

7 January 2016

Gulf Alumina's Target's Statement

Metro Mining Limited (ACN 117 763 443) (ASX:MMI) (Metro) wishes to advise that Gulf Alumina Limited (ACN 108 086 371) (Gulf) yesterday lodged with ASIC its Target's Statement in relation to Metro's off-market takeover offer to acquire all Gulf shares on issue (the Offer).

In the Target's Statement the Gulf directors recommend that Gulf shareholders do not accept the Offer.

Metro notes that while the Gulf directors recommend this course of action they do not disagree with the clear and compelling logic of combining Metro's and Gulf's adjacent projects at Skardon River, nor the merits of Gulf achieving a listing on a recognised stock exchange. The combination of Gulf and Metro would provide both of these benefits, and potentially also provide funding and shareholder liquidity benefits.

Metro is currently reviewing the Target's Statement and considering a number of claims Gulf has made within the Target's Statement, as well as claims Gulf made in a letter sent by Gulf's Managing Director, Mr Weidong Zhang, to Gulf Shareholders on 3 December 2015. Metro is concerned that a number of these claims may be unsubstantiated, incorrect or potentially misleading.

Metro intends to identify these concerns with Gulf directly and request that these statements be corrected where appropriate.

Metro is pleased to confirm its Offer opened on 24 December 2015 and that Metro now has a relevant interest in 22.1% of Gulf's shares on issue. The Offer is open for acceptance by Gulf shareholders until 15 February 2015, unless extended.

Lastly, Metro continues to focus on rapidly and efficiently advancing its Bauxite Hills Project, and expects to be in a position to announce the achievement of further key project milestones in the near future.

For further information please contact the Chief Executive Officer of Metro, Mr Simon Finnis, on (07) 3009 8000.

Yours faithfully,

Stephen Everett
Chairman
Metro Mining Limited



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