

5 December 2016

Metro Offer for Gulf Improved and Unconditional

Metro Mining Limited (ASX: MMI) (**Metro**) is pleased to announce acceptances from Gulf Alumina Limited (**Gulf**) shareholders representing 57.3% have been tendered, following Metro's decision to increase 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).

Metro's Offer is now unconditional and the Offer Period has been extended by just under three weeks to 23 December 2016 and Metro will now proceed with the compulsory acquisition of the remaining Gulf shares. This will allow Gulf shareholders, who have not already accepted Metro's Offer, the opportunity to accept and receive the improved Offer consideration more quickly than they would under the compulsory acquisition process.

Metro will immediately start work to integrate Metro and Gulf's adjoining bauxite projects on Western Cape York with a view to creating a large, independent, long life, low capital cost and high margin Australian bauxite company. In conjunction with this, Metro will prepare a bankable feasibility study (**BFS**) that is expected to reflect a higher production rate and a longer mine life than would be possible with Metro's Bauxite Hills project on a standalone basis. It is expected that the BFS will also reflect the benefit of the estimated \$200 million of synergies² that can be realised by integrating the two projects.

The integrated project will have a bauxite Reserve of over 95 million tonnes at 39.4% THA and 6.3% RxSi¹, as set out in the table below:

Reserves	DSO Tonnes (Mt)	DSO Bauxite Qualities (Dry Basis)	
		THA (%)	RxSi / RSiO ₂ (%)
Metro Reserve ¹ .	48.2	38.4	6.4
Gulf Reserve ³ .	48.3	40.4	6.3
Total	96.5	39.4	6.3

Note this information has been prepared in reliance on the information set out in sections 3.2 and 4.12 of the Bidder's Statement released to the ASX on 24 Dec 2015.

1. Based on Metro reserve of 48.2 million tonnes at 38.4% THA and 6.4% RxSi released 2 June 2015 and Gulf reserve of 48.3 million tonnes at 40.3% THA and 6.3% RxSi as set out in the Expert Report. THA is trihydrate available alumina at 150°C. RxSi is reactive silica at 150°C. (41.8Mt is a Proved Reserve and 6.4Mt is a Probable Reserve)

2. Refer to page 37 of the independent expert's report which appears as Annexure A to Gulf's second supplementary target's statement, attached to Metro's announcement to the market dated 17 May 2016.

3. Refer Metro's Offer Document dated 28 Oct 2016. (16.6Mt is a Proved Reserve and 31.8Mt is a Probable Reserve)

Metro is also pleased to announce that on settlement Mr George Lloyd and another nominee director of appropriate experience will be appointed to the board of Gulf to replace Messrs Weidong Zhang, William Cheng Wang and Jianbo Song.

Mr Lloyd is an independent non-executive director of Metro with extensive experience in resources including five years as Chairman of Cape Alumina Limited. Mr Lloyd also serves as the Chairman of Ausenco Limited, a leading global provider of engineering and project management services to the resource and energy sectors.

Metro looks forward to welcoming Gulf shareholders who will become Metro shareholders by electing to receive the Cash and Scrip Consideration.



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Competent Person Statement: The information in this report that relates to Metro Reserves is based on information compiled by MEC Mining and reviewed by Edward Bolton, a Competent Person who is a Member of the Australasian Institute of Mining and Metallurgy. Edward Bolton is a full-time employee of MEC Mining Pty Ltd. Edward Bolton has sufficient experience that is relevant to the style of mineralization, type of deposit under consideration and to the activity being undertaken to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Edward Bolton consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

Forward Looking Statement: Statements and material contained in this ASX Release, particularly those regarding possible or assumed future performance, production levels or rates, commodity prices, resources or potential growth of Metro Mining Limited, industry growth or other trend projections are, or may be, forward looking statements. Such statements relate to future events and expectations and, as such, involve known and unknown risks and uncertainties. Graphs used in the presentation (including data used in the graphs) are sourced from third parties and Metro Mining has not independently verified the information. Metro Mining is at an early development stage and while it does not currently have an operating bauxite mine it is taking early and preliminary steps (such as but not limited to Prefeasibility studies etc.) that are intended to ultimately result in the building and construction of an operating mine at its project areas. Although reasonable care has been taken to ensure that the facts stated in this Presentation are accurate and or that the opinions expressed are fair and reasonable, no reliance can be placed for any purpose whatsoever on the information contained in this document or on its completeness. Actual results and developments may differ materially from those expressed or implied by these forward looking statements depending on a variety of factors. Nothing in this Presentation should be construed as either an offer to sell or a solicitation of an offer to buy or sell shares in any jurisdiction.