPS (c/sh)	0.9	1.7	2.0	2.2	1.8
PCFPS	7.9	4.3	3.5	3.2	4.0
EV	451.1	379.1	272.4	180.2	119.9
EV/EBITDA	5.8	3.5	2.3	1.4	0.9
Payout ratio (%)	na	na	63%	55%	55%
DPS	0.0	0.0	0.5	0.6	0.6
Yield (%)	0.0	0.0	6.6	7.9	8.9
Franking (%)	0%	0%	0%	50%	100%

MMI – performance over one year



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Analysis

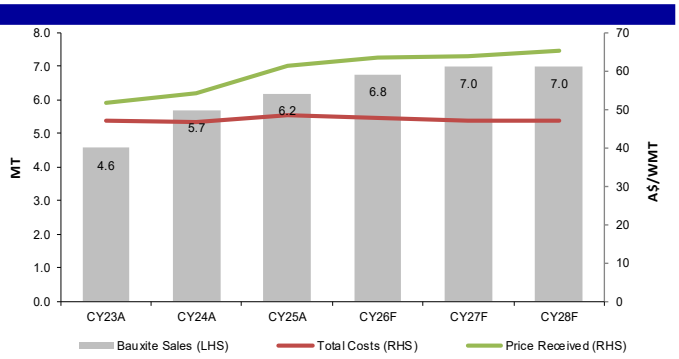
METRO MINING LIMITED (MMI)

27-Feb-26						
Year End Dec	**A$**					
PROFIT & LOSS		**CY25A**	**CY26F**	**CY27F**	**CY28F**	**CY29F**
Sales Revenue	$M	378.4	429.0	446.7	455.9	455.9
Other Income	$M	0.4	0.0	0.0	0.0	0.0
Operating Costs	$M	300.5	321.4	328.3	329.6	329.6
Exploration	$M	0.0	0.0	0.0	0.0	0.0
Other	$M	0.0	0.0	0.0	0.0	0.0
EBITDA	**$M**	**78.3**	**107.6**	**118.4**	**126.3**	**126.3**
Dep. & Amort.	$M	24.5	34.0	32.3	32.1	27.7
EBIT	**$M**	**53.9**	**73.6**	**86.1**	**94.2**	**98.6**
Net Interest	$M	20.5	2.3	(3.6)	(8.8)	(12.1)
Pre-Tax Profit	**$M**	**33.4**	**71.3**	**89.7**	**103.0**	**110.7**
Tax	$M	0.0	0.0	0.0	30.9	33.2
Minorities	$M	0.0	0.0	0.0	0.0	0.0
Net Profit	**$M**	**33.4**	**71.3**	**89.7**	**72.1**	**77.5**
Abnormal	$M	109.0	0.0	0.0	0.0	0.0
Reported Profit	**$M**	**142.3**	**71.3**	**89.7**	**72.1**	**77.5**
Dividends Paid	$M	0.0	0.0	28.0	33.8	38.2
Adjustments	$M	0.0	0.0	0.0	0.0	0.0
Retained Earnings	**$M**	**(112.1)**	**(40.9)**	**20.8**	**59.1**	**98.4**
CASH FLOW						
Revenue	$M	379.4	429.0	446.7	455.9	455.9
Costs	$M	(313.5)	(321.4)	(328.3)	(329.6)	(329.6)
Net Interest	$M	(9.3)	(2.3)	3.6	8.8	12.1
Tax Paid	$M	0.0	0.0	0.0	0.0	(30.9)
Gross Cash Flow	**$M**	**56.6**	**105.3**	**122.1**	**135.1**	**107.5**
Net Capex	$M	(10.8)	(11.9)	(9.0)	(9.0)	(9.0)
Exploration	$M	(0.9)	0.0	0.0	0.0	0.0
Dividends	$M	0.0	0.0	(28.0)	(33.8)	(38.2)
Other	$M	(10.5)	(21.4)	0.0	0.0	0.0
Free Cashflow	**$M**	**34.5**	**72.1**	**85.0**	**92.2**	**60.3**
Equity Issues	$M	0.0	0.0	0.0	0.0	0.0
Net Borrowings	$M	(15.2)	(29.5)	(29.4)	0.0	0.0
Net Investments	$M	(1.0)	0.0	0.0	0.0	0.0
Surplus Cash Flow	**$M**	**18.3**	**42.6**	**55.6**	**92.2**	**60.3**
BALANCE SHEET						
Cash	$M	57.5	100.1	155.7	247.9	308.2
Other Current	$M	32.1	64.4	67.0	68.4	68.4
Total Current	**$M**	**89.6**	**164.4**	**222.7**	**316.3**	**376.6**
Fixed Assets	$M	212.1	190.0	166.7	143.6	124.9
Exploration	$M	2.6	2.6	2.6	2.6	2.6
Intangibles	$M	0.0	0.0	0.0	0.0	0.0
Other	$M	57.0	78.4	78.4	78.4	78.4
Total NC Assets	**$M**	**271.8**	**271.0**	**247.7**	**224.6**	**205.9**
TOTAL ASSETS	**$M**	**361.4**	**435.4**	**470.4**	**540.9**	**582.5**
Total Debt	$M	58.9	29.4	0.0	0.0	0.0
Current Liab	$M	61.2	61.2	61.2	92.1	94.5
Non Current Liab	$M	54.4	86.6	89.2	90.6	90.6
TOTAL LIAB	**$M**	**174.5**	**177.3**	**150.5**	**182.8**	**185.1**
NET ASSETS	**$M**	**186.9**	**258.2**	**319.8**	**358.1**	**397.4**
SH/HLDRS FUNDS	**$M**	**186.9**	**258.2**	**319.8**	**358.1**	**397.4**
RATIO ANALYSIS						
EPS	¢	0.5	1.1	1.5	1.2	1.3
PER	x	13.5	6.3	4.8	5.9	5.5
EPS Growth	%	>100	>100	32.3	(19.7)	7.5
EBITDA per share	¢	1.2	1.7	2.0	2.1	2.1
EBITDA Multiple	x	5.7	4.2	3.6	3.4	3.4
EV/EBITDA	x	5.8	3.5	2.3	1.4	0.9
CFPS	¢	0.9	1.7	2.0	2.2	1.8
PCFR	x	7.9	4.3	3.5	3.2	4.0
DPS	¢	0.0	0.0	0.5	0.6	0.6
Yield	%	0.0	0.0	6.6	7.9	8.9
Franking	%	0.0	0.0	0.0	50.0%	100.0%
Payout Ratio	%	0.0	0.0%	62.5%	55.0%	55.0%
Gearing ND/E	%	1	na	na	na	na
Interest Cover	x	0.0	31.8	na	na	na
EBITDA Margin	%	20.7	25.1	26.5	27.7	27.7
EBIT Margin	%	14.2	17.2	19.3	20.7	21.6
Return On Assets	%	14.9	16.9	18.3	17.4	16.9
Return On Equity	%	17.9	27.6	28.1	20.1	19.5
Eff Tax rate	%	0.0	0.0	0.0	30.0	30.0

OTHER DATA						
Share Price	$/sh.	0.071	0.071	0.071	0.071	0.071
Number of shares	M	6334.1	6334.1	6029.1	6029.1	6029.1
Market Capitalisation	$M	449.7	449.7	428.1	428.1	428.1
EV	$M	451.1	379.1	272.4	180.2	119.9

Share Price	($)	0.071
Iss. Shares	(M)	6,110.8
Performance Rights	(M)	223.3
Mkt Cap.	($M)	433.9

RESERVES & RESOURCES		**CY25A**	**CY26F**	**CY27F**	**CY28F**	**CY29F**
Reserves						
Tonnes	Mt	71.5	64.8	57.8	50.8	43.8
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	108.2	101.5	94.5	87.5	80.5
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	6.20	6.75	7.00	7.00	7.00
Bauxite Sales (Shipped)	Mt	6.18	6.75	7.00	7.00	7.00
REVENUE (attributable)						
Bauxite Hills	$M	378.4	429.0	446.7	455.9	455.9
Other	$M	0.4	0.0	0.0	0.0	0.0
Total	$M	378.8	429.0	446.7	455.9	455.9
COSTS						
Site Costs	A$/WMT	28	24	24	24	24
Royalties	A$/WMT	8	8	8	8	8
Total Costs	A$/WMT	51	46	45	46	46
Total costs	$M	300.5	310.4	317.3	318.6	318.6
Corp / Other	$M	0.0	11.0	11.0	11.0	11.0
Total	$M	300.5	321.4	328.3	329.6	329.6
CAPEX						
Bauxite Hills	$M	10.8	11.9	9.0	9.0	9.0
Other	$M	0.0	0.0	0.0	0.0	0.0
Total	$M	10.8	11.9	9.0	9.0	9.0
DEPRECIATION						
Bauxite Hills	$M	24.5	34.0	32.3	32.1	27.7
Other	$M	0.0	0.0	0.0	0.0	0.0
Total	$M	24.5	34.0	32.3	32.1	27.7
EBITDA						
Bauxite Hills	$M	77.9	107.6	118.4	126.3	126.3
Other (incl. writedowns)	$M	0.4	0.0	0.0	0.0	0.0
Total	$M	78.3	107.6	118.4	126.3	126.3



ASSUMPTIONS						
Exchange Rate	A$/US$	0.64	0.66	0.67	0.67	0.67
Benchmark Price CIF	US$/DMT	70	58	59	60	60
Bauxite Price CIF	US$/DMT	63	51	52	53	53
Bauxite Price CIF	US$/WMT	55	45	46	47	47
Bauxite Price CIF	A$/WMT	85	68	68	70	70
Bauxite Price FOB	A$/WMT	71	54	53	55	55
Av Price Received	A$/WMT	61	64	64	65	0
EBITDA Margin	A$/WMT	13	16	17	18	18

VALUATION (fully diluted)	**A$M**	**A$ps**
Bauxite Hills Mine (NPV8)	$ 656.3	$ 0.104
Exploration	$ 25.0	$ 0.004
Corporate / Other	$ (73.8)	$ (0.012)
Net Cash (Debt) CY25	$ (1.4)	$ (0.000)
Total	**$ 606.1**	**$ 0.096**

Source: Petra Capital

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CY25 Result and Outlook

MMI reported EBITDA (Figure 1) of A$78.3M (vs Petra at A$65.2M) and adjusted net profit of A$33.4M (Petra A$29.7M). Net operational cashflow (after lease payments and interest costs) was A$56.6M (Petra A$58.2M). Full year CY26 guidance for bauxite sales is 6.6 - 7.1Mt with the final low priced legacy contract (175kt) to be delivered in the Jun. Q'26.

Figure 1: CY25 Result

	MMI CY24	MMI CY25	YoY % var	Petra CY25	% var
Revenue (A$M)	307.3	378.4	23%	391.9	-3%
Operating Costs (A$M)	264.9	300.5	13%	326.7	-8%
EBITDA (A$M)	21.8	78.3	260%	65.2	20%
EBIT (A$M)	22.8	53.9	136%	36.8	47%
Underlying Net Profit (A$M)	0.1	33.4	>100%	29.7	12%
Reported Profit / Loss (A$M)	-22.0	142.3	>100%	147.9	-4%
Net operational cashflow (A$M)	20.2	56.6	>100%	58.2	-3%
Bauxite shipped (WMT)	5.68	6.18	9%	6.18	0%
Cash at hand end Dec. (A$M)	31.2	57.5	84%	57.5	0%
Debt at end Dec. (A$M)	75.2	58.9	-22%	58.9	0%

Source: MMI, Petra Capital.

Summary of Changes

- We have cut our CY26 dividend to zero and modelled in the buyback assuming 305M shares are bought at 7c/share by the end of CY26.

Figure 2: Summary of Changes

		CY25A			CY26F			CY27F		
		New	Old	% var	New	Old	% var	New	Old	% var
Revenue	A$M	378.4	391.9	-3%	429.0	429.0	0%	446.7	446.7	0%
Operating Costs	A$M	300.5	326.7	-8%	321.4	321.4	0%	328.3	328.3	0%
EBITDA	A$M	78.3	65.2	20%	107.6	107.6	0%	118.4	118.4	0%
EBIT	A$M	53.9	36.8	47%	73.6	74.3	-1%	86.1	86.7	-1%
NPAT	A$M	33.4	29.7	12%	71.3	72.6	-2%	89.7	91.4	-2%
EPS	A$c/sh	0.5	0.5	12%	1.1	1.1	-2%	1.5	1.4	3%
DPS	A$c/sh	0.0	0.0		0.0	0.3	-100%	0.5	0.5	0%
Valuation	**A$M**	606	600	1.0%						
Price Target	**A$/sh**	0.096	0.095	1.0%						
Shares Fully Diluted	**M**	6334	6334	0.0%						
Bauxite Sales	Mt	6.18	6.18	0%	6.75	6.75	0%	7.0	7.0	0%
Benchmark Price CIF	US$/DMT	70	70	0%	58	58	0%	59	59	0%
MMI Price CIF	US$WMT	55	55	0%	45	45	0%	46	46	0%
AUD/USD	#	0.63	0.63	0%	0.66	0.66	0%	0.67	0.67	0%
Av Price Received	A$/WMT	61	63	-3%	64	64	0%	64	64	0%
AISC	A$/WMT	49	53	-8%	48	48	0%	47	47	0%
EBITDA Margin	A$/WMT	12.7	10.6	20%	15.9	15.9	0%	16.9	16.9	0%

Source: Company reports. Petra Capital.

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