

23 September 2016

Proposed Transaction between Moly Mines and Gulf Alumina

Metro Mining Limited (ASX:MMI) (**Metro**) notes the announcement made by Moly Mines Limited (ASX:MOL) (**Moly Mines**) yesterday regarding Moly Mines' highly conditional proposed offer to acquire all of the shares in Gulf Alumina Limited (**Gulf**), which has been recommended by the Gulf Board, subject to no superior proposal (**Proposed Transaction**).

Metro is Gulf's largest shareholder with a 39% interest.

Moly Mines is a controlled subsidiary of the Hanlong Group and has been suspended from trading on the ASX since April 2014. The Proposed Transaction is subject to many conditions, some of which may be very difficult to satisfy. Metro is, however, pleased that another group recognises the potential and value of bauxite projects in the Skardon River region of Cape York, including Metro's 100% owned Bauxite Hills Project.

Metro's key focus continues to be the near term development of its Bauxite Hills Project, while remaining open to bringing about the logical combination of Metro and Gulf's projects to unlock significant synergies and commercial benefits for the shareholders of both companies.

Metro will keep its shareholders informed of further developments regarding the highly conditional Proposed Transaction in due course.

