

25 June 2021

EQUITY RAISING OF UP TO \$25.5M TO STRENGTHEN METRO BALANCE SHEET

Highlights

- Equity Raising of up to A\$25.5 million comprising a A\$3.3 million placement and a pro-rata accelerated non-renounceable entitlement offer to raise A\$22.2 million
- Equity Raising proceeds will provide Metro with working capital to strengthen its balance sheet until the NAIF funding decision and Metro FID for Stage 2 Expansion
- Metro's largest shareholder, Greenstone (19.67% interest) has committed to take up its proportionate interest in the Equity Raising, representing a total commitment of up to A\$5 million
- Senior secured lender of Metro, Lambhill Pty Ltd, has confirmed its intention to take up its entitlement in full
- Metro's supportive senior secured lenders have deferred debt repayments by up to 21 months until 2023 / 2024
- Two sales contracts recently signed with foundation customer Xinfu Group and two sales contracts with other customers in the latter stages of negotiation
- NAIF credit refresh program underway with the NAIF funding decision and Metro FID for Stage 2 Expansion targeted by September / October 2021
- Strengthened Board and management team with deep industry experience, and orderly transition of the Managing Director and Chief Executive Officer underway

Metro Mining Limited (ASX: MMI) (**Metro**) is pleased to announce the launch of a A\$25.5 million equity raising (**Equity Raising**), comprising a:

- placement to raise A\$3.3 million utilising Metro's ASX Listing Rule 7.1 placement capacity (**Placement**); and
- a 1 for 1 pro-rata accelerated non-renounceable entitlement offer to raise up to A\$22.2 million (**Entitlement Offer**).

A condition of the Equity Raising is a minimum raising of \$10 million under the Placement and the accelerated institutional component of the Entitlement Offer (**Minimum Raise**).

Up to 1,598.6 million new fully paid ordinary shares (**Metro Shares**) in Metro (**New Shares**) will be issued

pursuant to the Equity Raising. The Equity Raising is not underwritten.¹

All New Shares under the Equity Raising will be issued at an offer price of A\$0.016 per New Share (**Offer Price**). The Offer Price for the Equity Raising represents:

- a 25.86% discount to TERP of A\$0.022 (assuming the Placement is fully subscribed and there is full take up of the Entitlement Offer);
- a 42.86% discount to the last closing price of Metro Shares on 24 May 2021 of A\$0.028; and
- a 63.88% discount to the 30-day VWAP of Metro Shares on ASX of A\$0.044.

The proceeds from the Equity Raising are intended to provide funding for working capital to strengthen Metro's balance sheet until the NAIF funding decision and Metro FID for Stage 2 Expansion. Funding in excess of the Minimum Raise will defray equity requirements for the business until the commissioning of Stage 2 Expansion and potential operating losses beyond CY 2021.

Metro's largest shareholder, Greenstone (19.67% interest), is supportive and has committed to take up its proportionate interest in the Placement and its entitlement under the Entitlement Offer in full (an investment of up to A\$5 million).

Metro's senior secured lenders have agreed a package of deferred debt repayments, as announced on 21 June 2021. Senior secured lender, Lambhill Pty Ltd, has confirmed its intention to take up its entitlement under the Institutional Entitlement Offer in full.

New Shares issued under the Placement will not be entitled to participate in the Entitlement Offer. Each New Share issued under the Equity Raising will, from its issue date, rank equally with existing Metro Shares on issue.

Entitlement Offer details

Eligible institutional investors will be invited to participate in the accelerated institutional component of the Entitlement Offer (**Institutional Entitlement Offer**), which is expected to close on Friday, 25 June 2021.

The retail component of the Entitlement Offer (**Retail Entitlement Offer**) will be open from Thursday, 1 July 2021 to 5.00pm (Sydney time) on Thursday, 15 July 2021 to eligible retail shareholders on the record date, being Tuesday, 29 June at 7.00pm (Sydney time) (**Record Date**) (unless extended by the Board).

Participation in the Entitlement Offer will be open to Metro shareholders who are registered holders of Metro Shares on the Record Date and who have a registered address in Australia, New Zealand, or the United Kingdom, and to investors in other jurisdictions who Metro determines are eligible to participate, subject to restrictions under and in accordance with applicable securities laws (**Eligible Shareholders**).

The Retail Entitlement Offer will include an uncapped top-up facility under which Eligible Shareholders who take up their entitlement in full under the Retail Entitlement Offer will be invited to apply for additional New Shares not taken up by the Closing Date. There is no guarantee that applicants under this top-up facility will receive all or any of the additional New Shares that they apply for under the top-up facility.

The Entitlement Offer is non-renounceable and entitlements will not be tradeable on ASX or otherwise transferable. Eligible Shareholders who do not take up their entitlements will not receive any value for those entitlements that they do not take up. Shareholders who are not eligible to receive entitlements will not receive any value for the entitlements they would have received had they been eligible.

¹ The Entitlement Offer is not underwritten at this stage, however, Metro reserves the right to appoint an underwriter and/or allocate the shortfall to other investors or Eligible Shareholders that apply for additional Shortfall securities, at the Directors discretion.

Further information in relation to the Retail Entitlement Offer will be sent to Eligible Shareholders in the form of a Prospectus (**Prospectus**) and accompanying personalised entitlement and acceptance form, which are expected to be dispatched on Thursday, 1 July 2021. A copy of the Prospectus will be made available on ASX's website on Monday, 28 June 2021.

Key dates

An indicative timetable of key dates in relation to the Equity Raising is set out below.

Activity	Indicative date
Announcement of Equity Raising	Friday, 24 June 2021
Placement and Institutional Entitlement Offer bookbuild	Friday, 25 June 2021
Announcement of results of Placement and Institutional Entitlement Offer, and release of Prospectus	Monday, 28 June 2021
Trading in Metro Shares recommences on an ex-entitlement basis	Monday, 28 June 2021
Record Date for Entitlement Offer	Tuesday, 29 June 2021 (at 7.00pm (Sydney time))
Prospectus despatched	Thursday, 1 July 2021
Retail Entitlement Offer opens	Thursday, 1 July 2021
Settlement of Placement and Institutional Entitlement Offer	Monday, 5 July 2021
Allotment and trading of New Shares issued under the Placement and the Institutional Entitlement Offer	Tuesday, 6 July 2021
Retail Entitlement Offer closes	Tuesday, 15 July 2021 (at 5.00pm (Sydney time))
Announcement of results of Retail Entitlement Offer	Tuesday, 20 July 2021
Settlement of Retail Entitlement Offer	Wednesday, 21 July 2021
Allotment of New Shares under the Retail Entitlement Offer	Wednesday, 28 July 2021
Trading of New Shares issued under the Retail Entitlement Offer	Thursday, 29 July 2021

All dates are indicative only and subject to change. Metro reserves the right to withdraw the Equity Raising or vary the above timetable without notice.

Baker McKenzie is acting as Metro's legal advisers on the Equity Raising.

Further information

Should you have any queries in relation to the Equity Raising, please contact Metro on +61 7 3009 8000 on weekdays between 9.00am and 4.00pm (Brisbane time) or alternatively by email to info@metromining.com.au. For information about participation in the Placement or Institutional Entitlement Offer, email Simon Finnis: SFinnis@metromining.com.au. Alternatively, contact your stockbroker, solicitor, accountant or other professional adviser.

Important information

This announcement does not constitute an offer to sell, or a solicitation of an offer to buy, securities in the United States, or in any other jurisdiction in which such an offer would be illegal. The securities referred to in this announcement have not been and will not be registered under the US Securities Act of 1933 (**US Securities Act**), or under the securities laws of any state or other jurisdiction of the United States and may not be offered or sold, directly or indirectly, to any person in the United States or any person acting for the account or benefit of a person in the United States, unless the securities have been registered under the US Securities Act or are offered or sold pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the US Securities Act and any applicable US state securities laws.

This announcement may not be distributed or released in the United States.

This announcement contains certain 'forward-looking statements' within the meaning of the securities laws of applicable jurisdictions. Forward-looking statements can generally be identified by the use of forward-looking words such as 'may,' 'should,' 'expect,' 'anticipate,' 'estimate,' 'scheduled' or 'continue' or the negative version of them or comparable terminology. Any forecasts or other forward looking statements contained in this announcement are subject to known and unknown risks and uncertainties and may involve significant elements of subjective judgment and assumptions as to future events which may or may not be correct. There are usually differences between forecast and actual results because events and actual circumstances frequently do not occur as forecast and these differences may be material. Metro does not give any representation, assurance or guarantee that the occurrence of the events expressed or implied in any forward-looking statements in this announcement will actually occur and you are cautioned not to place undue reliance on forward-looking statements.



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This ASX Announcement has been authorised by Metro's board of directors.