

# Metro Mining Ltd

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## Metro Mining continues preparations for stage two expansion of Bauxite Hills Mine

Metro Mining Ltd (ASX: MMI) had a successful year of production at its Bauxite Hills mine in Far North Queensland in 2019 and is in a strong financial position to continue work in 2020 on an expansion project.

During the December quarter work continued on detailed engineering and design work for the stage two expansion with the aim of an annual operating production rate of 6 million wet metric tonnes (wmt) by 2021.

At the end of the quarter, tenders had been received for all major work packages and project costs remain in line with DFS estimates.

The final board decision will follow completion of the detailed engineering and design work.

### Expansion funding

Metro has announced changes to its debt facilities and funding plans for the expansion, receiving an offer of a loan facility from the Northern Australia Infrastructure Facility (NAIF).

The facility is for up to \$47.5 million provided through a loan for up to nine years and is to be used for the construction and mobilisation of a floating terminal at Skardon River.

This floating terminal will be the main component of stage two comprising around 85% of the total estimated capital costs.

Rocktree Consulting is the EPCM consultant for the floating terminal and is tendering for the long lead time items for the expansion.

Metro and NAIF will continue to work together to finalise documentation and satisfy customary conditions precedent to drawdown including all Government approvals in relation to the financing.

### New debt facilities

During the quarter Metro made an early repayment of the existing Sprott Private Resource Lending facility totalling US\$9.65 million plus accrued interest.

Metro has also entered into new loan facilities totalling \$15 million with existing lender Inगतatus AG (\$7.5 million) and, new lender, Lambhill Pty Ltd (\$7.5 million).

This is part of finalising the debt funding package of the stage two expansion at Bauxite Hills in conjunction with the offer of the NAIF loan.

**Price:** 0.1

**Market Cap:** \$138.89 m

### 1 Year Share Price Graph



### Share Information

**Code:** MMI

**Listing:** ASX

**52 week High Low**  
0.17 0.075

**Sector:** General mining & base metals

**Website:** www.metromining.com.au

### Company Synopsis:

Metro Mining Ltd's (ASX:MMI) flagship project is the Bauxite Hills Mine within the internationally acclaimed Weipa Bauxite Region.

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The facility will enable the NAIF loan to be senior secured first ranking with three equal repayments due on July 1, 2021, September 30, 2021 and January 1, 2022.

#### Finances leading into 2020

For the quarter, Metro sales revenue (net) was \$69.3 million and site EBITDA was \$12.6 million, with the average price received of \$55.27/wet metric tonne with an average margin of \$10.03 per wmt.

All production during the December quarter 2019 was sold and shipped to Chinese customers and deliveries were within contractual specifications, including around 2.3 million wmt sold under the long-term offtake to Xinfra.

Under this contract prices received were linked to an RMB denominated alumina price index whilst pricing of the remaining 2019 product sales was linked to the prevailing spot market price.

For the 2019 financial year sales revenue was \$196.7 million with an average operating margin of \$12.57/wmt.

Metro's available cash on hand and receivables at December 31, 2019, was \$39.9 million, down compared to \$43.5 million at the end of the September 2019 quarter.

This was due to lower outstanding creditors with operations moving to care and maintenance owing to the onset of the wet season, and debt repayments made to Sprott prior to the refinancing.

In addition, Metro holds \$7.1 million of restricted cash, comprising financial assurance bonds and other security deposits.

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