

Metro Mining Funds Bauxite Hills Expansion to 7 million tonnes per annum with a A\$45 million facility from Nebari Partners LLC

- Binding and definitive documents for a Financing Facility of up to US\$30M (A\$45.5M at current exchange rate) have been executed by Metro and Nebari
- The funds are payable in two tranches over the next six months and provides Metro with funds to execute the remaining elements of its 7M wet metric tonnes per annum (WMT pa) capacity expansion through the acquisition of a second floating crane barge and screen expansion
- The funds de-risk contracted offtake of 4.5 to 5.0M WMT in 2023 and 6.0 to 7.0M WMT in 2024, underpinned by contracted freight in a firming price environment
- The Financing Facility is structured to provide optionality in the short-term and provides Metro with flexibility regarding future financing options
- Current shareholder lenders defer principal payments by 12 months to mid-2024
- The transaction minimises dilution and maximises value per share for shareholders compared to a dilutive equity raise, offering an NPV/share of ~A\$0.068¹ versus ~A\$0.041² if Metro had raised A\$45M as equity

Metro Mining Limited (ASX: MMI) (**Metro** or the **Company**) announces that it has entered into a facility agreement with Nebari Natural Resources Credit Fund I, LP and Nebari Natural Resources Credit Fund II, LP (collectively, **Nebari**), for a Financing Facility of up to US\$30 million (**Financing Facility**). Proceeds from the Financing Facility allow funding of the expansion of the Company's 100% owned and operating Bauxite Hills Mine in Western Cape York, Queensland.

A drawdown notice has been submitted for US\$20M (~A\$30M), with a further US\$10M (~A\$15M) available subject to meeting certain conditions precedent. There are no principal repayments for the first 24 months, and Metro has an option to capitalise the first 6 months of interest payments. The maturity date is 4 years from initial draw. The Financing Facility has been structured to maximise flexibility around future financing options, including provisions for entire early repayment and partial prepayment, accommodation of a *pari passu* senior ranking with a Northern Australia Infrastructure Fund (**NAIF**) facility, and an allowance for future royalties. The material terms of the Financing Facility are shown in Appendix 1.

The current shareholder lenders, Inगतatus AG Pty Ltd (**Inगतatus**) and Lambhill Pty Limited (**Lambhill**), holding A\$35M of secured debt, are supportive of the Financing Facility and have agreed to subordinate to Nebari and defer principal repayments by 12 months. The revised terms of these loans are shown in Appendix 2.

The Company continues to work with NAIF on potential funding. Given the significant public benefit and indigenous employment of Metro's Bauxite Hills Mine, the Company believes that NAIF is a good fit for a partner and hopes that it can conclude an agreement in due course.

As announced in Metro's ASX release dated 7 March 2023, significant elements of the 7.0M WMT pa expansion flow sheet are either already complete or progressing. This funding now provides surety to commit to the two remaining elements of the expansion. Metro is finalising project engineering and procurement for the second floating crane barge and enhanced screen solution and expects to be able to announce Final Investment Decision within 1 month, including the updated capital and expansion economics. Table 1 shows the expected evolution of the various elements of the flowsheet.

¹ Definitive Feasibility Study Unlevered NPV(10%) of US\$372m per 29 June 2022 news release, less NPV(10%) of cash flows associated with the first tranche of the Financing Facility and repayment of Inगतatus and Lambhill, divided by fully diluted Metro shares outstanding (4,032m fully paid ordinary shares plus warrants of 421m issued to Nebari and 55m issued to the shareholder lenders in connection with drawdown of the first tranche of the Financing Facility).

² Definitive Feasibility Study Unlevered NPV(10%) of US\$372m per 29 June 2022 news release, less NPV(10%) of cash flows associated with repayment of Inगतatus and Lambhill, plus A\$45m cash from an equity raising, divided by fully diluted Metro shares outstanding (4,032m fully paid ordinary shares currently outstanding plus 4,887m new fully paid ordinary shares assuming A\$45m raised at the current 10 day VWAP of fully paid ordinary shares in Metro).

Table 1

BMH Flow Sheet Capacity (mt/a)	Q4 '22	Q2 '23	Q3 '23	Q4 '23	Q2 '24
Mining Equipment	7	7	7	7	7
Prime Movers	4	5	7	7	7
Trailers	4	5	6	7	7
Screens	4	5	5	5	7
Barge Loading Facility	4	7	7	7	7
Tugs / Barges	4	4	6	6	7
Transshipping (FCB)	4	4	4*	4*	7

* Additional geared ships can be loaded in parallel with FCB1

Simon Wensley, CEO & Managing Director of Metro, stated: "We are extremely pleased to announce this financing package following a competitive selection process. It is a testament to the strong fundamentals of the Bauxite Hills Mine expansion, positions Metro to deliver greater volumes of bauxite to its customers at a time of rising bauxite prices, protects shareholder value, and offers future flexibility. We are pleased to welcome Nebari as our senior lender, having worked through an extensive due diligence process. I thank our shareholder lenders, Jim Gorman at Ingatatus and Greg Willims at Lambhill, who have supported the project at every turn for a long period. I am pleased that the existing and new lenders share our view of the future value of the Bauxite Hills Mine operation".

Andre Krol, Managing Partner of Nebari, stated: "We are extremely excited to partner with Metro as they pursue this margin and value accretive expansion of Bauxite Hills. The experience and professionalism of the Metro team are impressive and we are confident they will deliver on their targets."

Cuffield Freeman & Co and Ashurst acted as financial and legal advisors respectively to Metro in relation to the Financing Facility.

About Bauxite and Metro Mining

Bauxite is the ore used to make aluminium, a critical and strong growth metal in the energy transition. Metro Mining is an independent bauxite producer and explorer, with its 100% owned Bauxite Hills Mine operating on the Weipa bauxite plateau approx. 95 km North of Weipa town, near the coast on the Skardon River. Metro produces a high alumina bauxite shipping direct to customers in very large ore carriers. Metro recognises and has productive agreements with the traditional owners of the land on which it operates and is proud of its high percentage of indigenous employees and the economic impact it has in Cape York and Far North Queensland.

About Nebari

Nebari is a US-based investment manager specialising in privately offered pooled investment vehicles including Nebari Natural Resources Credit Fund I, LP and Nebari Natural Resources Credit Fund II, LP which are funding the Financing Facility to Metro. The Nebari leadership team has deep experience with leading global mining companies and financial institutions and is known for partnering with motivated and capable management teams focused on achieving clear plan targets.

Appendix 1: Nebari Financing Facility

- US\$30 million senior secured term loan. US\$20M available on closing. Additional US\$10M available for drawdown by 30 November 2023, subject to meeting certain conditions precedent including receipt by Nebari of a satisfactory updated cashflow forecast and obtaining approval from its Investment Committee for the further drawdown.
- Interest rate of SOFR (subject to a minimum of 3%) plus a margin of 9%, payable monthly. Metro has the option to capitalise the first 6 months of interest payments.
- Upfront fee of 1.0% payable on closing, plus an original issue discount on each drawdown of 4.0% which is capitalised to principal and amortised over the repayment period.
- Principal repayment holiday for 2 years, followed by 25 equal monthly repayments each of 4.0% of principal, accrued interest, and the capitalised original issue discount (48 month term in total).
- Flexibility to accommodate a pari-passu ranking NAIF Facility, subject to agreement of acceptable intercreditor terms, provided Nebari's debt at the time is no greater than US\$10M.
- Prepayment in part or full at any time. No attaching royalty, offtake-tied, or production linked payment instruments.
- Nebari will receive 421 million warrants on drawdown of the US\$20M and, if the US\$10M tranche is drawn, a number of warrants equal to the Australian dollar equivalent of US\$1.67M divided by a share price equal to a 30% premium to the then 10 day VWAP.
- The warrants will have a strike price equal to a 30% premium to the 10 day VWAP prior to issuance and expire after 36 months.

Appendix 2: Revised Terms for Inगतatus and Lambhill

	Inगतatus 1 (\$20M)	Inगतatus 2 (\$7.5M)	Lambhill (\$7.5M)
Principal	1 Jun 2024: A\$6.67M	1 Jun 2024: A\$2.50M	1 Jul 2024: A\$2.50M
	1 Sep 2024: A\$6.67M	1 Sep 2024: A\$2.50M	1 Oct 2024: A\$2.50M
	1 Dec 2024: A\$6.66M	1 Dec 2024: A\$2.50M	1 Aug 2025: A\$2.50M
Interest	No change	Increase from 9% to 12% from June 2023	Increase from 9% to 12% from July 2023

- Inगतatus and Lambhill will also receive warrants on the same terms as those to be issued to Nebari in an amount sufficient to retain their respective percentage holdings in the Company as at 31 January 2023, which will only be exercisable subject to Nebari exercising some or all of its warrants. On completion of the first tranche of the Financing Facility, Inगतatus and Lambhill will be issued 55 million warrants in total.



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

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