

12 November 2019

NAIF loan for floating terminal in Cape York jobs boost

The Northern Australia Infrastructure Facility (NAIF) today announced an Investment Decision to offer a loan of up to \$47.5m for the expansion of a Cape York bauxite project, supporting economic and social development in Far North Queensland.

In what is NAIF's first loan for the Cape, Metro Mining Limited will construct and mobilise a floating terminal as part of its Bauxite Hill's Mine Stage 2 Expansion Project, near Weipa.

The new infrastructure, situated at Skardon River, will allow the company to load larger vessels and is part of a plan to expand to 6 million wet metric tonnes per annum by 2021.

Bauxite is aluminium-rich ore that is used for aluminium production and for production of refractory materials, chemicals or cements.

A total of 60 new jobs are forecast to be created as part of the project, taking the workforce at the mine to more than 300. Nearly 40 per cent of the workforce are currently Indigenous and further roles are expected to be created. A total of \$510m in public benefit has been forecast to be generated over the mine life to 2037.

The loan by NAIF is the first in the Cape York region. NAIF's loans to Queensland projects now stand at \$850m across six projects with more than 1000 construction and operational jobs to be created across the state through these projects.

Ms Amanda Copping, NAIF Acting CEO, said: "This commitment to Metro Mining Limited is further demonstration that NAIF funding is supporting economic and social development in Northern Australia particularly Queensland. Metro has an established track record of providing employment opportunities in the Cape York region. We are pleased that this support from NAIF will assist the company in its long-term expansion plans with a project that will generate over \$500 million in public benefit and create jobs in the Cape."

NAIF's Investment Decision is subject to the Minister for Northern Australia's legislative consideration period. NAIF's financial assistance to the Project is also subject to a number of conditions including the finalisation of the Queensland Government's consideration of the project and its agreement for the approved funds to be advanced.

About the Project

Metro's Bauxite Hills Mine is one of the largest independent operations within the world renowned Weipa bauxite province. The Bauxite Hills Mine, is located 95kms north of Weipa on Western Cape York where the company holds a total tenement package covering approximately 1,900 square kilometres.

The Bauxite Hills Mine, alone, has an estimated ore Reserve of 109.5Mt and total Resources of 138.2Mt. Mining operations commenced in April 2018. The mine life is out to 2037.

The company has announced an expanded 2019 calendar year production from 3.0Mtpa to 3.5Mtpa.

Metro has completed a DFS for Stage 2 Expansion of Annual Production to 6.0Mtpa by 2021. The Bauxite Hills Mine employs up to 246 people with an indigenous workforce of approximately 39%. Around 90 people are on site at any one time.

Mining operations are undertaken only in the dry season, which is notionally an 8 month period from April to November.

Free-dig bauxite is mined by front-end loaders, trucked to a port infrastructure area, screened to a max product size of 100mm and fed onto the Barge Loading Facility and into barges. Barges are towed down the Skardon River to an anchorage point at sea where the bauxite is transhipped to freight vessels.



About NAIF

The Northern Australia Infrastructure Facility (NAIF) is a Commonwealth Government \$5bn lending facility to finance projects via the governments of the Northern Territory, Queensland and Western Australia to achieve growth in the economies and populations of northern Australia and encourage and complement private sector investment.

Projects supported by NAIF are diversified across sectors including ports, airports, tourism, education, social infrastructure, agriculture, resources and renewable energy.

NAIF has made more than \$1.4bn in investment decisions and conditional approvals for projects across Northern Australia as a whole, supporting projects forecast to create more than 4,000 jobs and more than \$3bn in public benefit. Every NAIF project will support important Indigenous engagement with many projects committing to Indigenous employment or procurement targets.

NAIF in Queensland

- NAIF has to date made Investment Decisions and Conditional Approvals of \$850m across northern Queensland.
- NAIF's projects in Queensland are diversified across sectors (see below).
- Over 1000 construction and ongoing operational jobs are forecast to be generated across these projects.

NAIF investment decisions by jurisdiction:

- \$850m for Queensland across six projects,
- \$345m for the Northern Territory across four projects including the current conditional approval; and
- \$288m for Western Australia, across five projects, excluding the Pilbara Minerals Investment Decision which will not proceed to financial close in its current form.

NAIF Investment Decisions in Queensland

| NAME | ASSET | LOAN AMOUNT UP TO | ECONOMIC IMPACT AND PUBLIC BENEFIT ESTIMATED TO INCLUDE |
|---|---|-------------------|--|
| Metro Mining Limited | Bauxite Hill Mine stage two expansion | \$47.5m | \$510m public benefit to 2037. 60 new jobs bringing permanent workforce to 306. Indigenous Engagement Strategy supports the continuation of the current indigenous participation rate of over 38%. |
| Cowboys Community, Training and High Performance Centre | The Project involves the construction of multi-user social infrastructure comprising multi-sport high-performance training spaces, sports medicine and sports science laboratories, community spaces and will incorporate a full-sized training field, in addition to administrative offices for the Cowboys. | \$20m | \$202m public benefit to regional economy over 30 years. During construction, 213 FTE jobs including 80 direct places. 58 FTE jobs including 29 direct places during operations. |

| | | | |
|-----------------------------|--|-----------------------------------|--|
| Queensland Airports Limited | Redevelopment and expansion of Townsville Airport Terminal | \$50m | \$82m in economic benefits for the region over the next 30 years through additional regional visitor spend, traveller time savings and other benefits to the public. 207 construction jobs and 50 ongoing operational roles. |
| James Cook University | Development of a 10,000m2 Technology Innovation Complex in Townsville for students, industry partners and researchers. | \$98m (final agreed amount \$96m) | Full Enterprise Bundle forecast public benefits exceeding \$700 million over 30 years. 270 construction jobs. |
| Signature Onfarm | Construction of beef processing facility. | \$25m | \$63.5m of public benefit over the next 20 years mainly through transport cost savings, reduction in cattle tissue shrinkage and increased carcass yields for producers. 200 construction jobs and 70 ongoing operational jobs. |
| Genex Power | Pumped storage hydro renewable energy generation | \$610m | \$814m public benefit to the broader economy and community including \$235m direct value added for Far North Queensland. Long term stability to remote part of power network. 510 jobs during construction phase of both the project and supporting transmission line. 20 ongoing operational jobs. |

NAIF contact

Matt Pitman

0448 114 986