

Conditional Increase in Offer for Gulf Alumina Limited

On 24 December 2015 Metro Mining Limited (**Metro**) announced an all scrip merger offer to acquire all of the ordinary shares in Gulf Alumina Limited (**Gulf**). The offer was 3.3 shares in Metro (**Metro Shares**) for every 1 share of Gulf (**Gulf Share**) (**Original Offer**). On 8 March 2016 the Original Offer was declared to be free of all conditions.

As a result of acceptances of the Original Offer by a number of Gulf shareholders, Metro is currently entitled to over 22% of the fully paid ordinary shares in Gulf.

Metro is now pleased to announce an improved offer for all of the ordinary shares in Gulf of 3.5 Metro Shares for every 1 Gulf Share (**Improved Offer**), subject to:

- (i) Metro having a relevant interest in more than 50% of all Gulf shares by or before the end of the offer period which, unless extended, will end at 7.00pm on 15 April 2016, and
- (ii) there being no change to Gulf's capital structure other than as a result of the exercise of options already on issue over ordinary shares.

As the Original Offer has been declared unconditional, Gulf shareholders who accept Metro's offer will receive the Original Offer consideration of 3.3 Metro Shares for every 1 Gulf Share which they hold and will also benefit from Metro's Improved Offer should the Improved Offer conditions be satisfied.

The merger will create a leading independent bauxite producer, well positioned to take advantage of the growing demand for seaborne bauxite into China. It enables the development of a larger, longer life project with the potential to deliver real economies of scale and enhanced relevance in the traded bauxite market. It will create a significant company that will provide an attractive investment opportunity, with improved liquidity and upside for all shareholders.

Further Information

For further information, contact Metro on +61 7 3009 8000.

Notice of variation of offer

Section 650D(1) of the *Corporations Act 2001* (Cth)

TO: The Directors
Gulf Alumina Limited ACN 108 086 371 (**Gulf**)
Suite 503, Level 5, 37 Bligh Street
SYDNEY NSW 2000

AND TO: Australian Securities and Investments Commission (**ASIC**)

AND TO: Each person to whom offers were made under the takeover bid

Metro Mining Limited ACN 117 763 443 (**Bidder** or **Metro**) gives notice under section 650D of the *Corporations Act 2001* (Cth) (**Corporations Act**), of variation of the offer dated 24 December 2015 (**Offer**).

The Offer period has already been varied pursuant to the Bidder's notices of variation dated 4 February 2016 and 8 March 2016, under which the Offer period was extended.

The Bidder hereby varies the Offer and the accompanying documents by increasing the Offer consideration to 3.5 fully paid ordinary shares in Metro for every one fully paid ordinary share in Gulf (**Improved Offer**). The Offer was originally 3.3 fully paid ordinary shares in Metro for every fully paid ordinary share in Gulf. The Improved Offer is subject to:

- 1 Metro having a relevant interest in more than 50% of all Gulf shares before the end of the Offer period, which unless extended further, will end at 7.00pm on 15 April 2016; and
- 2 there being no change to Gulf's capital structure other than as a result of the exercise of options already on issue over ordinary shares in Gulf.

As the original Offer has been declared unconditional, Gulf shareholders who accept the Offer will receive the original Offer consideration of 3.3 Metro shares for every one Gulf share which they hold, and will also benefit from Metro's Improved Offer should the Improved Offer conditions be satisfied.

A copy of this notice was lodged with ASIC on 23 March 2016. ASIC takes no responsibility for the contents of the notice.

Dated: 23 March 2016

Executed by
Metro Mining Limited ACN 117 763 443 by:


^ Director

PHIL HENNESSY
^ Full name of Director


^ Director/Secretary

SCOTT WADDELL
^ Full name of Director/Secretary