

Media Release – 2 December 2015
For Immediate Release

**Metro to Make Takeover Offer to Gulf Alumina
Transaction to Create Leading Independent Cape York Bauxite Company**

Brisbane based Metro Mining Limited will make a takeover offer for unlisted Cape York mining company Gulf Alumina Limited.

Gulf Alumina holds tenements adjacent to Metro Mining's Bauxite Hills Project, 95kms north of Weipa.

Metro Mining CEO Simon Finnis says his company has already secured 20% of Gulf Alumina by gaining the support of its largest and key founding shareholder.

Gulf shareholders who are being offered 3.3 new Metro shares for every Gulf share held.

Mr Finnis said the logic behind the takeover was "clear and compelling."

"If the takeover is successful Gulf shareholders will own approximately 44% of a combined group with a Pro-forma market capitalisation of approximately \$42 million," he said.

"This would create a leading independent Australian bauxite company, well positioned to capitalise on the positive seaborne bauxite sector outlook.

"By combining the two projects we will create value well in excess of what is achievable on a stand-alone basis offering an attractive investment proposition for existing and new shareholders.

The two projects would see potential for a significant increase in production given the combined bauxite reserves of the two companies would be around 96Mt.

"Opportunities would include removal of duplicated capital and operating costs, operational efficiencies, simplified permitting and enhanced sales and financing opportunities.

"It is pleasing that the merits of our Offer have been recognised by Gulf's largest shareholder, and we look forward to formally making our Offer to all Gulf shareholders in due course," Mr Finnis said. **(ends)**

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