31 July 2026

Metro Mining Limited (MMI) BUY Share Price: A$1.39

Balance sheet strengthens despite higher costs Target Price: A$1.89

MMI reported Jun. Q'26 shipments of 1.8Mt (+7% yoy) with site costs up 9% due to higher diesel costs and stripping. Despite the higher costs impacting margins, the balance sheet improved from net debt of A$43.6M at end of March to A$22.0m end of June. Bauxite prices have firmed from a low in March, with Sep. Q'26 CIF prices agreed US$4/DMT higher (+9% qoq) than Jun. Q'26. Production and cashflow is expected to increase this quarter based on our forecast of 2.5Mt sales. Full year CY26 guidance remains unchanged at 6.6-7.1Mt (Petra 6.6Mt). Retain BUY with PT of A$1.89/sh (prev. A$2.07/sh) after bauxite price, cost and FX revisions.

Jun. Q'26 and Outlook

- Net operational cashflow was $21.2M (after interest and lease payments) which is -50% vs Dec. Q'25.
- FOB margin reduced 11% ($5.2/t) from A$49.1/t (Dec. Q'25) to A$43.9/t due to lower prices and higher costs.
- Site costs rose 9% (A$2.7/t) to A$33.7/t primarily due to higher diesel costs and accelerated stripping.
- Higher freight and demurrage costs (in part due to cyclone Narelle) added another A$1.5/t.
- Cash at hand increased from A$9.6M (end March) to A$23.8M (end June) including A$5.3M received from reimbursement of a rehabilitation bond.
- Debt equates to A$45.8M (US$31.5M) after repayment of A$7.0M during the quarter.
- Sales are expected to rise this quarter as weather and tides improve, enabling higher shipping rates.

Bauxite Market

- Australian prices have improved marginally this year to ~US$58/t CIF DMT (Figure 2) in line with our forecast.
- Higher seaborne freight costs (+US$15/t) are impacting the higher cost Guinea producers which may provide bauxite pricing support as marginal ops reduce or close.
- MMI has locked in freight rates including fuel for ~80% of CIF sales for CY26 & CY27.
- Several trial cargos have been agreed with new customers looking to diversify away from Guinea.

Financial Summary

- Valuation – $1.89/share based on 1xP/NPV8.
- PE (CY26/27): 10.9x & 6.2x.
- EV/EBITDA (CY26/27): 6.4x & 3.1x.

Key Dates Ahead

- Ongoing debottlenecking studies & initiatives.
- Sept. '26 – Pricing negotiations for Dec. Q'26.

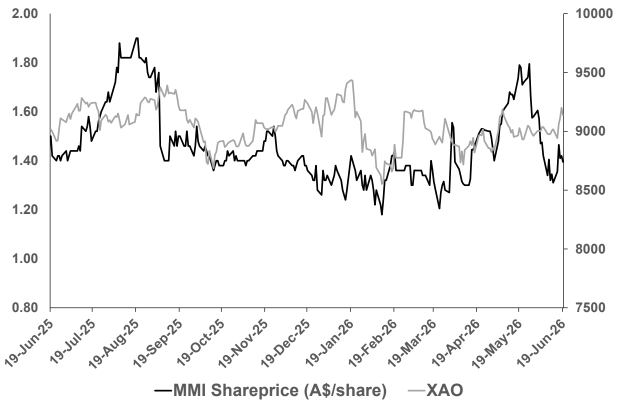
Company Data

Shares – ordinary (M)	308.2
Dilution (M)	14.2
Total (fully diluted) (M)	322.4
Market capitalisation ($M)	428.4
12 month low/high ($)	1.16 / 1.90
Average monthly turnover ($M)	30
GICS Industry	Metals & Mining

Financial Summary (fully diluted/normalised)

Year End Dec	CY25A	CY26F	CY27F	CY28F	CY29F
Revenue ($M)	378.8	400.4	433.8	442.7	442.7
Costs ($M)	300.5	335.7	331.6	332.9	332.9
EBITDA ($M)	78.3	64.7	102.2	109.8	109.8
NPAT (A$M)	33.4	41.3	68.7	57.0	62.6
EPS (cps)	0.5	12.8	22.4	18.6	20.4
EPS Growth (%)	>100	>100	74.7	-17.0	9.8
PER (x)	13.9	10.9	6.2	7.5	6.8
Cashflow (A$M)	56.6	61.5	104.0	116.3	94.8
CFPS (c/sh)	0.9	19.1	33.8	37.9	30.9
PCFPS	8.2	7.3	4.1	3.7	4.5
EV	465.8	416.7	319.4	237.3	181.2
EV/EBITDA	5.9	6.4	3.1	2.2	1.7
Payout ratio (%)	na	na	55%	55%	55%
DPS	0.0	0.0	6.2	8.2	9.7
Yield (%)	0.0	0.0	4.4	5.9	7.0
Franking (%)	0%	0%	0%	50%	100%

MMI – performance over one year



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PETRA CAPITAL

31 July 2026

Analysis

METRO MINING LIMITED (MMI)

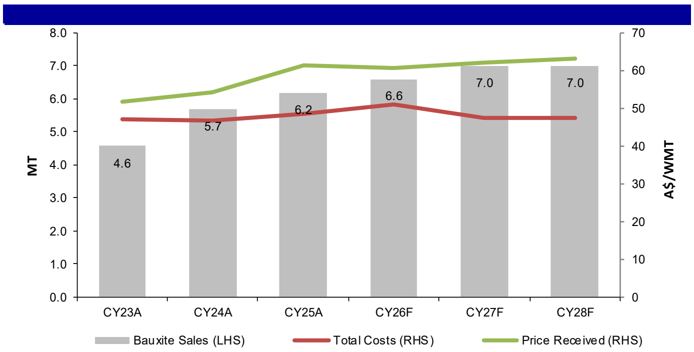
Share Price	($)	1.39
Iss. Shares	(M)	308.2
Performance Rights	(M)	14.2
Mkt Cap.	($M)	428.4

30-Jul-26

Year End Dec	A$					
PROFIT & LOSS		**CY25A**	**CY26F**	**CY27F**	**CY28F**	**CY29F**
Sales Revenue	$M	378.4	400.4	433.8	442.7	442.7
Other Income	$M	0.4	0.0	0.0	0.0	0.0
Operating Costs	$M	300.5	335.7	331.6	332.9	332.9
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**	**64.7**	**102.2**	**109.8**	**109.8**
Dep. & Amort.	$M	24.5	20.2	35.2	34.8	29.8
EBIT	**$M**	**53.9**	**44.4**	**66.9**	**75.0**	**80.0**
Net Interest	$M	20.5	3.1	(1.8)	(6.5)	(9.5)
Pre-Tax Profit	**$M**	**33.4**	**41.3**	**68.7**	**81.5**	**89.5**
Tax	$M	0.0	0.0	0.0	24.4	26.8
Minorities	$M	0.0	0.0	0.0	0.0	0.0
Net Profit	**$M**	**33.4**	**41.3**	**68.7**	**57.0**	**62.6**
Abnormal	$M	109.0	0.0	0.0	0.0	0.0
Reported Profit	**$M**	**142.3**	**41.3**	**68.7**	**57.0**	**62.6**
Dividends Paid	$M	0.0	0.0	18.9	25.1	29.8
Adjustments	$M	0.0	0.0	0.0	0.0	0.0
Retained Earnings	**$M**	**(112.1)**	**(70.8)**	**(21.0)**	**10.9**	**43.7**
CASH FLOW						
Revenue	$M	379.4	400.4	433.8	442.7	442.7
Costs	$M	(313.5)	(335.7)	(331.6)	(332.9)	(332.9)
Net Interest	$M	(9.3)	(3.1)	1.8	6.5	9.5
Tax Paid	$M	0.0	0.0	0.0	0.0	(24.4)
Gross Cash Flow	**$M**	**56.6**	**61.5**	**104.0**	**116.3**	**94.8**
Net Capex	$M	(10.8)	(12.6)	(9.0)	(9.0)	(9.0)
Exploration	$M	(0.9)	0.0	0.0	0.0	0.0
Dividends	$M	0.0	0.0	(18.9)	(25.1)	(29.8)
Other	$M	(10.5)	(16.0)	0.0	0.0	0.0
Free Cashflow	**$M**	**34.5**	**32.9**	**76.1**	**82.1**	**56.0**
Equity Issues	$M	0.0	0.0	0.0	0.0	0.0
Net Borrowings	$M	(15.2)	(30.2)	(28.7)	0.0	0.0
Net Investments	$M	(1.0)	0.0	0.0	0.0	0.0
Surplus Cash Flow	**$M**	**18.3**	**2.7**	**47.4**	**82.1**	**56.0**
BALANCE SHEET						
Cash	$M	57.5	60.2	107.6	189.8	245.8
Other Current	$M	32.1	60.1	65.1	66.4	66.4
Total Current	**$M**	**89.6**	**120.3**	**172.7**	**256.2**	**312.2**
Fixed Assets	$M	212.1	204.5	178.2	152.5	131.7
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	$M	57.0	73.1	73.1	73.1	73.1
Total NC Assets	**$M**	**271.8**	**280.1**	**253.9**	**228.1**	**207.3**
TOTAL ASSETS	**$M**	**361.4**	**400.4**	**426.6**	**484.3**	**519.5**
Total Debt	$M	58.9	28.7	0.0	0.0	0.0
Current Liab	$M	61.2	61.2	61.2	85.7	88.1
Non Current Liab	$M	54.4	82.3	87.3	88.6	88.6
TOTAL LIAB	**$M**	**174.5**	**172.2**	**148.6**	**174.4**	**176.8**
NET ASSETS	**$M**	**186.9**	**228.2**	**278.0**	**309.9**	**342.7**
SH/HLDRS FUNDS	**$M**	**186.9**	**228.2**	**278.0**	**309.9**	**342.7**
RATIO ANALYSIS						
EPS	¢	0.5	12.8	22.4	18.6	20.4
PER	x	13.9	10.9	6.2	7.5	6.8
EPS Growth	%	>100	>100	74.7	(17.0)	9.8
EBITDA per share	¢	1.3	20.1	33.3	35.7	35.7
EBITDA Multiple	x	5.9	6.9	4.2	3.9	3.9
EV/EBITDA	x	5.9	6.4	3.1	2.2	1.7
CFPS	¢	0.9	19.1	33.8	37.9	30.9
PCFR	x	8.2	7.3	4.1	3.7	4.5
DPS	¢	0.0	0.0	6.2	8.2	9.7
Yield	%	0.0	0.0	4.4	5.9	7.0
Franking	%	0.0	0.0	0.0	50.0%	100.0%
Payout Ratio	%	0.0	0.0%	55.0%	55.0%	55.0%
Gearing ND/E	%	1	na	na	na	na
Interest Cover	x	0.0	14.2	na	na	na
EBITDA Margin	%	20.7	16.1	23.6	24.8	24.8
EBIT Margin	%	14.2	11.1	15.4	16.9	18.1
Return On Assets	%	14.9	11.1	15.7	15.5	15.4
Return On Equity	%	17.9	18.1	24.7	18.4	18.3
Eff Tax rate	%	0.0	0.0	0.0	30.0	30.0

OTHER DATA						
Share Price	$/sh.	0.076	1.39	1.39	1.39	1.39
Number of shares	M	6110.8	322.4	307.2	307.2	307.2
Market Capitalisation	$M	464.4	448.2	427.0	427.0	427.0
EV	$M	465.8	416.7	319.4	237.3	181.2

RESERVES & RESOURCES		**CY25A**	**CY26F**	**CY27F**	**CY28F**	**CY29F**
Reserves						
Tonnes	Mt	69.6	63.0	56.0	49.0	42.0
Grade Al2O3	%	49.7	49.7	49.7	49.7	49.7
Grade SiO2	%	13.5	13.5	13.5	13.5	13.5
M & I Resources						
Tonnes	Mt	107.4	100.8	93.8	86.8	79.8
Grade Al2O3	%	48.6	48.6	48.6	48.6	48.6
Grade SiO2	%	14.4	14.4	14.4	14.4	14.4
PRODUCTION (100%)						
Bauxite Mined	Mt	6.20	6.60	7.00	7.00	7.00
Bauxite Sales (Shipped)	Mt	6.18	6.60	7.00	7.00	7.00
REVENUE (attributable)						
Bauxite Hills	$M	378.4	400.4	433.8	442.7	442.7
Other	$M	0.4	0.0	0.0	0.0	0.0
Total	$M	378.8	400.4	433.8	442.7	442.7
COSTS						
Site Costs	A$/WMT	28	28	25	25	25
Royalties	A$/WMT	8	7	8	8	8
Total Costs	A$/WMT	51	51	46	46	46
Total costs	$M	300.5	335.7	320.6	321.9	321.9
Corp / Other	$M	0.0	0.0	11.0	11.0	11.0
Total	$M	300.5	335.7	331.6	332.9	332.9
CAPEX						
Bauxite Hills	$M	10.8	12.6	9.0	9.0	9.0
Other	$M	0.0	0.0	0.0	0.0	0.0
Total	$M	10.8	12.6	9.0	9.0	9.0
DEPRECIATION						
Bauxite Hills	$M	24.5	20.2	35.2	34.8	29.8
Other	$M	0.0	0.0	0.0	0.0	0.0
Total	$M	24.5	20.2	35.2	34.8	29.8
EBITDA						
Bauxite Hills	$M	77.9	64.7	102.2	109.8	109.8
Other (incl. writedowns)	$M	0.4	0.0	0.0	0.0	0.0
Total	$M	78.3	64.7	102.2	109.8	109.8



ASSUMPTIONS						
Exchange Rate	A$/US$	0.64	0.67	0.69	0.69	0.69
Benchmark Price CIF	US$/DMT	70	57	59	60	60
Bauxite Price CIF	US$/DMT	63	50	52	53	53
Bauxite Price CIF	US$/WMT	55	44	46	47	47
Bauxite Price CIF	A$/WMT	85	66	66	68	68
Bauxite Price FOB	A$/WMT	71	50	52	53	53
Av Price Received	A$/WMT	61	61	62	63	63
EBITDA Margin	A$/WMT	13	10	15	16	16

VALUATION (fully diluted)	**A$M**	**A$ps**
Bauxite Hills Mine (NPV8)	$ 592.4	$ 1.93
Exploration	$ 25.0	$ 0.08
Corporate / Other	$ (68.7)	$ (0.22)
Net Cash (Debt)	$ 31.5	$ 0.10
Total	**$ 580.2**	**$ 1.89**

Source: Petra Capital

Jun Q'26

Weaker site EBITDA of A$4.4/WMT reflects the combined impact of lower bauxite pricing, higher freight cost impacts, and elevated site costs associated with diesel pricing and accelerated pre-strip activity. The stripping activity has positively impacted stockpiles with ~180kt of ore on site.

Figure 1: Quarterly production, costs and margins

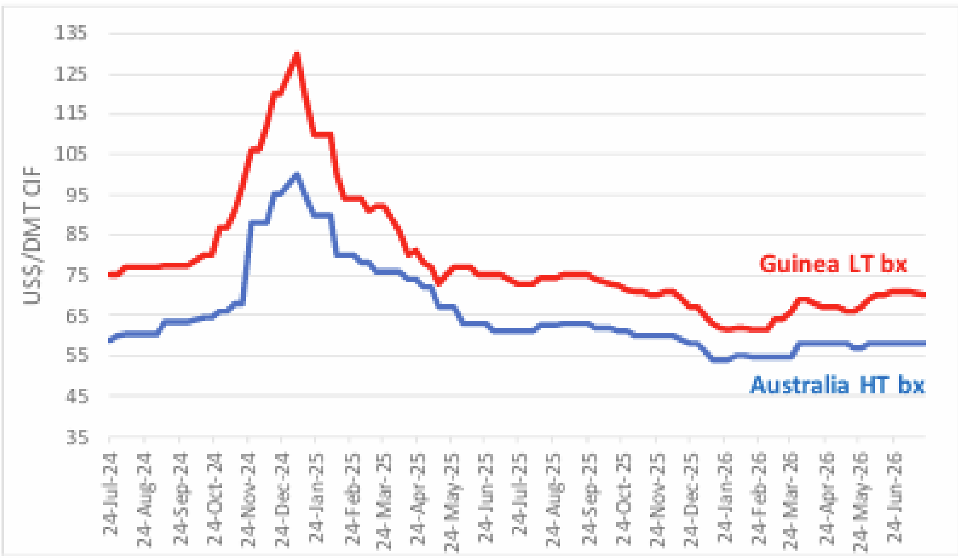
	Q2 2026 Apr – Jun	Q4 2025 Oct – Dec	Q2 2025 Apr – Jun
Production Results (WMT '000)			
Bauxite Mined	1,919	2,188	1,713
Bauxite Shipped	1,799	2,058	1,685
Unit Operating Results (A$ / WMT)			
CIF Pricing[1]	*63.2*	*73.7*	*81.3*
FOB Margin[2]	**43.9**	**49.1**	**71.9**
Less: Site Costs	(33.7)	(28.5)	(31.0)
Less: Royalties	(5.8)	(8.6)	(9.0)
Total Costs	**(39.5)**	**(37.1)**	**(40.0)**
Site EBITDA	**4.4**	**12.0**	**31.9**

Source: MMI. 1 - Average CIF pricing. 2 - Sales revenue for FOB and CIF less ocean freight costs.

Bauxite Market

Significant rises in fuel costs for shipping have resulted in global freight rates increasing significantly during the quarter. Capesize rates from West Africa averaged ~US$40 /DMT up from ~US$25 /DMT before the start of the Gulf conflict. This lifted Jun. Q'26 traded bauxite prices ~10% higher from the cyclical lows of February/March. However, bauxite prices have not risen in line with the freight rate rises due to excess bauxite stocks in ports in China and continuing low alumina prices. Further bauxite price rises are expected as high cost operations close in Guinea and stockpiles are worked through in China.

Figure 2: Traded Bauxite Price (US$/DMT CIF China)



Source: MMI, CM Group.

Summary of Changes

- We have reduced A$ bauxite prices by 3% CY26, -1% CY27, -1% long term.
- We have increased costs 4% CY26, +2% CY27, +2% long term.
- Updated share count (+1%).
- NPV has reduced 9% to A$1.89/share.

Figure 3: Summary of changes

		CY26F			CY27F			CY28F		
		New	**Old**	**% var**	**New**	**Old**	**% var**	**New**	**Old**	**% var**
Revenue	A$M	400.4	411.5	-3%	433.8	440.2	-1%	442.7	449.2	-1%
Operating Costs	A$M	335.7	322.4	4%	331.6	326.4	2%	332.9	327.7	2%
EBITDA	A$M	64.7	89.0	-27%	102.2	113.7	-10%	109.8	121.5	-10%
EBIT	A$M	44.4	55.0	-19%	66.9	81.1	-18%	75.0	89.2	-16%
NPAT	A$M	41.3	52.3	-21%	68.7	83.9	-18%	57.0	67.9	-16%
EPS	A$c/sh	12.8	16.4	-22%	22.4	27.6	-19%	18.6	22.3	-17%
DPS	A$c/sh	0.0	0.0	na	6.2	7.6	-19%	8.2	9.9	-18%
Valuation	**A$M**	580	629	-8%						
Price Target	**A$/sh**	1.89	2.07	-9%						
Shares Fully Diluted	**M**	322	319	1%						
Bauxite Sales	Mt	6.60	6.60	0%	7.0	7.0	0%	7.0	7.0	0%
Benchmark Price CIF	US$/DMT	57	57	0%	59	59	0%	60	60	0%
MMI Price CIF	US$WMT	50	50	0%	52	52	0%	53	53	0%
AUD/USD	#	0.67	0.67	0%	0.69	0.68	1%	0.69	0.68	1%
Av Price Received	A$/WMT	61	62	-3%	62	63	-1%	63	64	-1%
AISC	A$/WMT	51	49	4%	47	47	2%	48	47	2%
EBITDA Margin	A$/WMT	9.8	13.5	-27%	14.6	16.2	-10%	15.7	17.4	-10%

Source: Petra Capital.

Figure 4: Project Location

Source: MMI.

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