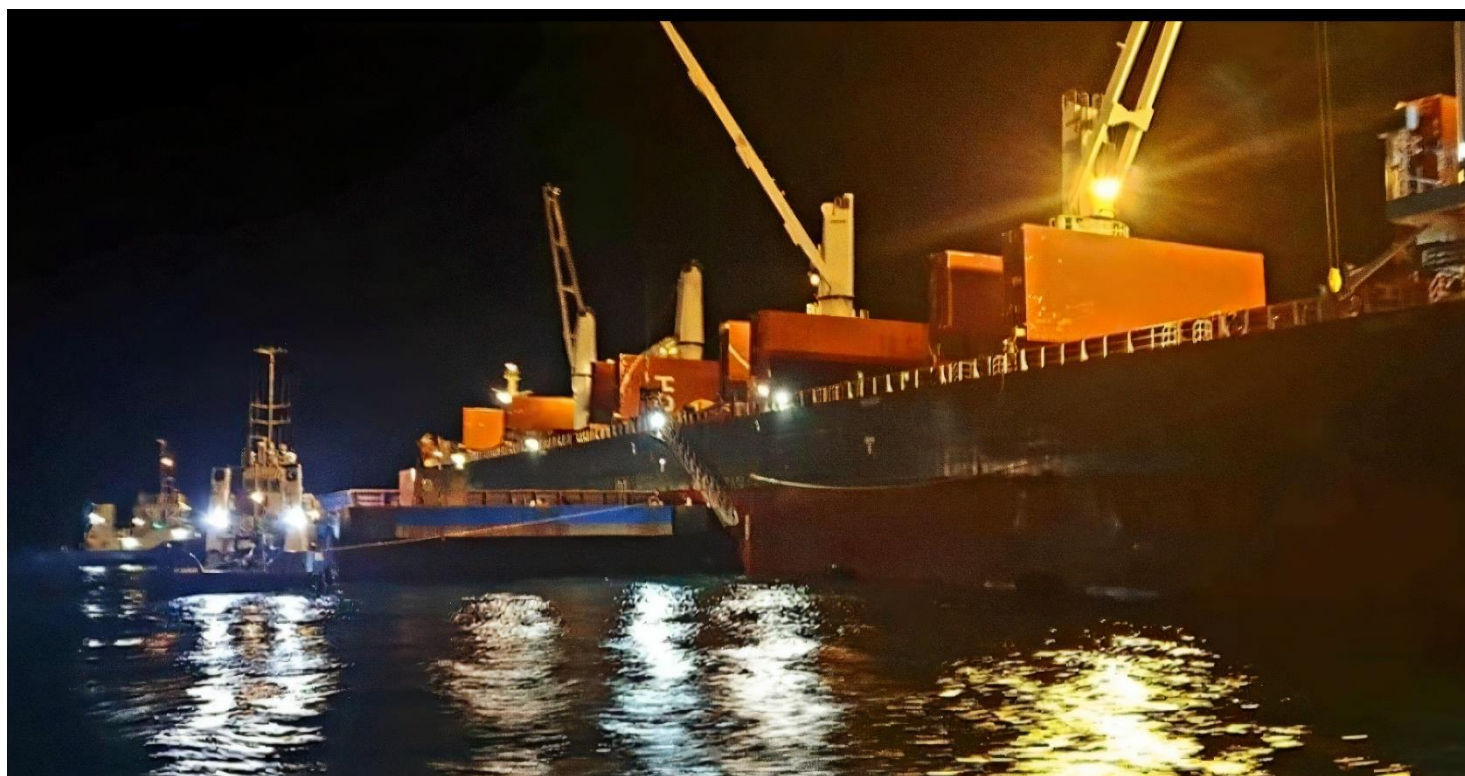


Q1 2021 Highlights

- The planned early wet season shut-down was successfully managed during September. Work at the Bauxite Hills Mine site in the current quarter focused on scheduled maintenance, mine planning and rehabilitation;
- Subsequent to quarter end, operations recommenced at the Bauxite Hills Mine site on April 14 with loading of the first ship commencing 24 April;
- Trading conditions across the aluminium supply chain in China remained stable over the quarter and signs are emerging of an improvement during 2021. This is likely to have a positive impact on bauxite demand and pricing during the 2H of 2021 and in 2022;
- Ocean freight costs remain and at historically high levels which will negatively impact on prices received;
- Approximately 2.3 million WMT of planned 2021 production will be sold under the offtake agreement in place with Xinfu;
- Assessment has begun on the existing kaolin resource at Skardon River to determine potential commercial uses, including the production of High Purity Alumina;
- Metro's available cash on hand and other receivables as at 31 March 2021 was \$15.7 Million;
- Metro continued to successfully operate within the established Policies and Procedures in response to COVID-19 at with zero cases recorded.



Bauxite Hills Operations

SAFETY PERFORMANCE

The first quarter at Bauxite Hills saw 12,378 workhours completed Lost Time Injury (LTI) free. This was mainly a non-operating period through the wet season, with a reduced on-site workforce completing upgrades and preventative maintenance tasks. Given wet season challenges this represented an excellent result from our staff and contract partners.

SITE BASED ACTIVITIES

The Bauxite Hills Mine planned 2021 wet season shutdown continued during the current quarter after operations ceased early in September 2020. As reported, the decision for an earlier than anticipated shut-down was made in response to the impact of COVID-19 on market conditions across the aluminum supply chain (particularly in China). During this period there was a negative impact on market demand and commodity prices.

Over the March Quarter, focus was on undertaking planned (and ongoing) maintenance of the mining and haulage fleet and fixed plant, rehabilitation across the site, bed levelling works and general activities to facilitate a smooth transition back to operations recommencing in April 2021.

During the Quarter, site staff operated in accordance with the scheduled wet season rotation. Recruitment of the employees required to recommence operations started during the quarter and has continued into April. Metro plans to directly employ over 120 people from Cape communities and the Cairns region at the mine with an additional 130 people to be employed by contractors who provide services to Metro.

Key Land-based Activities Undertaken During the Quarter included:

- Ongoing maintenance of haul roads and creek crossings. This activity accelerated towards the end of the quarter as the wet season winds down;
- Heavy maintenance of the prime movers and trailer sets;
- Ongoing maintenance of the camp and accommodation facilities;
- Mine planning for 2021 mining activities.

Results from rehabilitation completed during both 2019 and 2020 have proven to be highly successful with seed germination and plant growth in all areas exceeding expectations.

MARINE BASED ACTIVITIES

Annual bed levelling works were successfully completed, restoring channel depth to operating levels at the Skardon River mouth. The Transhipment Contractors began mobilizing to site late in the quarter in preparation for the April start-up of ship loading activities.

Bauxite Hills Operations

COVID-19 RESPONSE

Metro's response to COVID-19 was outlined in an ASX Release on 23 March 2020. However, COVID-19 continues to be a rapidly changing and disruptive influence on normal business practices and we continue to constantly monitor and update our procedures as required by Government regulations, Metro's Senior Executives, Health & Safety Professionals, HR and IT teams.

Some of the protocols introduced in response to the COVID pandemic have proven to be useful and will be retained as part of normal procedures.

BAUXITE HILLS MINE STAGE 2 EXPANSION

Metro's Stage 2 Expansion remains the core strategy for the long-term future of Bauxite Hills. The largest component of Stage 2 is the construction and mobilization of a Floating Terminal to Skardon River which will facilitate faster loading of larger ocean-going vessels.

Timing for the formal commitment to Stage 2 remains influenced by economic conditions across the aluminum supply chain in China and the resulting ability for Metro to secure long-term offtake agreements with customers. Metro will continue to monitor market conditions prior to taking the decision to formally proceed with the expansion.

During the quarter the capital budget of the Floating Terminal was refreshed. The A\$ costs of the project remained in line with previous estimates with increased US\$ steel costs being offset by a stronger A\$/US\$ exchange rate.

Debt financing remains in place through the previously announced offer of a Loan Facility from the Northern Australia Infrastructure Facility ("NAIF"). During the quarter the sunset date for Financial Close was extended to 30 September 2021.

SKARDON RIVER KAOLIN DEPOSIT

Sitting stratigraphically below the bauxite being mined by Metro Mining on the tenements at Skardon River is a significant kaolin resource which has previously been mined on a trial basis. Two separate kaolin types have commercial potential:

- claystone that contains no sand particles and therefore has good potential for direct shipping; and
- fluvial clay, which is a sandy clay that is whiter and (once the sand is removed) slightly finer grained than the claystone

The company is investigating the potential for the kaolin to be feedstock for High Purity Alumina (HPA) production. HPA is used in LED lights, LCD electronic displays and lithium batteries. These markets have been growing strongly in conjunction with the battery minerals market.

Limited chemistry and mineralogy analysis by previous parties indicate that both the fluvial clay and claystone have the potential to be used as a feedstock of HPA production, although this will require work to confirm its suitability.

Bauxite Hills Operations

Metro plans a work program during 2021 which will include the following:

- Bench scale testwork to confirm the ability to process the kaolin from Bauxite Hills into HPA;
- Chemical analyses at a metallurgical laboratory specializing in HPA characterization;
- The designing of a grid-based drill program to delineate the kaolin resource to JORC 2012 specifications if justified by the analytical test work, and;
- Marketing studies.

BAUXITE SALES

Approximately 2.3million WMT of planned 2021 production will be sold under the offtake agreement in place with Xinfa. Under this contract prices received are linked to an RMB denominated alumina price index.

Metro have been progressing further sales for 2021 deliveries along several fronts, with negotiations progressing, albeit slowly as the market recovers from its COVID driven malaise. These discussions are contemplating a pricing structure linked to the prevailing bauxite market price.

Additionally, Metro is negotiating a long-term contract that, if successfully finalised, will commence in 2022 and stretch over a 5-year period.

COVID travel restrictions have continued to impact Metro's bauxite marketing and sales program although the in-country marketing team have been able to visit customers and their refineries throughout China, from time to time. It appears that confidence is returning to the sector given:

- Aluminum and Alumina prices (in China) have stabilized. Aluminum prices have been quite strong over the last several months and alumina is now showing gradual signs of improvement.
- Price increases are now being achieved for the delivery of High Temperature bauxite to China (mostly produced from the Cape region in Queensland).
- Input costs for Chinese alumina refiners (in particular caustic soda prices) continue to trend lower. Higher silica bauxite ores such as Bauxite Hills material are improved, on a value in use basis, from lower caustic pricing.

During the quarter Ocean Freight costs increased sharply across all vessel classes; and in particular the vessels used by Metro (ie: Supramax and Ultramax sized vessels). This is resulting from a variety of factors including new and longer shipping routes caused by changing Chinese buying patterns, stronger commodity prices, limited new vessel builds during 2020 with the uncertainty of COVID, and heavy congestion at ports around the world; all these factors have reduced the capacity of the current fleet.

Ocean Freight costs remain volatile and remain at historically high levels. Given bauxite is normally priced on a CFR basis, this will negatively impact the net prices achieved by Metro, particularly in the short term, and hence reduce operating margins.

Bauxite Hills Operations

INDIGENOUS ENGAGEMENT

Indigenous engagement, along with wider community engagement, has focused on the restart of the Bauxite Hills mining operations.

Metro engaged with relevant Indigenous and community organisations to distribute information around the upcoming employment opportunities. Metro's Community Liaison Officers focused on assisting individuals from their communities to apply for any suitable positions.

The recommencement of mining operations and the re-employment of many local workers has been a positive focus for many of the smaller communities.

Metro has continued liaising with the Seven Rivers Aboriginal Corporation (SRAC) and Old Mapoon Aboriginal Corporation (OMAC) Representatives regarding the Liaison Committee meetings and working on developing the List of Issues and Facilitation details for the upcoming Ancillary Agreement (AA) and Cultural Heritage Management Agreement Reviews

Monthly community seed collection programs were discontinued over the wet season, and Metro will be seeking to restart the community seed collection program in the second quarter of 2021.



Bauxite Price Outlook

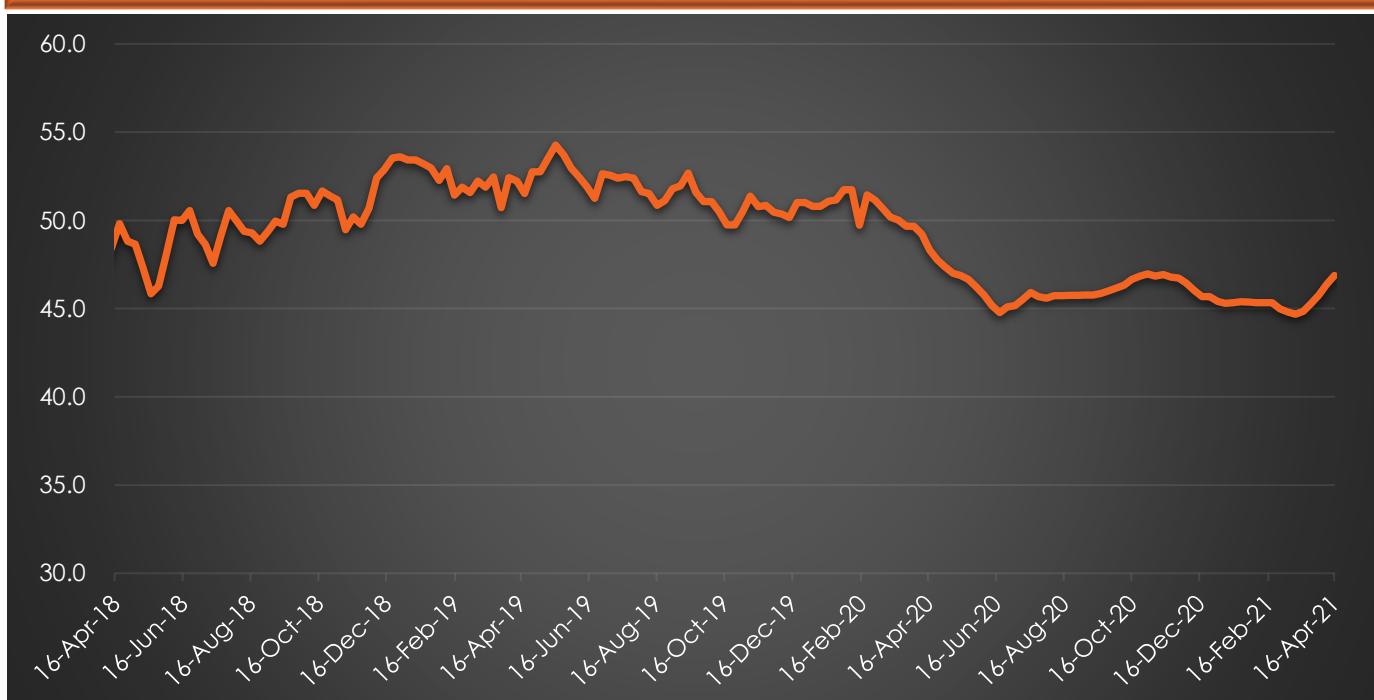
Trading conditions across the aluminium supply chain in China remained stable over the quarter and signs are emerging of an improvement during 2021. This is anticipated to have a positive impact on bauxite demand and pricing during the 2H of 2021 and in 2022. In contrast, HT prices have started to show price strength given limited new supply coming on stream, the recent strength in shipping rates and a reduction in refineries switching between HT and LT operations.

- Primary aluminium prices in China have reached multi-year highs, driven by several factors including falling inventories, stronger downstream demand, and supply disruptions as a result of environmental initiatives to curb emissions.
- The domestic alumina industry is still suffering from persistently low prices for several reasons. Seaborne alumina prices have been trading at discount to Chinese prices creating an arbitrage opportunity. Furthermore, with the key cost inputs (such as caustic soda and bauxite) trading at low levels aluminium smelters have pushed back on accepting alumina price increases.
- There has been a return to domestic bauxite supply shortages which has become an acute issue amongst inland refineries forcing local capacity closures in the absence of sufficient supply. These ore shortages will likely result in strengthening domestic prices.
- The increased freight rates are disrupting the trade for imported bauxite. Initially this was acute for ore from Indonesia and Australia (which predominately use handymax and supramax sized vessels) but later in the quarter this extended to Guinea as capesize rates rose sharply.
- Bauxite Imports into China remain strong, although there remains unsold Guinea product in China which continues to impact the market.

Imported bauxite prices CFR China, as measured by the CBIX Bauxite Index, have started to recover recently, albeit off the low levels which prevailed during the 2H of 2020. Price increases have started to occur both for High Temp (HT) and Low Temp (LT) product.

CBIX Bauxite Price Index US\$/DMT

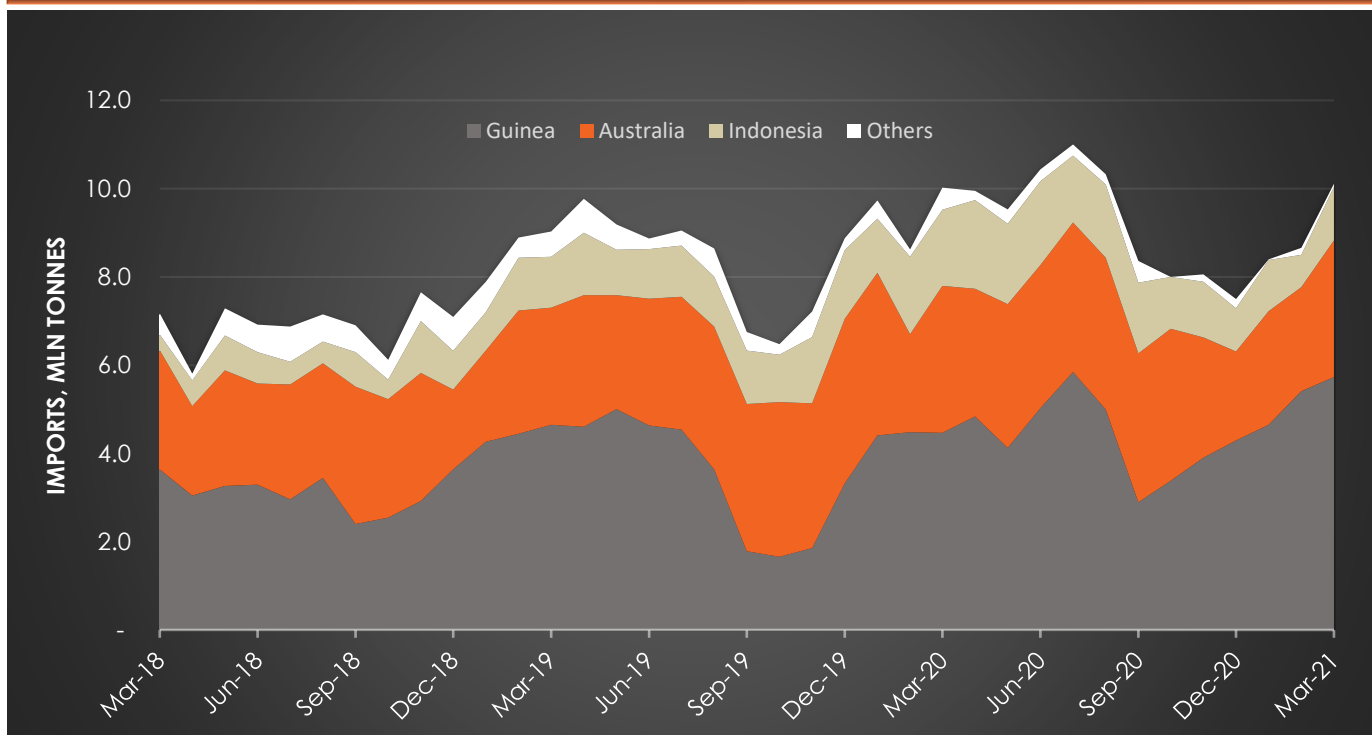
Source: CM Group



Bauxite Price Outlook

China Bauxite Imports by Major Country

Source: CM Group



Corporate

Cash Position: At the end of the quarter Metro's cash on hand and other receivables (including the GST refund) was A\$15.7Million (before trade creditors & other payables). This compares with the position at the end of December of A\$25.6Million reflecting the planned hiatus of operations and also revenue during the period.

Debt Facilities: As at the end of the current quarter, Metro had two fully drawn A\$ project debt facilities, totalling A\$35 Million (excluding accrued interest). During the quarter, Metro completed the restructure of the planned repayment schedules of these facilities with its senior lenders. This has resulted in the maturity being extended to September 2022 (for the A\$20m facility owed to Ingatatus) and January 2023 (for the A\$15M facility owed to Ingatatus and Lambhill).

Hedging: No forward sale, A\$/US\$ contracts were in place as at Quarter end. However, Metro is monitoring current market conditions and intends to enter into forward contracts in line with its approved policy



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This ASX Announcement has been authorised by, Metro Mining Director, Simon Finnis.

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Any securities described in this announcement have not been, and will not be, registered under the US Securities Act of 1933 (as amended) and may not be offered or sold in the United States except in transactions exempt from, or not subject to, registration under the US Securities Act and applicable US state securities laws.

Appendix 5B

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Name of entity

METRO MINING LIMITED

ABN

45 117 763 443

Quarter ended ("current quarter")

31 MARCH 2021

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (3 months) \$A'000
1.	Cash flows from operating activities		
1.1	Receipts from customers (Refer: Note A)	35	35
1.2	Payments for		
	(a) exploration & evaluation	-	-
	(b) development	-	-
	(c) production	(6,826)	(6,826)
	(d) staff costs (Refer: Note B)	(1,365)	(1,365)
	(e) administration and corporate costs	(415)	(415)
1.3	Dividends received	-	-
1.4	Interest received	12	12
1.5	Interest and other costs of finance paid (Refer to Item 3.9)	-	-
1.6	Income taxes paid	-	-
1.7	Government grants and tax incentives	-	-
1.8	Other (provide details if material)	25	25
1.9	Net cash from / (used in) operating activities	(8,534)	(8,534)

Note A: 'Receipts from customers' is only cash received and excludes amounts outstanding under letters of credit.

Note B: 'Staff costs' include both corporate and operational staff.

2.	Cash flows from investing activities		
2.1	Payments to acquire or for:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	(70)	(70)
	(d) exploration & evaluation	(23)	(23)
	(e) investments	-	-

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (3 months) \$A'000
	(f) other non-current assets	-	-
2.2	Proceeds from the disposal of:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	-	-
	(d) investments	-	-
	(e) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received	-	-
2.5	Other (provide details if material)		
	- Release of / (payment for) Financial Assurance	(49)	(49)
2.6	Net cash from / (used in) investing activities	(142)	(142)

3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	-
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	-	-
3.4	Transaction costs related to issues of equity securities or convertible debt securities	-	-
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	-	-
3.7	Transaction costs related to loans and borrowings	(13)	(13)
3.8	Dividends paid	-	-
3.9	Other (provide details if material)		
	- Interest Paid	(1,137)	(1,137)
	- Principal Elements of Lease Payments	(263)	(263)
	- Other	-	-
3.10	Net cash from / (used in) financing activities	(1,413)	(1,413)

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	25,447	25,447
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(8,534)	(8,534)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(142)	(142)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	(1,413)	(1,413)
4.5	Effect of movement in exchange rates on cash held	52	52
4.6	Cash and cash equivalents at end of period	15,410	15,410

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	15,410	25,447
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	15,410	25,447

6.	Payments to related parties of the entity and their associates	Current quarter \$A'000
6.1	Aggregate amount of payments to related parties and their associates included in item 1 (Refer: Note C)	7
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-
<i>Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments.</i>		

Note C: The aggregate amount of payments to related parties and their associates included in item 1 is payments made to Core Metallurgy Pty Ltd for metallurgical consulting services. All services were provided on an arm's length basis.

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

7.	Financing facilities	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
	<i>Note: the term "facility" includes all forms of financing arrangements available to the entity. Add notes as necessary for an understanding of the sources of finance available to the entity.</i>		
7.1	Loan facilities	35,000	35,000
7.2	Credit standby arrangements	-	-
7.3	Other (please specify)	-	-
7.4	Total financing facilities	35,000	35,000
7.5	Unused financing facilities available at quarter end		-
7.6	Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.		
	1. Ingatatus AG Pty Ltd. \$20M. 12%. 1 September 2022. Secured. 2. Ingatatus AG Pty Ltd. \$7.5M. 9%. 1 January 2023. Secured. 3. Lambhill Pty Ltd. \$7.5M. 9%, 1 January 2023. Secured.		

8.	Estimated cash available for future operating activities	\$A'000
8.1	Net cash from / (used in) operating activities (item 1.9)	(8,534)
8.2	(Payments for exploration & evaluation classified as investing activities) (item 2.1(d))	(23)
8.3	Total relevant outgoings (item 8.1 + item 8.2)	(8,557)
8.4	Cash and cash equivalents at quarter end (item 4.6)	15,410
8.5	Unused finance facilities available at quarter end (item 7.5)	-
8.6	Total available funding (item 8.4 + item 8.5)	15,410
8.7	Estimated quarters of funding available (item 8.6 divided by item 8.3)	1.80
	<i>Note: if the entity has reported positive relevant outgoings (ie a net cash inflow) in item 8.3, answer item 8.7 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.7.</i>	
8.8	If item 8.7 is less than 2 quarters, please provide answers to the following questions:	
	8.8.1 Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?	
	Answer: The Company did not operate the Bauxite Hills Mine during the March quarter given the planned wet season shut down. However, shipments of bauxite recommenced in April 2021 and there is a target to mine and ship 4.0Mt between April and December. Income generated by bauxite sales will positively impact the net operating cash flow position over the June and subsequent quarters of 2021.	
	8.8.2 Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?	
	Answer: Refer to 8.8.1.	

8.8.3 Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?

Answer: As outlined in the most recent Full Year Statutory Accounts, in the opinion of the Board of Directors, the company will be able to continue its operations and meet its business objectives:

- The company has 2.3Mt of planned 2021 production under contract. The bauxite price outlook is improving which, if sustained, should in turn improve forecast cash flows from operations. However, ocean freight rates are currently in an historically high range and will adversely impact cash flows from operations.
- The company has been actively pursuing additional offtake opportunities in China and other markets. Whilst no additional offtake agreements have recently been entered into, the company remains positive that agreements will be secured to support planned 2021 production.
- The company retains the option to raise additional equity funding if required.
- The company continues to have the support of its major debt financiers.
- The company initiated a range of cost reduction strategies both at its Bauxite Hills mine and at the corporate level during the extended wet season shut down. This reduced operational and administrative expenditure. Expenditure continues to be closely monitored in line with the company's available cash resources.

Note: where item 8.7 is less than 2 quarters, all of questions 8.8.1, 8.8.2 and 8.8.3 above must be answered.

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Date: **xx April 2021**

Authorised by: **BY THE BOARD**
(Name of body or officer authorising release – see note 4)

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – eg Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.