

**Metro Mining Limited has received acceptances from an additional 57.3% of Gulf Alumina shareholders after increasing its offer. Following settlement Metro will hold 96% of Gulf.**

Metro was previously Gulf's largest single shareholder holding 39.3%

Metro increased its offer the Offer to:

- Cash of \$0.62 for each Gulf share (Cash Consideration); or
- A cash and shares alternative of \$0.52 cash plus 1 share in Metro for each Gulf share (Cash and Scrip Consideration).

Gulf Alumina, based in Sydney, owns the Skardon River Project adjoining Metro's Bauxite Hills Project 85 kilometres north of Weipa on Western Cape York.

Metro becomes one of the largest independent miners within the internationally acclaimed Weipa bauxite producing region.

The combined projects double Metro's reserve of direct shipping ore - from 48 to 96.5 million tonnes. Metro also benefits from cost saving synergies independently estimated at around \$200 million.

Metro Mining CEO Simon Finnis said the takeover was important to all stakeholders, inclusive of shareholders, traditional owners, and State and Federal Governments. There will also be significant benefits to the local economy.

"An expanded Bauxite Hills Project will improve efficiency, streamline regulatory approvals, improve financing capabilities and enhanced product marketing opportunities. Metro also gains the established mining lease over Gulf's tenements and infrastructure including airstrip, haul roads and port location.

"Our sights are firmly set on getting the expanded Bauxite Hills Project operational. This merger will assist us to do that," Mr Finnis said.

The successful takeover of Gulf adds to a string of achievements by Metro this year. The company won a binding offtake agreement with China's Xinha Group for 7Mt of bauxite to be delivered over the initial four years mining. In July, UK based Greenstone Resources invested A\$8.9 million in the company and conditionally commitment to an **\$US20 million** for the development of Bauxite Hills. Native Title and Land Access Agreements were finalised early in the year. **(ENDS)**

**Further media information contact:**

**Digby McLeay, Metro Mining, Mobile 0419 690 001**

(Ref: MMMR26)

**THE TAKEOVER**

- Metro launched its bid for Gulf on 2 December, 2015 initially gaining 22% to become Gulf's largest single shareholder. Subsequently, this holding increased to 39%.
- In September, 2016 Perth based Moly Mines Ltd (suspended from trading by the ASX in April 2014) made a surprise bid for Gulf. Metro responded with a superior offer. Moly then revised its offer with a second bid
- On 17 November the Gulf Board determined the second Moly offer did not match Metro's existing Offer and recommended Gulf shareholders accept Metro's Offer. The Gulf Board and its associated entities (55.6% - including Nanshan 11%) indicated they would not accept Metro's offer until 5 December.
- On 28<sup>th</sup> November Moly was dealt a further crippling blow when the ASX advised it would refuse Moly's application for re-admission should it proceed further with its bid to acquire a Gulf Alumina. The ASX cited the structure and ownership in Moly of the Hanlong Group and the influence that may have.
- On 2<sup>nd</sup> December 2016 (one year to the day of the takeover being launched) Metro confirmed it had gained 96% of Gulf. Acceptances to an increased offer from Metro secured 57.3% of the company.