

## PRESS RELEASE

30 OCTOBER 2015

# DISPATCH OF BIDDER'S STATEMENT TO ABY SHAREHOLDERS

In accordance with section 633(1) item 8 of the Corporations Act 2001 (Cth) [Corporations Act], Metals X Limited gives notice that the Bidder's Statement lodged with ASIC on 15 October 2015 has today been sent to each Aditya Birla Minerals Limited (ABY) shareholder in the bid class, as required by item 6 of section 633(1) of the Corporations Act.

The offer is dated 30 October 2015.

Attached is a copy of the Bidder's Statement as dispatched.

### Enquiries:

Fiona van Maanen  
Company Secretary



**METALS X LIMITED**

Metals X Limited is a diversified group exploring and developing minerals and metals in Australia. It is Australia's largest tin producer, a top 10 gold producer and holds a pipeline of assets from exploration to development including the world class Wingellina Nickel Project.

### CORPORATE DIRECTORY

ASX Code: **MLX**

OTCQX Code: **MTXEF**

Level 3, 18-32 Parliament Place  
West Perth WA 6005  
Australia

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Australia

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# BIDDER'S STATEMENT

Issued by



**METALS X LIMITED**

**ACN 110 150 055**

to acquire all of your fully paid shares in

**ADITYA BIRLA MINERALS LIMITED**

**ACN 103 515 037**

**THE OFFER IS 1 METALS X SHARE  
FOR EVERY 5 OF YOUR ADITYA BIRLA SHARES.**

## ACCEPT THE OFFER

Corporate Advisor

**XAVIER GROUP**

Legal Advisor

 **HopgoodGanim**  
LAWYERS

This document contains important information and requires your immediate attention. If you have any questions about the Offer or this document or about how to accept the Offer you should consult your legal, financial or other professional adviser immediately or please call the Metals X information line on 1300 659 000 (for callers within Australia) or +61 8 9215 6061 (for callers outside Australia).

This Offer is dated 30 October 2015 and will close on 30 November 2015, unless extended.

## Important Dates

<b>Announcement Date:</b>	<b>15 October 2015</b>
<b>Bidder's Statement and Lodgement Date:</b>	<b>15 October 2015</b>
<b>Date of Offer:</b>	<b>30 October 2015</b>
<b>Offer period ends:</b>	<b>5.00pm (AWST) on 30 November 2015</b>

## Corporate Directory

### Registered Office

Level 3, 18 – 32 Parliament Place  
West Perth WA 6005

Phone: +61 8 9220 5700  
Fax: +61 8 9220 5757

Email: [reception@metalsx.com.au](mailto:reception@metalsx.com.au)  
Web: [www.metalsx.com.au](http://www.metalsx.com.au)

### Postal Address

PO Box 1959  
West Perth WA 6872

### Securities Exchange

Listed on the Australian Securities Exchange

ASX Code: MLX  
OTCQX Code: MLXEF

### Share Registry

Security Transfer Registrars Pty Ltd  
770 Canning Highway  
Applecross WA 6153

Phone: 61-8-9315 2333  
Fax: 61-8-9315 2233

E-mail: [registrar@securitytransfer.com.au](mailto:registrar@securitytransfer.com.au)

# Important Notices

## Bidder's Statement

This document is the Bidder's Statement dated 15 October 2015 given by Metals X Limited (Metals X) to Aditya Birla Minerals Limited (Aditya Birla) under Part 6.5 of Chapter 6 of the Corporations Act and in compliance with the requirements of Sections 636 and 637 of the Corporations Act, in relation to the Offer. Section 9 of this Bidder's Statement contains the formal terms of Metals X's Offer and other information relevant to your decision whether to accept the Offer.

## Australian Securities and Investments Commission

A copy of this Bidder's Statement was lodged with the Australian Securities and Investments Commission (**ASIC**) on 15 October 2015. Neither ASIC nor any of its officers takes any responsibility for the content of this Bidder's Statement.

## Date of the Offer

This Bidder's Statement is dated 15 October 2015. It includes an Offer dated 30 October 2015 (**the Offer Date**) in Section 9 of this document.

## Investment Advice

This Bidder's Statement does not take into account the individual investment objectives, financial situation and particular needs of each Aditya Birla Shareholder. Metals X recommends you seek independent financial and taxation advice before making a decision as to whether or not to accept the Offer for your Aditya Birla Shares. You should read this Bidder's Statement in its entirety.

## How to Accept

The manner by which you accept the Offer will depend on the nature and type of your holding in Aditya Birla. Full details of how to accept the Offer are set out in Section 9 and a summary is set out in Section 4 of this Bidder's Statement. Acceptances must be received by the end of the Offer Period.

## Privacy

Metals X has obtained your information from the register of Aditya Birla Shareholders for the purpose of making the Offer and, if accepted, will administer your holding of Metals X Shares. The Corporations Act requires the names and addresses of Metals X Shareholders to be held in a public register. Your information may be disclosed to Metals X's related bodies corporate and external service providers. It may also be required to be disclosed to regulators such as ASIC.

## Defined Terms

Terms used in this Bidder's Statement and Offer are defined in Section 13 below.

## Forward Looking Statements

This Bidder's Statement includes certain forward looking statements. If such statements relate to future matters, they are subject to inherent risks and uncertainties. These risks and uncertainties include factors and risks specific to the industry in which Metals X operates as well as matters such as general economic conditions, many of which are outside the control of Metals X and its Directors. These factors may cause the actual results, performance or achievements of Metals X if the Offer is successful to differ, perhaps materially, from the results, performance or achievements expressed or implied by those forward looking statements. The past performance of Metals X or Aditya Birla is not a guarantee of future performance.

## Responsibility for information

Except as outlined below or otherwise stated in the Bidder's Statement, the information contained in the Bidder's Statement has been prepared by Metals X and is the responsibility of Metals X.

HopgoodGanim Lawyers prepared and is responsible for the taxation summary in Section 11 of this Bidder's Statement.

## Disclaimer as to Aditya Birla and Merged Group Information

Information in this document about Aditya Birla has been prepared based on publicly available information and limited due diligence has been conducted by Metals X to confirm this publicly available information. Metals X has not verified all publicly available information. Accordingly, subject to the Corporations Act, Metals X does not make any representation or give any express or implied warranty as to the accuracy or completeness of such information.

The information on the Merged Group contained in this Bidder's Statement, to the extent that it incorporates or reflects information on Aditya Birla, has also been prepared using publicly available information. Accordingly, information in relation to the Merged Group is subject to the foregoing disclaimer to that extent.

Further information relating to Aditya Birla's business may be included in the Target's Statement that Aditya Birla must provide to its shareholders in response to this Bidder's Statement.

#### **Aditya Birla security holders outside Australia**

This Bidder's Statement and the Offers do not constitute an offer of securities in any jurisdiction in which it would be unlawful.

The distribution of this Bidder's Statement may, in some countries, be restricted by law or regulation. Accordingly, persons who come into possession of this Bidder's Statement should inform themselves of, and observe, those restrictions particularly those below.

#### **India**

This Bidder's Statement is neither a document offering shares to the public nor a prospectus under the Companies Act, 2013 (India), as amended or an advertisement, and should not be circulated to any person other than to whom the Offer is made. This Bidder's Statement has not been and will not be registered as a prospectus with the Registrar of Companies in India. This Bidder's Statement shall not be issued, circulated or distributed, directly or indirectly, in India. Further, the Metals X Shares may not be offered, directly or indirectly, in India, to, or for the account or benefit of, any resident of India except as permitted by applicable Indian laws and regulations, under which an offer is being made strictly on a private and confidential basis and is limited to existing shareholders of Aditya Birla and is not an offer to the public in India. This issue is a private placement in India and the Bidder's Statement is not intended to be circulated to more than 200 existing shareholders of Aditya Birla in India on an aggregate basis (including all other private placements of Metals X Shares made in this financial year; a financial year being the 12 month period commencing on April 1 and ending on March 31 of the following year) and each copy of this Bidder's Statement is individually and serially numbered. It does not constitute and shall not be deemed to constitute an offer or an invitation to subscribe to the aforesaid securities to the public in general.

This Bidder's Statement has been prepared solely to provide general information about Metals X to identified and eligible Aditya Birla shareholders investors to whom it is addressed and who are willing and eligible to subscribe to the aforesaid securities. This Bidder's Statement does not purport to contain all the information that any eligible Aditya Birla shareholder investor may require. Further, this Bidder's Statement has been prepared for informational purposes relating to this transaction only and upon the express understanding that it will be used only for the purposes set forth herein.

Apart from this Bidder's Statement, no offer document or prospectus has been prepared in connection with this offer or in relation to Metals X nor is such offer document or prospectus required to be registered under applicable laws or regulations in India. Accordingly, this Bidder's Statement has neither been delivered for registration nor is it intended to be registered with any authority in India. Metals X accepts no responsibility for statements made other than in this Bidder's Statement or any other material expressly stated to be issued by or at the instance of Metals X in connection with the issue of the said securities and that anyone placing reliance on any other source of information would be doing so at their own risk.

This Bidder's Statement and the contents hereof are restricted only for the intended recipient(s) who have been addressed directly and specifically through a communication by Metals X and only such recipients are eligible to apply for the aforesaid securities. All investors are required to comply with the relevant regulations/guidelines applicable to them for investing in this offer. The contents of this Bidder's Statement are intended to be used only by those investors to whom it is distributed. It is not intended for distribution to any other person and should not be reproduced by the recipient.

No invitation is being made to any persons other than those to whom application forms along with this Bidder's Statement being issued have been sent. Any application by a person to whom the Bidder's Statement has not been sent by Metals X shall be rejected without assigning any reason.

This Bidder's Statement does not constitute, nor may it be used for or in connection with, an offer or solicitation by anyone in any jurisdiction in which such offer or solicitation is not authorized or to any person to whom it is unlawful to make such an offer or solicitation. No action is being taken to permit an offering of the aforesaid securities or the distribution of this Bidder's Statement in any jurisdiction where such action is required. Persons into whose possession this Bidder's Statement comes are required to inform themselves about and to observe any such restrictions. The Bidder's Statement is made available to investors in India on the strict understanding that it is confidential.

# Why you should ACCEPT the Metals X Offer

- 1 You will receive an attractive 60.6% premium to the prevailing market price<sup>1</sup> whilst still retaining exposure to future share price upside.**

You will receive 1 Metals X Share for every 5 Aditya Birla Shares held, thereby maintaining an exposure to the Aditya Birla assets.

- 
- 2 You will become a shareholder in a leading Australian diversified mining group.**

Metals X is a diversified mining group offering exposure to gold and base metals, predominately gold, tin, nickel and upon the successful conclusion of this Offer, copper.

- 
- 3 You will become a shareholder in a company with a strong mining team with expertise relevant to addressing Nifty's issues.**

Metals X has a Board and management team with many years of combined mine development and operating experience, and in particular has many years of hands on experience managing underground mines like Nifty.

- 
- 4 Metals X has a track-record of successfully acquiring and improving mines.**

Metals X has made multiple significant acquisitions in the past 3 years and has proved itself a successful manager of those operations, applying mining expertise and financial and operating discipline to produce strong financial results.

- 
- 5 The Offer greatly reduces the risks associated with being an Aditya Birla Shareholder.**

You will become a shareholder in a multi commodity and multi mine company with a strong growth profile, rather than a shareholder in a company with a single operating mine, Nifty, that Aditya Birla management has publicly stated that based on its LOM Plan, Nifty has only 5 years mine life remaining.

- 
- 6 Potential for receipt of dividend payments.**

Aditya Birla Shareholders who accept the Offer and hold Metals X Shares at any future dividend record date would be eligible to receive any associated future dividends paid by Metals X. Metals X's current dividend policy is to pay 30% of NPAT (net profit after tax) and has done so for the past 2 years.

- 
- 7 Metals X's Offer provides opportunity for an immediate outcome.**

The Aditya Birla Board has announced the appointment of an advisor with the intention of running an as yet undefined process to consider the sale of your company or its assets. Your Board took almost 2½ years to transact a sale of Mt Gordon. Metals X is offering you a quick and certain opportunity to trade out of your underperforming Aditya Birla Shares and into Metals X shares, should our Conditions be satisfied.

- 
- 8 Your Metals X Shares will trade in a far more liquid market than your Aditya Birla Shares.**

The liquidity in the market place for Metals X Shares is far greater than that of Aditya Birla, giving you a much improved ability to trade the shares you own.

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**For more information on the reasons why you should accept the Metals X Offer, please refer to Section 3.**

**For information on the risk factors associated with Metals X, please refer to Section 10.**

**For information on how to accept the Metals X Offer, please refer to Sections 1 and 9.5.**

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<sup>1</sup> Based on Metals X Shares closing price on the day prior to the Announcement Date, compared to Aditya Birla's closing price on the day prior to the Announcement Date.

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## SECTION 1 SUMMARY OF THE OFFER

This summary of the Offer provides a general overview only and should be read together with the detailed information set out in the remainder of this Bidder's Statement.

<b>The Offer</b>	Metals X is offering to acquire ALL of the ordinary shares in Aditya Birla.
<b>Implied Offer Value</b>	<p>Metals X is offering 1 Metals X Share for every 5 ordinary shares in Aditya Birla.</p> <p>The implied Offer value is equivalent to, approximately:</p> <ul style="list-style-type: none"> <li>• \$0.274 per Aditya Birla Share, based on Metals X Shares closing price on the day prior to the announcement of the Offer, compared to Aditya Birla's closing price on the day prior to the announcement of the Offer of \$0.17. A premium of 60.6%.</li> <li>• \$0.247 per Aditya Birla Share, based on a 1-month VWAP of Metals X Shares as at 14 October 2015, the day prior to the announcement of the Offer, compared to Aditya Birla's 1-month VWAP in that same period of \$0.168. A premium of 46.9%.</li> <li>• \$0.240 per Aditya Birla share, based on a 2-month VWAP of Metals X Shares as at 14 October 2015, the day prior to the announcement of the Offer, compared to Aditya Birla's 2-month VWAP in that same period of \$0.170. A premium of 41.6%.</li> <li>• \$0.237 per Aditya Birla share, based on a 3-month VWAP of Metals X Shares as at 14 October 2015, the day prior to the announcement of the Offer, compared to Aditya Birla's 3-month VWAP in that same period of \$0.199. A premium of 19.0%.</li> </ul> <p>As Metals X Shares are listed on the ASX, the market price of Metals X Shares can fall as well as rise and may be subject to varied and unpredictable influences. Accordingly there is no guarantee that the Metals X Shares offered will continue to be equivalent to or above \$0.274.</p> <p>See Section 10 for an explanation of risk factors associated with this Offer and becoming a Metals X shareholder.</p>
<b>Key Dates</b>	<p>Announcement Date of Offer..... 15 October 2015</p> <p>Bidder's Statement date and lodged with ASIC..... 15 October 2015</p> <p>Date of Offer ..... 30 October 2015</p> <p>Earliest date for close of Offer (unless extended or withdrawn).....30 November 2015</p>
<b>Issue of Metals X Shares</b>	<p>Subject to the terms of the Offer in Section 9, you will be issued your Metals X Shares, following acceptance of the Offer by you (unless you are a Foreign Shareholder or Unmarketable Parcel Shareholder), by the end of whichever of the following periods ends earlier:</p> <p>(a) one (1) month after the later of your acceptance and the date the Offer becomes unconditional; or</p> <p>(b) twenty-one (21) days after the end of the Offer Period.</p> <p>Full details of when Metals X Shares will be issued are set out in Section 9 including details of consideration to be paid to Foreign Shareholders or Unmarketable Parcel Shareholders at Section 9.10 (being sale proceeds from Metals X Shares they would otherwise receive).</p>

<b>Conditions of the Offer</b>	The Offer is subject to a number of conditions that are set out in full in Section 9 of this Bidder's Statement.
<b>How to accept the Offer</b>	<p>You may only accept the Offer in respect of all (not part) of your Aditya Birla Shares. To accept the Offer:</p> <p><u>Issuer sponsored shareholders</u></p> <p>If your Aditya Birla Shares are Issuer Sponsored Holdings on Aditya Birla's issuer sponsored sub register, you must complete, sign and return the enclosed Acceptance Form in accordance with the instructions so that it is received before the end of the Offer Period. A reply paid envelope has been enclosed for shareholders with Australian addresses to return their completed Acceptance Form.</p> <p><u>CHESS sponsored shareholders</u></p> <p>If your Aditya Birla Shares are held in a CHESS Holding, ensure your acceptance is received before the end of the Offer period by either:</p> <ul style="list-style-type: none"> <li>(a) instructing your Controlling participant (normally your stockbroker) to initiate acceptance of the Offer on your behalf; or</li> <li>(b) completing, signing and returning the enclosed Acceptance Form in accordance with the instructions.</li> </ul> <p><u>Participants</u></p> <p>If you are a Participant, acceptance of this Offer must be initiated in accordance with the ASX Settlement Operating Rules before the end of the Offer period.</p>
<b>Enquiries about the Offer</b>	<p>Metals X has established a shareholder information hotline in relation to the Offer. If you have any questions about the Offer or how to accept the Offer, please call* the shareholder information hotline on:</p> <p style="padding-left: 40px;">1300 659 000 (for callers within Australia)</p> <p style="padding-left: 40px;">+61 8 9215 6061 (for callers outside Australia)</p> <p><u>OR</u> consult your broker, legal or other financial or professional adviser.</p> <p>The shareholder information hotline is open from 9.00 am to 5.00 pm AWST from Monday to Friday during the Offer Period. *Calls may be recorded.</p> <p>For questions regarding your holding of shares in Aditya Birla, please call Aditya Birla's share registry Link Market Services Limited on +61 8 9211 6650.</p>

## SECTION 2 LETTER FROM THE CHAIRMAN

Dear Aditya Birla Shareholder,

### Offer for Aditya Birla Shares

On behalf of the Metals X Board, I am pleased to present you with this Offer to acquire all of your Aditya Birla Shares at the ratio of 1 Metals X Share for every 5 Aditya Birla Shares you own.<sup>1</sup> Given Metals X share price of \$1.365 on the day prior to announcement of the Offer and your Aditya Birla share price on the same day of \$0.17, this implies an offer premium of 60.6% to the market value of your shares on that day<sup>2</sup>. Based on the 1-month, 2-month and 3-month volume weighted average prices of both Metals X and Aditya Birla shares up to the day prior to announcement, the premium offered for your shares is 46.9%, 41.6% and 19.0% respectively<sup>3</sup>.

If all of the bid Conditions are met and we are successful in acquiring ownership of your company, we will welcome you as new shareholders to what we believe is one of Australia's premier mid-tier diversified mining companies – Metals X.

The Metals X Offer is subject to conditions as set out in Section 9, including a minimum acceptance condition of 90%. This means that Aditya Birla's largest shareholder, Hindalco, must accept to enable it to take effect and enable all other shareholders to participate.

Metals X offers an attractive opportunity to exchange your current shareholder risk profile from a single mine, single commodity company to a shareholding in a balanced portfolio of commodity exposure in both gold and base metals across multiple operating mines and many development projects. On acquiring Aditya Birla the base metals side of the Metals X portfolio will expand with the addition of a copper division. In our view, this expanded commodity diversity provides significant advantages and stability in these uncertain times in the mining and commodity markets. The market has endorsed the Metals X strategy by rewarding us with strong share price performance over the past few years. This is in stark contrast to the performance of your Aditya Birla Shares which have fallen considerably.

And importantly, across our portfolio of projects and commodities, Metals X also offers a growth profile that your company does not have, as is evidenced by the contraction of Aditya Birla's operations, including the recent announced sale of Mt Gordon, the down-grading of Mineral Resource and Ore Reserve statements at Nifty and the culling of exploration and mine development budgets.

The Board of Aditya Birla has acknowledged the lack of growth options open to your company and earlier this year your Board announced its intention to conduct a review of your company's strategic options, including the Board's intention to review ownership options available to your company<sup>4</sup>. Only recently, the Aditya Birla Board has announced the appointment of a financial advisor potentially to dispose of all its assets.

Metals X formally wrote to the Aditya Birla Board on 13 May 2015 proposing that our companies enter into merger discussions. On 5 June your CEO replied to Metals X advising that your company was in the process of appointing a corporate advisor and that once that advisor was appointed the company would be in contact with us to discuss our proposal. To date, however, we have had no further response from your company to our invitation for merger discussions and we have not been contacted by Aditya Birla's corporate advisors to discuss (let alone advance) the proposal we made nearly 6 months earlier. The announcement made by your company, on 8 October 2015 provides that it has only now appointed a financial advisor.

Your company has been through a very difficult time over the past three years with shareholder wealth significantly destroyed by a plethora of serious issues and management decisions at its operations, including:

- The Mt Gordon operations being placed on care and maintenance in April 2013.
- A large number of statutory and environmental breaches at Mt Gordon.
- A catastrophic underground mine failure occurred at Nifty in March 2014, resulting in a prohibition notice being issued against the company by the DMP.
- A large negative re-statement of Mineral Resource and Ore Reserve estimations for Nifty.

<sup>1</sup> Unless you are a Foreign Shareholder or Unmarketable Parcel Shareholder - refer Section 9.10 for details.

<sup>2</sup> Metals X closing price of \$1.36 and Aditya Birla closing price of \$0.17 on 14 October 2015.

<sup>3</sup> VWAPs from 15 September to 14 October 2015, 17 August to 14 October 2015 and 16 July to 14 October 2015 sourced from IRESS.

<sup>4</sup> Metals X current policy is to pay 30% of NPAT as dividends.

- The curtailment of mine capital development and the cutting of exploration budgets which has the potential to strangle the future production potential and mine life of the project.
- The Nifty workforce being significantly reduced and suffering high turnover, symptomatic of both a disgruntled workforce and a reduced capacity to maximise project outputs.
- Your Board recognised an impairment of \$219,022,000 in the value of your company's assets in the year ending March 2015 Aditya Birla accounts.
- In recent weeks, the company has announced the sale of the Mt Gordon mine at a significantly reduced price to its purchase and book value, which will undoubtedly result in further necessary impairments.

This is definitely not what you should expect to be achieved from an efficient and well run mining company.

A key consideration in accepting this Offer by you as a shareholder of Aditya Birla should be to put a stop to the potential further erosion of the Nifty resources through poor mining practices, lack of investment in development and exploration and the resultant destruction of your shareholder value in Aditya Birla.

Nifty continues to be a challenging operation. However, we believe Metals X with our underground mining experience, technical capability and financial capacity is almost uniquely placed to take on the Nifty challenge.

We have a strong mining pedigree and we pride ourselves on our financial and operating discipline. Our Board and management team has many years of combined experience planning and managing underground mining operations, like Nifty. We currently operate numerous underground and open-pit mines and have a sound track-record in mining project turn-arounds and exploration success.

We have the necessary experience to merge and integrate separate operations, like Nifty, into a cohesive operating environment. Metals X has made numerous mine and project acquisitions in the past 3 years, and we have proven ourselves a successful manager of those operations, applying our mining expertise and financial and operating discipline to produce strong financial results. Further, all of this has been achieved using internally generated funds or the issue of consideration shares, without the need to go to the market to raise additional cash.

For the 2014/2015 financial year, Metals X achieved a 15% increase in EBITDA to \$82.6 million on a 32% increase in revenue to \$315.2 million, realising a return on equity of 12%.

In addition, we are currently planning for future growth and the opportunities for Metals X are exciting.

We are in the process of commissioning our Central Murchison Gold Project to be our newest gold production centre. We will complete the acquisition of the Grosvenor Gold Project shortly and are aiming to bring it into production in 2016. We are integrating the newly acquired Mt Henry Gold Project into our Higginsville Gold Operations adding many years of potential mine life to that operation.

Accordingly, we believe that by exchanging your shares in Aditya Birla for Metals X Shares under the Offer, in addition to receiving the implied premium for your Aditya Birla Shares, you will become a shareholder in a stronger, more diversified mining company with attractive growth prospects.

Also if we can succeed in turning around the fortunes of Nifty, as a Metals X Shareholder, you will retain exposure to the upside value we can create.

We believe this is an attractive Offer and encourage you to accept without delay. You cannot afford to have your shares further devalued by the way the Aditya Birla Board and management have operated your company's assets.

There are many opportunities for Metals X to deploy its capital and expertise and whilst we have chosen to make you this generous Offer to become part of the Metals X Group, we may not persist with this Offer in denial of other good opportunities. Hence, we encourage you to accept without delay and give Metals X the chance to stabilise and enhance the value of your investment.

If you have any questions about the Offer, please contact your broker or financial adviser, or call the shareholder information line on 1300 659 000 (for callers within Australia) or +61 8 9215 6061 (for callers outside Australia).

Sincerely,



Peter Newton  
Chairman

## SECTION 3 REASONS TO ACCEPT METALS X'S OFFER

**You will receive an attractive premium to the market value ascribed to Aditya Birla Shares whilst still retaining exposure to the ongoing assets and operations of Aditya Birla.**

Metals X is offering you the opportunity to participate in future Metals X growth, as a Merged Group, via an offer of Metals X Shares.

The Offer represents a significant and attractive premium to the market price of Aditya Birla Shares up to the day prior to the announcement of the Offer:

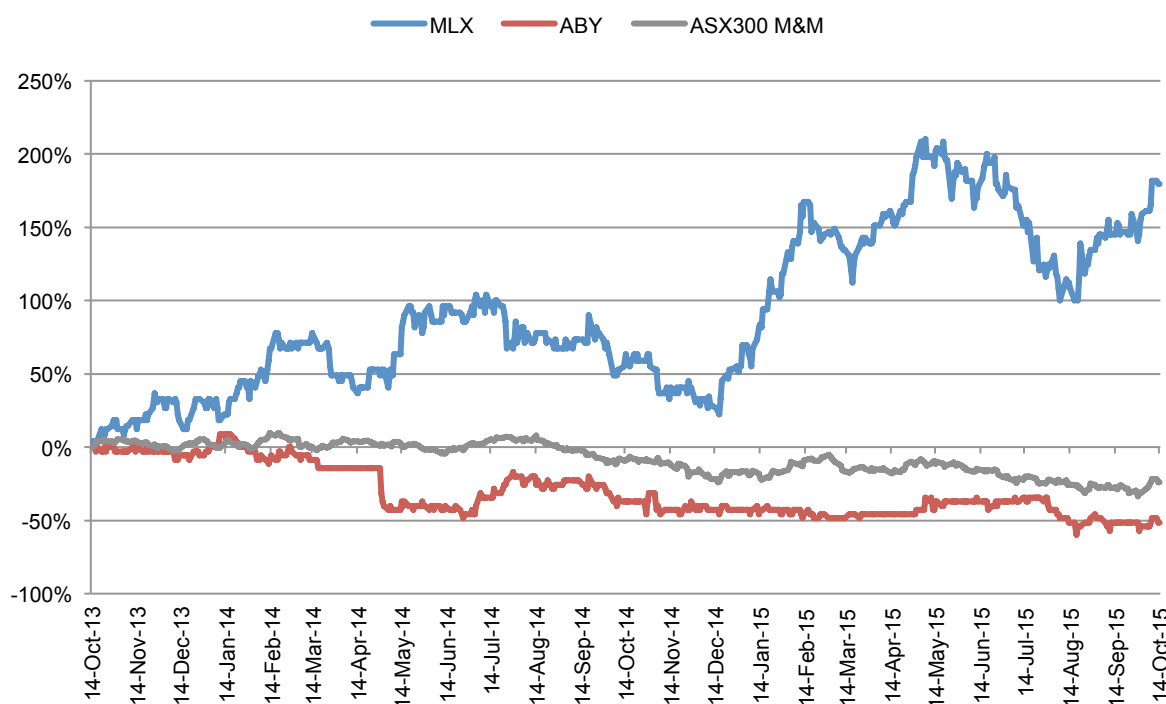
- A premium of 60.6% to the last trading price of Aditya Birla Shares.
- A premium of 46.9% to the 1-month VWAP of Aditya Birla Shares.
- A premium of 41.6% to the 2-month VWAP of Aditya Birla Shares.
- A premium of 19.0% to the 3-month VWAP of Aditya Birla Shares.

### **You will become a shareholder in a leading Australian diversified mining group**

Metals X is an Australian based diversified metals producer and explorer. Metals X identifies and turns around the fortunes of under-performing mining assets and creating wealth for its shareholders. Metals X aims to apply its experience and expertise as a mine manager to improve the physical and fiscal performance of assets.

Metals X currently operates in three divisions, representing the three priority metals: gold, tin and nickel. Within our portfolio we also have resources of lead, zinc, copper, cobalt and iron. Metals X now intends to add to its portfolio by diversifying further into copper.

Metals X's strategy of being a diversified mining company developing and operating successful mining operations has seen Metals X outperform the S&P/ASX 300 Metals & Mining Index over the past 2 years.



For the 2014/2015 financial year Metals X achieved a 15% increase in EBITDA to \$82.6 million on a 32% increase in revenue to \$315.2 million, realising a return on equity of 12%.

In addition, we have a strong growth profile from our existing projects across our key commodities.

Our Central Murchison Gold Project, is scheduled to begin production in October 2015 adding to our existing Higginsville and South Kalgoorlie Operations. The Central Murchison Gold Project aims to develop multiple open pit and underground mines over a 10+ year period and a future steady-state operating run-rate above 200,000 oz of gold per annum.

Metals X is Australia's largest tin producer from its 50% interest in the prolific Renison Bell mine in Tasmania. In addition it has a substantial expansion project in the Rentails Tailings Re-treatment Project which is development ready.

Metals X portfolio of projects includes the massive Wingellina Nickel Cobalt Project, in the Central Musgrave Ranges of Western Australia. The Wingellina Project is one of the largest undeveloped nickel deposits in the world consisting of over two million tonnes of contained nickel, 161,000 tonnes of contained Cobalt and 98.9 million tonnes of  $\text{Fe}_2\text{O}_3$ . With the recovery of global nickel and cobalt markets, the project offers tremendous upside.

**You will become a shareholder in a company with a strong track record in identifying and turning around projects and improving operating performance.**

Metals X believes it has superior mining expertise and a track record in managing and operating underground mines like Nifty. The Metals X Board includes members with significant underground mining expertise, experience which is absent from the Aditya Birla Board.

Metals X's Board and senior management have decades of experience in the mining industry with a focus on operating underground mines. The management team of Metals X are highly competent with a widely recognised and proven track record. Metals X specialises in turning around underground mines which are perceived to be difficult, and has proven its competence over a number of successful acquisitions and mine developments.

Current Metals X operations include:

- The 50% owned Renison Bell Tin Mine JV in Tasmania, Australia's largest and one of the world's premiere hard rock underground tin mines; and
- Three wholly owned gold operations in Western Australia:
  - (1) the Higginsville Gold Operations, an underground and open pit operation.
  - (2) the South Kalgoorlie Gold Operations, an underground and open pit operation.
  - (3) the Central Murchison Gold Project, which is currently being developed as an underground and open pit operation and is scheduled to commence gold production in October 2015.

Metals X recently acquired the Mt Henry Gold Project which is presently being integrated into and will form part of our Higginsville Gold Operations.

Metals X has also recently agreed to acquire a fourth gold project, the Grosvenor Gold Project which is expected to settle by end of October 2015 and be brought into production in the first half of 2016.

The combined output of the Higginsville and South Kalgoorlie Gold Operations already makes Metals X a significant producer of gold in Australia. The near term addition of the Central Murchison Gold Project and the Grosvenor Gold Project is set dramatically to lift Metals X's gold production and its ranking moving forward.

### **Metals X will apply its expertise to improving Nifty**

Metals X specialises in turning around difficult underground mines and has proven its competence over a number of successful acquisitions.

Amongst current operations:

- Metals X quickly turned around the Trident underground mine at the Higginsville Gold Operations, earning back its acquisition price in multiples;
- Metals X has re-invigorated the South Kalgoorlie Gold Operations and developed a new underground mine (HBJ) there in the past 12 months;
- Metals X Renison Bell Tin Mine JV has expanded its mineral resource, ore reserve and production base to make it one of the world's premier hard rock underground tin mines;
- In our newest development, Metals X is bringing online a number of underground operations at the Central Murchison Gold Project in Western Australia that include the historic Great Fingall and Big Bell mines that have been prolific historic gold producers.
- Metals X has a large commitment to exploration and has successfully extended the lives of its operations with great effect.

In contrast, Aditya Birla has struggled with the underground mining operations at both Mt Gordon and Nifty.

The Mt Gordon Operations were placed on care and maintenance in April 2013. Prior to this, the operating performance created a number of environmental breaches.

In recent time the Nifty operations has seen:

- A catastrophic underground mine failure occurred at Nifty in March 2014, resulting in a prohibition notice being issued against the company by the DMP.
- A large negative re-statement of Mineral Resource and Ore Reserve estimations for Nifty.
- The curtailment of mine capital development and the cutting of exploration budgets which have strangled the future production potential and mine life of the project.
- The Nifty workforce being significantly reduced from 450 to 235 personnel and suffering high turnover, symptomatic of both a disgruntled workforce and a reduced capacity to maximise project outputs.

Aditya Birla has also recognised an impairment of \$219,022,000 in the value of your company's assets in its year ending 30 March 2015. With the sale of Mt Gordon and the decline in resource and reserve estimates at Nifty, Metals X anticipates that further impairments would need to be or should be recognised.

Metals X believes our underground mining experience will provide the opportunity to improve significantly the management and operation of the Nifty Mine.

### **The Offer greatly reduces the risks associated with being an Aditya Birla Shareholder**

Aditya Birla currently operates a single mine with a single commodity as its output. Metals X currently operates eight producing mines through direct holdings or joint ventures. Metals X is currently diversified across three commodities, tin, nickel and gold and is looking to add a fourth – a producing copper division. Diversification across multiple mines and multiple commodities provides a foundation of strength across commodity cycles and during tough economic times.

At the same time, because we are offering you shares in Metals X, if you accept the Offer you will retain exposure to any upside realised from Metals X acquiring ownership of Aditya Birla assets.

### **Potential to receive dividends**

Metals X currently has a dividend policy of returning 30% of its net profit after tax (NPAT) each year to its shareholders. In 2014 Metals X paid an inaugural fully franked dividend of 2.715 cents per share and in 2015 2.95 cents per share (26% franked).

Metals X's total shareholder return over the twelve months to 14 October 2015 was 61.6%.<sup>1</sup>

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<sup>1</sup> Capital growth in the MLX Share price from 14 October 2014 to 14 October 2015 including dividends paid.

### **Metals X's Offer provides the opportunity for an immediate outcome**

Metals X's Offer provides the opportunity of a near term quantifiable outcome for all Aditya Birla Shareholders if the Conditions are satisfied and the Offer is successful.

The Aditya Birla Board has announced the appointment of an advisor with the intention of running an as yet, undefined process to consider the sale of your company or its assets. In considering the possible outcomes from this process we urge all Aditya Birla Shareholders to bear in mind that your Board put the Mt Gordon mine on care and maintenance in April 2013 and did not announce a transaction for the sale of Mt Gordon until September 2015 (almost 2½ years later).

Metals X is offering you a quick and certain opportunity to trade out of your underperforming Aditya Birla Shares and into Metals X shares, should our Conditions be satisfied. We urge you to act quickly and accept this Offer.

The Offer is capable of being defeated by the largest shareholder, Hindalco who hold a 51% interest in Aditya Birla. By accepting early you would be indicating that you believe the Offer is worthy and Hindalco should consider the rights and desires of smaller shareholders in their decision making.

Further the Offer is only open for 1 month and if not extended the share price of Aditya Birla may fall to pre-Offer prices.

### **Improved share liquidity**

The market for Aditya Birla Shares is very thinly traded with low volumes on both sides. The current lack of liquidity means Aditya Birla shareholders have limited opportunity to buy or sell on market. If you accept this Offer to switch to Metals X Shares, you will experience significantly more liquidity in the market. Over the past year the average daily traded volume Shares has far exceeded the average daily traded volume of Aditya Birla Shares on the ASX.

### **No controlling shareholder**

Metals X has no major controlling shareholder. If you accept this Offer, you will become a shareholder in a company which is not subject to the control of one shareholder. Metals X's Board believes that the company should be run for the benefit of all shareholders, large and small.

### **No competing proposal**

There is currently no other offer available for your Aditya Birla Shares and no other alternative that provides the technical capability and financial capacity to generate value from the Nifty copper project and remaining assets.

### **Benefits to Metals X**

Metals X believes it is offering a generous and fair premium for the assets that will form the foundations of Metals X's copper division and provide further diversification. Metals X plans to apply our technical capability and financial capacity to turn around the Nifty Mine in both physical and financial performance. This is expected to positively impact the already strong performance of Metals X and further diversify our production and revenue base, making Metals X a larger and stronger Company.

### **Risks of not accepting**

If Metals X's Offer does not proceed, and no superior proposal emerges, Aditya Birla Shares may trade at a discount to the implied Offer price. Further, if you do not accept the Offer, there are certain risks that you should be aware of:

- (a) If Metals X waives the condition that it must obtain 90% interest in Aditya Birla (refer Section 9) for the Offer to be successful, then, depending on what level of acceptances Metals X did receive under the Offer, the market for your Aditya Birla Shares may be even less liquid or less active than present.
- (b) If Metals X becomes entitled to compulsorily acquire your Aditya Birla Shares it intends to exercise those rights. If your Aditya Birla Shares are compulsorily acquired, you will still receive the consideration under the Offer for your Aditya Birla Shares but later than you would have received it had you accepted the Offer.

## SECTION 4 FREQUENTLY ASKED QUESTIONS

Question	Answer	Further details
<b>Who is Metals X?</b>	<p>Metals X is an Australian based diversified metals miner focused on identifying, developing and bringing into production quality mining projects.</p> <p>Metals X currently operates three divisions: gold, tin and nickel.</p> <p>The gold division consists of three gold production projects in Western Australia:</p> <ul style="list-style-type: none"> <li>the Higginsville Gold Operations</li> <li>the South Kalgoorlie Gold Operations</li> <li>the Central Murchison Gold Project, which is currently being developed and is scheduled to commence production in October 2015.</li> </ul> <p>The combined output of the Higginsville and South Kalgoorlie Gold Operations already makes Metals X a significant Australian gold producer. The addition of the Central Murchison Gold Project is set to lift dramatically Metals X's gold production and ranking.</p> <p>The recent acquisitions of the Mt Henry Gold Project and Georges Reward Project add mine life to both the Higginsville and South Kalgoorlie Gold Operations.</p> <p>The recent (pending) acquisition of the Grosvenor Gold Project provides a further opportunity to expand gold production with limited capital exposure.</p> <p>Metals X's Tasmanian Renison Bell Tin JV (50% owned) makes the company unique as one of the few publicly listed companies in the world with significant exposure to tin.</p> <p>Metals X nickel assets include the massive Wingellina Nickel Project, which is one of the world's largest undeveloped nickel-cobalt limonite deposits.</p>	Section 5
<b>What is this Bidder's Statement?</b>	<p>This Bidder's Statement sets out the terms of the Offer for all of your Aditya Birla Shares and information relevant to your decision on whether or not to accept the Offer. The Bidder's Statement has been issued under Part 6.5 of the Corporations Act for distribution to Aditya Birla Shareholders. The Bidder's Statement is an important document. If you are in any doubt as to how to deal with this Bidder's Statement, you should consult your broker or legal, financial or other professional adviser as soon as possible.</p>	
<b>Why is Metals X making this Offer</b>	<p>Metals X believes it is capable of improving the mining operations at Nifty. Because we are offering you shares in Metals X in exchange for your Aditya Birla Shares, you will retain exposure to the future outcomes achieved from the Nifty assets.</p>	Chairman's letter and Section 5

Question	Answer	Further details
<b>Aditya Birla has announced a sale of the Mt Gordon assets. Does this affect Metals X bid?</b>	Yes. This Offer is made on the assumption that the Mt Gordon sale proceeds (as set out in Aditya Birla's announcement dated 21 September 2015) and is therefore conditional on the sale completing prior to the end of the Offer Period.	Section 9
<b>What will I receive if I accept?</b>	<p>If you accept the Offer, subject to the satisfaction or waiver of the conditions to the Offer, you will receive 1 Metals X Share for every 5 of your Aditya Birla Shares (unless you are a Foreign Shareholder or Unmarketable Parcel Holder – see below).</p> <p>If the calculation of the number of Metals X Shares you are to receive as part of the Offer Consideration results in an entitlement to a fraction of a Metals X Share, that fraction will be rounded down to the next whole number of Metals X Shares.</p>	Section 9
<b>What if I am a Foreign Shareholder?</b>	<p>If your address on Aditya Birla's register of members is in a jurisdiction other than Australia or India you are still entitled to accept the Offer, however, you will not be entitled to receive Metals X Shares.</p> <p>Instead, the Metals X Shares at the time of issue to which you would otherwise be entitled to will be issued to a sale nominee approved by ASIC who will sell those shares on the ASX and provide you with the net sale proceeds.</p>	Section 9.10
<b>What if I hold an Unmarketable Parcel of Shares?</b>	<p>If you hold an Unmarketable Parcel of Shares, you are still entitled to accept the Offer, however, you will not be entitled to receive Metals X Shares.</p> <p>Instead, the Metals X Shares at the time of issue to which you would otherwise be entitled to will be issued to a sale nominee approved by ASIC who will sell those shares on the ASX and provide you with the net sale proceeds.</p>	Section 9.10
<b>Are there any Defeating Conditions to the Offer?</b>	<p>The Offer is subject to a number of conditions, which are set out in full in Section 9.2. In summary, these conditions include:</p> <ul style="list-style-type: none"> <li>(a) Metals X receiving FIRB approval permitting it to acquire all of the Aditya Birla Shares;</li> <li>(b) Metals X obtaining a minimum of 90% acceptances under the Offer (which would allow Metals X to proceed to compulsory acquisition of the remainder of the Aditya Birla Shares);</li> <li>(c) none of the following happening for three or more consecutive days between the Announcement Date and the end of the Offer Period: <ul style="list-style-type: none"> <li>(1) the S&amp;P ASX 200 Index falling below 4500;</li> <li>(2) Metals X Share price falling below A\$1.10; Aditya Birla Share price falling below \$0.10</li> <li>(3) the spot gold price falling below A\$1,250;</li> <li>(4) the copper price falling below A\$6,000;</li> </ul> </li> </ul>	Sections 9.2 and 9.3

Question	Answer	Further details
	<p>(d) Aditya Birla disclosing the terms of the Nifty Concentrate Offtake Agreement to Metals X; and, if required by Metals X, an independent expert confirming that the terms conform to certain statements made previously by Aditya Birla to ASX, particularly that the terms are arms' length and consistent with industry practice and commerciality; and Aditya Birla providing written confirmation of certain terms relating to the Nifty Concentrate Offtake Agreement;</p> <p>(e) Aditya Birla providing access to Metals X to any data room it establishes for the sale process it announced on 8 October 2015;</p> <p>(f) Aditya Birla completing the sale of the Mt Gordon assets (in accordance with the Mt Gordon Sale Announcement dated 21 September 2015) before the end of the Offer Period;</p> <p>(g) no material adverse change occurring in relation to Aditya Birla before the end of the Offer Period;</p> <p>(h) no prohibition notices are put in place or become known which jeopardise the ability of the Nifty underground mine and/or concentrator to operate and Aditya Birla disclosing all prior notices and material communications with Government Authorities following the sinkhole incident which occurred at Nifty in March 2014;</p> <p>(i) no untrue statements having been made by Aditya Birla before the Announcement Date;</p> <p>(j) certain conduct of business restrictions in relation to Aditya Birla during the Offer Period;</p> <p>(k) Aditya Birla not dealing with any of its tenements before the end of the Offer Period and not ensuring the tenements are kept in good standing;</p> <p>(l) no natural disasters affecting Aditya Birla before the end of the Offer Period;</p> <p>(m) no litigation being on foot or pending in relation to Aditya Birla before the end of the Offer Period;</p> <p>(n) no regulatory action being taken in consequence of, or in connection with, the Offer before the end of the Offer Period; and</p> <p>(o) no 'prescribed occurrences' occurring in relation to Aditya Birla before the end of the Offer Period.</p> <p>There is also a statutory condition (set out in Section 9.6) relating to the ASX quotation of Metals X Shares to be issued under the Offer. If this condition is not fulfilled, the Offer will lapse and not proceed (i.e. you will retain your Aditya Birla Shares).</p>	

Question	Answer	Further details
<b>What happens if the Defeating Conditions are not waived or satisfied?</b>	If the Defeating Conditions to the Offer are not satisfied or waived by the end of the Offer Period, including any extensions, , the Offer will not proceed and will lapse and you will retain your Aditya Birla Shares.	Section 9.2
<b>What happens if I accept the Offer for my Aditya Birla Shares?</b>	If you accept the Offer, and the Defeating Conditions are satisfied or waived, Metals X will acquire all of your Aditya Birla Shares in return for the Offer Consideration.	Section 9.8
<b>When will I receive the Offer Consideration?</b>	If you accept an Offer you will receive the relevant Offer Consideration by the end of whichever of the following periods ends earlier:  (a) one (1) month after the later of your acceptance and the date the Offer becomes unconditional; or  (b) twenty-one (21) days after the end of the Offer Period.	Section 9.10
<b>What happens if I accept the Offer and Metals X then increases the Offer Consideration with respect to that accepted Offer?</b>	You will receive the increased Offer Consideration even though you had already accepted the relevant Offer.	Section 9.1(g)
<b>When does the Offer close?</b>	The Offer closes at 5.00pm (AWST) on 30 November 2015 unless extended in accordance with the Corporations Act. You will receive written notification of any extension.	Section 9.12
<b>Can I accept an Offer in respect of part of my holding?</b>	No, you may only accept an Offer in respect of all of the Aditya Birla Shares held by you.	Section 9.5(a)
<b>As an Aditya Birla Shareholder, what choices do I have?</b>	As an Aditya Birla Shareholder, you have the following choices in respect of your Aditya Birla Shares:  (a) accept the Offer; (b) sell your Aditya Birla Shares on the ASX (only if you have not already accepted the Offer); or (c) do nothing.	
<b>What are the tax implications if I accept an Offer?</b>	You are advised to seek your own advice specific to your individual circumstances. Section 11 contains a general summary of the major likely Australian tax consequences for Aditya Birla Shareholders who accept the Offer.	Section 11
<b>Do I have to pay stamp duty or brokerage if I accept?</b>	No.	Section 12.16
<b>How do I accept an Offer?</b>	To accept the Offer you should follow the instructions set out in Section 9.5.	Section 9.5

## **SECTION 5 INFORMATION ON METALS X**

### **5.1 Who is Metals X?**

Metals X is an Australian diversified metals producer, developer and explorer. Metals X is a top 10 Australian gold producer, Australia's largest tin producer, a highly experienced underground miner and an ASX 300 Company.

Metals X is focused on exploring and developing resource projects within Australia. Metals X has a successful track record in the identification of, the acquisition of and the turn-around of underperforming mining assets. Metals X is diversified in commodity exposure and currently operates three key divisions, representing the three priority metals: gold, tin and nickel.

Metals X's gold division is based on three gold producing projects, the Higginsville Gold Operations, the South Kalgoorlie Operations and the Central Murchison Gold Project. The current combined output of the HGO and SGO make Metals X an Australian top 10 gold producer. The CMGP is scheduled to commence production in October 2015 and is set to dramatically lift Metals X's gold production.

Metals X has recently entered into an agreement to acquire a fourth major gold project, the Grosvenor Gold Project. Grosvenor is anticipated to settle by end of October 2015 and our teams will be working to bring it into production in 2016.

Metals X's tin assets make the company unique as the significant tin producer in Australia. Through our Tasmanian tin joint-venture, we hold Australia's largest tin Mineral Resources and Ore Reserves and are one of the few publicly listed tin production companies in the world.

Metals X's nickel assets include the massive Wingellina Nickel Cobalt Project, which is one of the world's largest undeveloped nickel-cobalt deposits. The Wingellina Project is supported by a substantial amount of development and feasibility work that has attracted the attention of international partners. The exploration potential of Metals X's regional nickel holdings are hard to overstate.

### **5.2 Our Vision**

Metals X has a vision to be a world class and highly respected manager and operator of mining projects operating with fairness, integrity and professionalism.

### **5.3 Our Values**

Metals X is a company that greatly respects its shareholders and their capital. Metals X has grown shareholder wealth by making shrewd acquisitions. Metals X is also debt free except for limited operational equipment financing.

Metals X believes production and revenue diversification across commodities is a key to sustainability for our shareholders. When prices fall, single commodity resource companies experience significant reductions in value, which can be exacerbated when a company is carrying substantial debt.

When times are tough, Metals X believes in fiscal and operational discipline, allowing it successfully to manage industry downturns.

Metals X believes in actively pursuing quality growth opportunities for our shareholders.

Metals X's management understands that the company's shareholders are their masters. We also believe that the only true measure of their performance is the company's share price. If share prices do not rise, they have failed in the eyes of our shareholders. Metals X regards all shareholders as equals regardless of the size of their holding, and every shareholder should be treated the same.

Metals X's Board also believes that if the company makes money, it should be shared with our shareholders. Metals X operates with disciplined dividend policy to pay 30% of NPAT to shareholders on an annualised basis.

## 5.4 Our Strategy

In 2012, Metals X was Australia's largest tin producer, the owner of one of the world's largest undeveloped nickel deposits, and the holder of a number of prospective development projects. The Board of Metals X realised that its skill base and core business skills were operational management and that it has lost its way and its market relevance. Metals X set out to change this and build the company as a miner with diversified exposure across gold and base metal operations and markets.

Metals X's first move on this strategy was to consolidate the disparate gold and base metal interests it held through its 27% shareholding in Westgold Resources Limited. This was achieved by a merger by way of scheme of arrangement. Westgold shareholders were offered a 33.3% premium and the merger was completed in late 2012.

This created the Metals X gold division and the board and management then took determined steps to build the gold division into a significant operating arm of the company.

In 2013, Metals X acquired the Australian gold assets of Alacer Gold Corp, including the South Kalgoorlie Gold Operations and the Higginsville Gold Operations. Within two years, Metals X moved from holding development assets into being a top 10 Australian gold producer.

In 2014, Metals X continued its strategy by acquiring the distressed gold assets of GMK Exploration Pty Ltd. Assets that were a natural fit for its existing projects in the region. Following its plan, Metals X combined the acquisitions into its substantially expanded Central Murchison Gold Project.

The Central Murchison Gold Project is now being developed, expected to commence gold production in October 2015, becoming a new source of growth for the company.

In all these circumstances, Metals X acquired the assets and resource base at a fraction of the replacement value and determined and skilled operating teams turned the operations around to be Metals X's steady gold producers with good futures.

Metals X has recently agreed to acquire a fourth substantial gold project, the Grosvenor Gold Project. Completion is expected in ensuing weeks and Metals X plans to bring Grosvenor into production in the first half of 2016. Metals X's development and acquisition strategy is set to dramatically lift Metals X's gold production in the ensuing years.

Metals X's core focus is on making well considered and disciplined investments. Metals X acquires projects it believes can deliver impressive results for its shareholders and can contribute to the growth of its business. The proven track record of Metals X's management team across precious and base metals is evidence of the success of this strategy.

Metals X now intends to further diversify our business by acquiring the foundations for its copper division, the Aditya Birla assets.

## 5.5 Metals X's consolidated financial performance

In FY2015, Metals X Limited achieved strong financial results for its shareholders:

<b>Revenue</b>	<b>\$315.2M</b> , up 32% from 2014.
<b>Gold Division Revenue</b>	<b>\$232.8M</b> , up 45% from 2014.
<b>Tin Division Revenue</b>	<b>\$79.6M</b> , up 5% from 2014.
<b>EBITDA</b>	<b>\$82.6M</b> , up 15% from 2014.
<b>Net Profit</b>	<b>\$40.9M</b> , up 9%.
<b>Net Operating Cash Flow</b>	<b>\$82.8M</b> , up 13% from 2014.
<b>Annual Dividend</b>	<b>2.95cps</b> (26% franked)
<b>Return on Equity</b>	<b>12%</b>

Metals X held cash and working capital of \$99.0M as of 30 June 2015 with no debt other than operational equipment leases.

## 5.6 Overview of Metals X's Operations

As a diversified mining company, Metals X has operations and projects across Australia with a current focus on three key divisions, tin, nickel and gold.

### (a) Gold Division

Metals X initially invested in gold through its major shareholding in Westgold Resources Limited which it had held for several years. Metals X began the process of building a Gold Division approximately three years ago. The first step was the consolidation of ownership of Westgold Resources Limited through a merger by scheme of arrangement. This gave Metals X full ownership of the Rover Project and the beginnings of the Central Murchison Gold Project.

Metals X's Gold Division took another significant leap forward in October 2013 when Metals X completed the acquisition of the Higginsville Gold Operations and the South Kalgoorlie Gold Operations from Alacer Gold Corp (Alacer) resulting in Metals X becoming a gold producer.

In June 2014, Metals X acquired the Meekatharra operations from GMK Exploration Pty Ltd offering an expansion option and processing plant to enable it to implement its plans for gold production at its CMGP.

Open pit mining started at the Central Murchison Gold Project in June 2015 with underground mining commencing in August 2015 and the processing plant will be commissioned in October 2015. Metals X has also recently agreed to acquire a fourth gold project, the Grosvenor Gold Project which is expected to settle in late October 2015 and be brought into production in 2016.

#### Higginsville Gold Operations (HGO)

HGO consists of a modern 1.3Mtpa CIP plant, a 300 person village, the Trident Underground Mine, numerous open pits and requisite mine and processing infrastructure. Mining at HGO is mainly focused on the Trident Underground Mine along with a number of smaller open pits, with current production from Lake Cowan group of open pits. HGO has a Total Mineral Resource Estimate of 13.7Mt at 2.68 g/t Au, containing 1.2Moz of gold with a Total Mining Reserve Estimate of 3.6Mt at 2.95 g/t, containing 339 Koz of gold.

During FY2015 HGO processed 1,140,504 tonnes of ore at 4.06 g/t Au, with a total production of 131,406 oz. HGO's total cost of sales in FY2015 was \$1,117/oz.

HGO Mineral Resources as at 30 June 2015 are shown below.

Category	kT	Grade (g/t Au)	Ounces Au
Measured	1,713	3.62	199,000
Indicated	6,962	2.70	604,000
Inferred	5,074	2.33	379,000
<b>Total</b>	<b>13,750</b>	<b>2.68</b>	<b>1,183,000</b>

HGO Ore Reserves as at 30 June 2015 are shown below.

Category	kT	Grade (g/t Au)	Ounces Au
Proven	516	3.79	63,000
Probable	3,055	2.81	276,000
<b>Total</b>	<b>3,571</b>	<b>2.95</b>	<b>339,000</b>

## Mt. Henry Project Acquisition

In September 2015 Metals X acquired the Mt Henry Gold Project at Norseman from Panoramic Resources Ltd and Matsa Resources Ltd for the consideration of 22 million Metals X Shares.

The Mt Henry Gold Project had been subject of a successful feasibility for a stand alone development of the 1.65 million ounce resource defined to date. Metals X intends to commence mining at the Mt Henry Gold Project and cart the ores to HGO, alleviating the capital impost for a new plant and adding a potential 8-10 years of mine life to HGO.

## South Kalgoorlie Operations (SKO)

SKO consists of a 1.2Mtpa CIP plant and associated infrastructure. Numerous open pits and underground mines have previously been operated within the tenement area since the late 1980's.

SKO has a Total Mineral Resource Estimate of 45.7Mt at 2.25 g/t Au, containing 3.3Moz of gold with a Total Mineral Reserves Estimate as 2.2Mt at 2.49 g/t Au, containing 174 Koz of gold.

Since acquisition, the SKO operations have primarily operated by processing low-grade ore stocks in combination with some minor open pits whilst the new HBJ underground mine was being established. For the majority of the last year HBJ was in a pre-production development phase as the mine was being opened up for production. It is now driving on the ore and has commenced the stoping cycle that is expected to see it deliver ore at an annualised rate of approximately 500,000tpa providing a steady and consistent base load of higher grade ore to the SKO plant. Some minor toll processing was also undertaken during the previous year.

During FY2015 SKO mined 236,529 tonnes of ore at 1.46 g/t Au and processed 766,238 tonnes of ore at 0.90g/t Au, with a total production of 19,496 oz. SKO's total cost of sales in FY2015 was \$1,411/oz.

SKO Mineral Resources as at 30 June 2015 are shown below.

Category	kT	Grade (g/t Au)	Ounces Au
Measured	962	2.91	90,000
Indicated	23,856	2.32	1,777,000
Inferred	20,838	2.15	1,443,000
<b>Total</b>	<b>45,656</b>	<b>2.25</b>	<b>3,309,000</b>

SKO Ore Reserves as at 30 June 2015 are shown below.

Category	kT	Grade (g/t Au)	Ounces Au
Proven	684	1.21	27,000
Probable	1,493	3.08	148,000
<b>Total</b>	<b>2,177</b>	<b>2.49</b>	<b>174,000</b>

## Southern Gold Mining & Profit Share Agreement

Metals X operates a mining and profit sharing agreement with Southern Gold Limited (Southern Gold) (ASX: SAU). The innovative agreement reached between Metals X and Southern Gold enabled Southern Gold's Cannon Gold Project to be mined and processed at Metals X's Jubilee Plant (part of the South Kalgoorlie Operations).

Under the agreement, Metals X provides funding and technical experience in both open pit and underground mining to mine the resource. The revenues from the project are first allocated to reimbursement of costs incurred by Metals X with surplus profits shared on a 50:50 basis.

Southern Gold have identified a Mineral Resource 846kt @ 3.6 g/t Au for a total of 97koz defined in accordance with the JORC code, 94% of which is in the Measured and Indicated categories.<sup>1</sup>

Mining operations began at the Canon Gold Project on 11 August 2015 with first stage production expected to produce 13.5 koz of gold at an all-in sustaining cost (AISC) of A\$1084/oz.

#### **Georges Reward Acquisition (100% MLX)**

On 10 July 2015 Metals X announced that it had entered into an agreement with Northern Mining Limited and Balagundi Pty Ltd to acquire their interests in the Georges Reward Project at Bulong in Western Australia for \$4,500,000 in cash.

The Georges Reward Project is contiguous with the Cannon Project of Southern Gold Limited with which Metals X operates a mining and profit sharing agreement. The Georges Reward Project is expected to provide a significant expansion to the operations underway at the Cannon Project which will underpin the medium term operations at SKO.

#### **Central Murchison Gold Project (CMGP)**

CMGP consists of a 2.0 Mtpa process CIP plant and associated infrastructure with a significant number of historical open pit and underground mines. In 2014 and 2015 Metals X advanced its strategy to recommence mining at the CMGP with the acquisitions of the Meekatharra Gold Operations and the Nannine tenements, which included the processing plant and infrastructure, and over 3Mozs of Resources increasing Metals X's Resource base in the area to over 8.4Mozs.

The revised Feasibility Study and Development Plan for the expanded CMGP was released to the ASX on 29 January 2015. The study revealed a robust project producing approximately 200,000 oz per annum with an all in sustaining costs of \$1,180 per ounce and an initial 13 year mine life.

Metals X commenced open pit mining at the CMGP in June 2015 and commenced underground mining in August 2015. The processing plant is scheduled to commence processing ore in October.

The CMGP has a Total Mineral Resource Estimate of 126.6Mt at 2.07 g/t, containing 8.4Moz of gold with a Total Ore Reserve Estimate of 20.5Mt at 2.58 g/t, containing 1.7Moz of gold.

CMGP Mineral Resources as at 30 June 2015 are shown below.

<b>Category</b>	<b>kT</b>	<b>Grade (g/t Au)</b>	<b>Ounces Au</b>
Measured	396	1.85	23,000
Indicated	76,307	2.15	5,265,000
Inferred	49,924	1.96	3,146,000
<b>Total</b>	<b>126,626</b>	<b>2.07</b>	<b>8,434,000</b>

CMGP Ore Reserves as at 30 June 2015 are shown below.

<b>Category</b>	<b>kT</b>	<b>Grade (g/t Au)</b>	<b>Ounces Au</b>
Proven	-	-	-
Probable	20,466	2.58	1,700,000
<b>Total</b>	<b>20,466</b>	<b>2.58</b>	<b>1,700,000</b>

<sup>1</sup> SAU ASX Announcement, 1 October 2015.

## Grosvenor Gold Project (Subject to Completion)

On 31 July 2015, Metals X announced that it had entered into an agreement to acquire the Grosvenor Gold Project from RNI NL.

The Grosvenor Gold Project is located approximately 150 km north of Meekatharra in the Bryah Basin of Western Australia and regionally close to the Central Murchison Gold Project. The interests to be acquired include:

- The gold prospects and resources of the Grosvenor, Horseshoe and Peak Hill areas which host a resource base of over 2 million ounces.
- The Grosvenor Gold process plant – a 1.0Mtpa CIL plant with substantial infrastructure including a 100 person village, air strip and borefield.

Consideration for the acquisition is the allotment of 18,000,000 Metals X Shares.

In addition to the consideration, Metals X provided a \$300,000 interest free loan to RNI for working capital during the sales process which is convertible into shares in RNI at \$0.02.

Settlement is subject to a number of third party approvals. Metals X and RNI NL are working towards gaining those approvals.

Grosvenor represents a substantial addition to Metals X's gold resource base and is well located to benefit from regional synergies with the Central Murchison Gold Project.

## Rover 1 Prospect

The Rover 1 prospect is a virgin IOCG (iron oxide copper-gold) discovery and the most significant so far in the Rover Field. The Rover Field is a postulated under-cover repetition of the rich Tennant Creek goldfield 80 km to the north and surrounding the namesake town.

Diamond drilling and evaluation studies are still being completed at Rover 1 and early signs are positive for a new mine development.

Rover 1 Mineral Resources as at 30 June 2015 are shown below.

	Gold			Copper			Bismuth			Cobalt		
	Kt	Grade	Koz Metal	Kt	Grade %	Kt Metal	Kt	Grade %	Kt Metal	Kt	Grade %	Kt Metal
<b>Category</b>												
Measured	-	-	-	-	-	-	-	-	-	-	-	-
Indicated	2,741	2.42	213	2,741	1.42%	39	2,741	0.18%	5	2,741	0.04%	1
Inferred	4,073	1.27	167	4,073	1.06%	43	4,073	0.11%	4	4,073	0.08%	3
<b>Total</b>	<b>6,814</b>	<b>1.73</b>	<b>380</b>	<b>6,814</b>	<b>1.20%</b>	<b>82</b>	<b>6,814</b>	<b>0.14%</b>	<b>9</b>	<b>6,814</b>	<b>0.06%</b>	<b>4</b>

## (b) Tin Division

Metals X is a globally significant tin producer through its 50% ownership of the Renison Tin Project in Tasmania, which holds three key assets - the Renison Tin Mine, Mt Bischoff tin mine and the Renison Expansion Project (Rentails).

## Renison Tin Mine

The Renison operations and expansion project is located approximately 15km north-east of Zeehan on West coast of Tasmania. The Renison Tin Mine is a world-class hard rock tin operation.

Over the last several years Resource extension work has been very successful in upgrading both the Mineral Resource and Ore Reserve estimates. The mine is arguably in its strongest position ever with over 9 years of Reserves and over 18 years of Resources with excellent potential for the further replacement and extension of Resources. In addition the operations contains fully developed ore stocks (capital and normal development) of over 2.2Mt at 1.3% Sn (equivalent to 3 years of processing).

PROJECT	TIN			COPPER		
	kT	Grade	kT Sn	kT	Grade	kT Cu
<b>MEASURED</b>						
Renison Bell	1,225	1.94%	24	1,148	0.55%	6
Mount Bischoff	-	0.00%	-	-	0.00%	-
Rentails	21,842	0.45%	98	21,842	0.22%	48
<b>Sub-Total</b>	<b>23,066</b>	<b>0.53%</b>	<b>122</b>	<b>22,990</b>	<b>0.24%</b>	<b>54</b>
<b>INDICATED</b>						
Renison Bell	8,276	1.43%	118	7,746	0.31%	24
Mount Bischoff	968	0.59%	6	-	0.00%	-
Rentails	-	0.00%	-	-	0.00%	-
<b>Sub-Total</b>	<b>9,243</b>	<b>1.34%</b>	<b>124</b>	<b>7,746</b>	<b>0.31%</b>	<b>24</b>
<b>INFERRED</b>						
Renison Bell	3,374	1.36%	46	3,117	0.29%	9
Mount Bischoff	699	0.47%	3	-	0.00%	-
Rentails	-	0.00%	-	-	0.00%	-
<b>Sub-Total</b>	<b>4,073</b>	<b>1.21%</b>	<b>49</b>	<b>3,117</b>	<b>0.29%</b>	<b>9</b>
<b>TOTAL</b>						
Renison Bell	12,874	1.46%	188	12,011	0.33%	39
Mount Bischoff	1,667	0.54%	9	-	0.00%	-
Rentails	21,842	0.45%	98	21,842	0.22%	48
<b>Grand Total</b>	<b>36,382</b>	<b>0.81%</b>	<b>294</b>	<b>33,853</b>	<b>0.26%</b>	<b>88</b>

During FY2015 Metals X's half share of ore production from the Renison Tin Mine was 322,467 tonnes of ore at 1.56% Sn producing 3,536 tonnes of tin metal. Renison's total cost of sales was A\$19,304/t Sn.

## Renison Expansion Project (Rentails Project)

The Renison Tin Mine has generated a significant quantity of process tailings that has been accumulated over its lifetime of operation. The Rentails Project aims to re-process and recover tin and copper from these tailings by the application of modern processing technology including flotation, gravity and tin-fuming methods. A Definitive Feasibility Study (“DFS”) for the project was completed in 2009, which concluded that a 10-year project could be established using an integrated 2Mtpa tin concentrator and tin-fumer plant that could be constructed to produce approximately 5,300 tonnes of tin and 2,000 tonnes of copper contained in tin fume per annum.

The Rentails Project has a Total Mineral Resource Estimate of 21.8Mt at 0.45% tin containing 98Kt of tin metal with a Total Ore Reserve Estimate of 21.0Mt at 0.45% tin containing 94Kt of tin metal.

The Tin Division Ore Reserves (50% owned by Metals X) as at 30 June 2015 are shown below:

Project	Tin			Copper		
	kT	Grade	kT Sn	kT	Grade	kT Cu
<b>PROVEN</b>						
Renison Bell	1,313	1.60%	21	1,313	0.43%	6
Mount Bischoff	-	0.00%	-	-	0.00%	-
Rentails	-	0.00%	-	-	0.00%	-
<b>Sub-Total</b>	<b>1,313</b>	<b>1.60%</b>	<b>21</b>	<b>1,313</b>	<b>0.43%</b>	<b>6</b>
<b>PROBABLE</b>						
Renison Bell	5,360	1.22%	65	5,038	0.25%	12
Mount Bischoff	-	0.00%	-	-	0.00%	-
Rentails	20,965	0.45%	94	20,965	0.22%	46
<b>Sub-Total</b>	<b>26,325</b>	<b>0.60%</b>	<b>159</b>	<b>26,003</b>	<b>0.23%</b>	<b>59</b>
<b>TOTAL</b>						
Renison Bell	6,673	1.29%	86	6,352	0.29%	18
Mount Bischoff	-	0.00%	-	-	0.00%	-
Rentails	20,965	0.45%	94	20,965	0.22%	46
<b>Grand Total</b>	<b>27,638</b>	<b>0.65%</b>	<b>180</b>	<b>27,316</b>	<b>0.24%</b>	<b>64</b>

**(c) Nickel Division**

Metals X's nickel strategy is focused on the Central Musgrave Project (CMP) which straddles the triple-point of the WA/NT/SA borders. The project represents the Company's key nickel assets and comprises of the globally significant Wingellina Ni-Co-Fe rich Limonite deposit, the Claude Hills deposit and the Mt Davies exploration prospects.

**Wingellina Nickel Project**

The Wingellina Project is one of the largest undeveloped nickeliferous 'pure oxide' limonite accumulations in the world.

The Wingellina Project has ore reserves (0.5% cut-off) of approximately 216 million tonnes of ore at 0.95% nickel, 0.07% cobalt and 45% Fe<sub>2</sub>O<sub>3</sub>. Over 167 million tonnes or 90% of this resource is classified as a Probable Mining Reserve. The Phase One Feasibility Study using HPAL methodology demonstrated Wingellina as a robust project proposing a minimum 40 year mine life at an average annual production rate of 40,000 tonnes of nickel and 3,000 tonnes of cobalt, representing approximately 2.5% of global nickel production and 4% of global cobalt production.

Metals X has achieved a number of significant milestones with the Wingellina Nickel Project including:

- A landmark agreement with the Traditional Owners of the Yarnangu Ngaanyatjarra Lands to permit mining.
- A memorandum of understanding with Samsung C&T Corporation which will see the parties collaborate to complete an updated Detailed Feasibility Study.
- The completion and release of the Public Environmental Review document, the main document required for final approvals.

	Nickel			Cobalt			Fe <sub>2</sub> O <sub>3</sub>		
	Kt	Grade	Kt Metal	Kt	Grade	Kt Metal	Kt	Grade	Kt Metal
Measured	68,847	1.00%	688	68,847	0.08%	54	68,847	48.7%	33,535
Indicated	98,623	0.97%	957	98,623	0.08%	74	98,623	46.4%	45,751
Inferred	49,004	0.86%	422	49,004	0.07%	34	49,004	40.02	19,609
<b>Total</b>	<b>216,474</b>	<b>0.95%</b>	<b>2,067</b>	<b>216,474</b>	<b>0.07%</b>	<b>161</b>	<b>216,474</b>	<b>45.68%</b>	<b>98,896</b>

**(d) Polymetallic and Exploration Assets**

Metals X holds a portfolio of polymetallic and exploration assets with a current focus on the Rover and Warumpi Projects.

**Rover Project**

The Rover Project is located approximately 80 km to the south west of the Tennant Creek goldfield in the Northern Territory. Rover is a postulated undercover repetition of the rich Tennant Creek goldfield. Exploration to date has so far fully tested a small number of anomalies and several highly mineralised IOCG ("Iron Oxide Copper Gold") systems have been discovered at the Rover 1 Prospect and Explorer 142. In addition a significant lead-zinc-silver discoveries have been made at Explorer 108 and recently at the Curiosity Prospect to its south.

The Rover 1 Prospect is a virgin IOCG discovery and has a Total Mineral Resource Estimate of 6.8Mt at 1.73 g/t Au, 1.2% Cu, 0.14% Bi and 0.06% Co and drilling is continuing.

The Explorer 108 prospect has a Total Mineral Resource Estimate of 11.9Mt at 3.24% Zn, 2.00% Pb and 11.14g/t Ag.

## **Warumpi Project**

Warumpi is a significant exploration holding at the base of the Arunta province in the Northern Territory which has recently been identified as being geologically, tectono-thermally and temporally similar to Proterozoic basins in Eastern Australia that host five of the world's ten largest stratabound Pb-Zn deposits (Broken Hill, Hilton-George Fisher, Mount Isa, MacArthur River and Century). Metals X is undertaking one of the first modern exploration program in this highly underexplored region.

### **(e) Acquisitions and divestments**

Metals X regularly examines new acquisition opportunities which may relate to existing or new areas of operation for Metals X. This may lead to changes in the source of Metals X's operating profits over time. From time to time, Metals X may receive unsolicited approaches from interested buyers for assets or businesses operated by Metals X. These approaches are evaluated on their merits. Other than in respect of the Merger or as otherwise disclosed in this Bidder's Statement, there are no discussions presently being undertaken in relation to acquisitions or divestments that are sufficiently advanced or sufficiently material to Metals X's earnings that Metals X considers warrant disclosure in this Bidder's Statement.

### **5.7 Directors**

Metals X's directors have substantial experience acquiring, building and developing operating mines in Australia. The directors of Metals X as at the date of this Bidder's Statement are:

#### **Peter Newton – Independent Non-Executive Chairman**

Mr Newton was a highly successful stockbroker for 25 years until 1994. Since then he has been a significant participant in the Australian resource industry as an investor and a director of a number of listed companies. In past years he has been the Chairman of both Hill 50 Limited and Abelle Limited. Mr Newton is also the Chairman of the Company's Remuneration & Nomination Committee.

Mr Newton has held no other public company directorships in the past three years.

#### **Peter Cook – Chief Executive Officer and Executive Director**

Mr Cook is a Geologist (BSc (Applied Geology)) and a Mineral Economist (MSc (Min. Econ), MAusIMM with over 30 years of experience in the fields of exploration, project, operational and corporate management of mining companies.

During the past three years he has served as a director of the following public listed mining companies:

- Pacific Niugini Limited (Appointed 31 August 2009);
- Aziana Limited (Appointed 30 May 2011 – Resigned 10 September 2015).

He is a past winner of the GMJ Mining Executive of the Year in 2001 and the Asian – Mining Executive of the Year in 2015, awarded at the Mines and Money Conference in Hong Kong in 2015.

### **Warren Hallam - Executive Director**

Mr Hallam is a Metallurgist (B. App Sci (Metallurgy)), a Mineral Economist (MSc (Min. Econ)), holds a Graduate Diploma in finance and has over 30 years of technical and commercial experience across numerous commodities and businesses within the resources industry.

During the past three years' he has served as a director of the following public listed mining companies:

- Aziana Limited (Appointed 30 May 2011 – Resigned 11 April 2014).

### **Xie Penggen – Non-Executive Director**

Mr Xie Penggen is a minerals processing engineer with over 25 years of experience in the mining industry. Mr Xie commenced his career within the Jinchuan Group where he has undertaken various operational, technical and management roles. He is currently an executive in Jinchuan's global investment group which is responsible for the Group's international investments.

Mr Penggen has held no other public company directorships in the past three years.

### **Yimin Zhang – Alternate Non-Executive Director**

Mr Zhang joined the Board to act as an alternate director for Xie Penggen. Mr Zhang is the Chief Representative for Jinchuan Australia and is also an Executive Director of Sino Nickel Pty Limited. Mr Zhang has worked for Jinchuan since 1981 and has been posted to several overseas positions to which he has been involved in numerous Jinchuan co-operative ventures. Mr Zhang holds a Diploma from the Metallurgical and Architectural Institute of Chung Chan.

During the past three years he has served as a director of the following public listed mining company:

- Albidon Limited (Appointed 9 September 2009 – Resigned 2 August 2013).

### **Andrew Ferguson - Non-Executive Director**

Mr Ferguson is an Executive Director and the Chief Executive Officer of APAC Resources Limited. Mr Ferguson holds a Bachelor of Science Degree in Natural Resource Development and has 20 years of experience in the finance industry specialising in global natural resources. Mr Ferguson also serves on the Company's Audit and Remuneration & Nomination Committees.

During the past three years he has served as a director of the following public listed mining companies:

- ABM Resources Limited (Appointed 9 July 2012).
- Mount Gibson Iron Limited (Alternate Director) (Appointed 24 September 2012).
- Praetorian Resources Limited (Appointed July 2012 – Resigned June 2013).

### **Simon Heggen – Independent Non-Executive Director**

Mr Heggen holds Bachelor of Economics and Bachelor of Laws Degrees from the Australian National University and has around 30 years proven experience in strategic planning, corporate development, M&A and corporate finance within the Resources sector. Mr Heggen is Chairman of the Company's Audit Committee and also serves on the Remuneration & Nomination Committee.

During the past three years he has served as a director of the following public listed company:

- Resource Star Limited (Appointed 9 May 2011 – Resigned 5 April 2013).

### **Paul Cmrlec – Independent Non-Executive Director**

Mr Cmrlec holds a Bachelor of Mining Engineering (Honours) degree from the University of South Australia. He has considerable hands on experience in feasibility studies, project development and operational management. He also holds extensive corporate experience including equity and debt project financing, project acquisition, joint ventures and shareholder engagement. Mr Cmrlec also serves on the Company's Audit and Remuneration & Nomination Committees.

During the past three years he has served as a director of the following public listed mining company:

- Pacific Niugini Limited (Appointed 3 June 2010).

### **Key Management**

Metals X's key management have a long history of working in and operating underground mines. The key management of Metals X as at the date of this Bidder's Statement are:

### **Allan King – Renison Tin Project Joint Venture Manager**

Mr King graduated as a Mining Engineer from the WA School of Mines and has over 35 years of experience in the industry, ranging from labourer to General Manager. This experience has been across a range of commodities, including gold, nickel, copper, coal, antimony and tin, across various size operations and across Australia (mostly WA), Africa and China. Most roles have been at General Manager level, with a focus on operations requiring a turnaround/performance improvement but also includes start-up and feasibility positions.

Mr King's role as General Manager at Bluestone Mines Tasmania JV is focussed on improving the overall operations at Renison, with the aim of sustainably lowering costs, improving efficiencies and maximising the value of the operation to the JV partners.

### **Fiona Van Maanen – Company Secretary & Chief Financial Officer**

Mrs Van Maanen is a CPA, holds a Bachelor of Business (Accounting) degree and a Graduate Diploma in Company Secretarial Practice. Mrs Van Maanen has significant experience in accounting and financial management in the mining and resources industry.

### **Jake Russell – Group Chief Geologist**

Mr. Russell is a geologist with 15 years' experience in exploration, resource development, mine production and management across a range of commodities. He is a graduate of the University of Tasmania with an honours degree in Economic Geology, and is a member of the AIG.

Mr. Russell has held senior positions with Harmony Gold and Westgold Resources and is currently Group Chief Geologist with Metals X, where his role encompasses geological oversight of the Company's production, development and exploration assets, and assessment of growth opportunities.

### **Michael Poepjes – Group Chief Mining Engineer**

Mr Poepjes is a Mining Engineer (B Eng) with over fifteen years of experience in the mining industry predominately focused on the underground mining sector. Michael holds a Bachelor of Engineering (Mining) from WASM in addition to a Mineral Economics (MSc [Min Econ]) and a Master's Degree in Business Administration, both obtained from the Curtin Graduate School of Business.

Michael's role as Chief Mining Engineer is focussed on developing Metals X's gold projects. Before joining Metals X, he had been an Underground Manager and Technical Services Manager at mines near Kalgoorlie in Western Australia. His core skill set relates to underground mining and mine management with experience in project evaluation and approvals.

## **Paul Hucker – Chief Operating Officer**

Mr Hucker is a Mining Engineer with 20 years' experience in Australia and South Africa in a variety of Supervisory and Management roles. He has a Bachelor of Engineering (Mining) from Ballarat University and a Graduate Certificate in Mineral Economics from Curtin University.

Mr Hucker's role as Chief Operating Officer is managing Metals X's gold projects. Before joining Metals X, he had been an Underground Manager and Resident Manager at gold mines near Kalgoorlie in Western Australia. His core skill set relates to underground mining and mine management but he also has experience in project evaluation and approvals.

### **5.8 Metals X securities**

The total number of securities on issue in Metals X at the date of this Bidder's Statement is as follows:

<b>CLASS OF SECURITY</b>	<b>NUMBER ON ISSUE</b>
Fully Paid Ordinary Shares*	440,181,038
Performance Rights	1,637,020

\* Upon completion of the acquisition of Grosvenor Gold Project, a further 18,000,000 Metals X Shares will be issued to the vendor, RNI NL. This will increase the Metals X Shares on issue to 458,181,038 (prior to any impact of the Offer). Completion of the Grosvenor Gold Project acquisition is expected by end October 2015.

### **5.9 Major Shareholders**

As at the date of the Bidder's Statement, based on substantial shareholder notices provided to Metals X, Metals X's substantial shareholders are:

<b>SHAREHOLDER</b>	<b>NUMBER</b>	<b>PERCENTAGE INTEREST</b>
APAC Resources Limited	99,407,571	22.58%
Jinchuan Group Limited	44,000,000	10.00%
Blackrock Group	35,305,319	8.02%

### **5.10 Recent share price performance of Metals X**

The latest recorded sale price of Metals X Shares on ASX before the Announcement Date, also being the date before this Bidder's Statement was lodged with ASIC, was A\$1.365 as at close of trading on ASX on 14 October 2015.

The latest recorded sale price of Metals X Shares on ASX on 21 October 2015, being the latest practicable date before the Offer Date was A\$1.325.

The lowest recorded sale price of Metals X Shares on ASX in the last 3 months before the date this Bidder's Statement was lodged with ASIC was A\$1.01 on 7 and 10 August 2015.

The highest recorded sale price of Metals X Shares on ASX in the last 3 months before this Bidder's Statement was lodged with ASIC was A\$1.45 on 12 October 2015.

## 5.11 Historical Financial information

### (a) Financial Position and Financial Performance

The audited historical financial information set out below for Metals X is extracted from Metals X's full year financial statements as at 30 June 2015 and 30 June 2014. A copy of Metals X's financial statements can be found on its website: [www.metalsx.com.au](http://www.metalsx.com.au).

The historical financial information in respect of Metals X has been prepared in accordance with the recognition and measurement principles of the Australian Accounting Standards, and in accordance with its accounting policies, as set out in the financial reports of Metals X for the full year ended 30 June 2015 and 30 June 2014.

<b>(i) Financial Position - for the year ended</b>	<b>30 June 2015 \$'000</b>	<b>30 June 2014 \$'000</b>
<b>Current Assets</b>		
Cash and cash equivalents	99,038	57,109
Trade and other receivables	16,108	19,298
Inventories	36,522	33,249
Prepayments	819	812
Other financial assets	5,601	6,481
<b>Total current assets</b>	<b>158,088</b>	<b>116,949</b>
<b>Non-current Assets</b>		
Available-for-sale financial assets	3,784	596
Property, plant and equipment	64,117	63,428
Mine properties and development costs	161,307	155,075
Exploration and evaluation expenditure	100,042	95,115
Deferred tax assets	-	-
<b>Total non-current assets</b>	<b>329,250</b>	<b>314,214</b>
<b>Total Assets</b>	<b>487,338</b>	<b>431,163</b>
<b>Current Liabilities</b>		
Trade and other payables	36,912	33,064
Provisions	4,433	3,448
Interest bearing loans and borrowings	1,658	117
Unearned income	20,223	-
<b>Total current liabilities</b>	<b>63,226</b>	<b>36,629</b>
<b>Non-current Liabilities</b>		
Provisions	69,525	82,818
Interest bearing loans and borrowings	3,266	56
Unearned income	5,056	-
<b>Total non-current liabilities</b>	<b>77,847</b>	<b>82,874</b>
<b>Total Liabilities</b>	<b>141,073</b>	<b>119,503</b>
<b>Net Assets</b>	<b>346,265</b>	<b>311,660</b>
<b>Equity</b>		
Issued capital	332,852	331,399
Accumulated losses	(9,771)	(39,479)
Share based payments reserve	19,961	19,740
Fair value reserve	3,223	-
<b>Total Equity</b>	<b>346,265</b>	<b>311,660</b>

<b>(ii) Financial Performance - for the year ended</b>	<b>30 June 2015 \$'000</b>	<b>30 June 2014 \$'000</b>
Revenue	315,250	238,600
Cost of sales	(254,907)	(186,300)
<b>Gross profit</b>	<b>60,343</b>	<b>52,300</b>
Other income	1,946	4,886
Other expenses	(10,135)	(9,151)
Fair value change in financial assets	1,245	(70)
Impairment loss on receivables	(1,500)	-
Impairment loss on available-for-sale financial assets	-	(1,623)
Impairment loss on mine properties and development	(4,718)	-
Exploration and evaluation expenditure written off	(6,111)	(6,974)
<b>Profit before income tax and finance costs</b>	<b>41,070</b>	<b>39,368</b>
Finance costs	(121)	(1,916)
<b>Profit before income tax</b>	<b>40,949</b>	<b>37,452</b>
Income tax benefit	-	-
<b>Net profit after tax</b>	<b>40,949</b>	<b>37,452</b>
<b>Other comprehensive income</b>		
<i>Items that may be reclassified subsequently to profit or loss</i>		
Fair value changes in available-for-sale financial asset	3,223	-
<b>Other comprehensive profit for the period, net of tax</b>	<b>3,223</b>	<b>-</b>
<b>Total comprehensive profit for the period</b>	<b>44,172</b>	<b>37,452</b>

**(b) Operating Results**

The historical operating results set out below for Metals X is extracted from Metals X's Appendix 4E as at 30 June 2015 and Annual Report as at 30 June 2014. A copy of Metals X's reports can be found on its website: [www.metalsx.com.au](http://www.metalsx.com.au).

The operating results of HGO are summarised below:

	<b>30 June 2015</b>	<b>30 June 2014</b>
<b>Mine Production</b>		
Underground - Ore Tonnes	659,957	724 616
Underground - Grade (g/t Au)	5.59	5.56
Open Pit - Ore Tonnes	480,547	-
Open Pit - Grade (g/t Au)	1.98	-
<b>Total Mine Production – Ore Tonnes</b>	<b>1,140,504</b>	<b>724,616</b>
<b>Total Mine Production – Grade (g/t Au)</b>	<b>4.06</b>	<b>5.56</b>
<b>Processing</b>		
Tonnes Processed at HGO	877,239	710,769
Tonnes Processed at SKO	149,786	-
<b>Tonnes Processed</b>	<b>1,027,025</b>	<b>710,769</b>
Head Grade (g/t Au)	4.27	5.63
Recovery %	92.9%	95.8%
Gold Produced (oz)	131,406	123,361

The key fiscal outcomes for HGO are summarised below:

<b>Gold Division</b>	<b>30 June 2015</b>	<b>30 June 2014</b>
Gold Price Received (\$/oz)	1,473	1,400
Depreciation & Amortisation (\$/oz)	239	196
Cost of Sales (\$/oz)	1,117	1,009

The operating results of SKO are summarised below:

	<b>30 June 2015</b>	<b>30 June 2014</b>
<b>Mine Production</b>		
Underground - Ore Tonnes	10,687	-
Underground - Grade (g/t Au)	1.88	-
Open Pit - Ore Tonnes	225,842	59,230
Open Pit - Grade (g/t Au)	1.44	3.22
<b>Total Mine Production – Ore Tonnes</b>	<b>236,529</b>	<b>59,230</b>
<b>Total Mine Production – Grade (g/t Au)</b>	<b>1.46</b>	<b>3.22</b>
<b>Processing</b>		
Tonnes Processed	766,238	317,126
Head Grade (g/t Au)	0.90	1.62
Recovery %	84.3%	88.6%
Gold Produced (oz)	19,496	14,832

The key fiscal outcomes for SKO are summarised below:

<b>Gold Division</b>	<b>30 June 2015</b>	<b>30 June 2014</b>
Gold Price Received (\$/oz)	1,409	1,401
Depreciation & Amortisation (\$/oz)	228	167
Cost of Sales (\$/oz)	1,411	684

The operating results for Metals X's 50% share of the Renison Project are summarised below:

<b>Tin Division</b>	<b>30 June 2015</b>	<b>30 June 2014</b>
<b>Mine Production</b>		
Ore Hoisted (tonnes)	322,467	317,538
Grade(%Sn)	1.56	1.45
<b>Processing</b>		
Tonnes Processed (tonnes)	320,742	317,168
Grade (%Sn)	1.57	1.45
Recovery (%)	70	68
Tin Concentrate Grade (%Sn)	54	56
Tin Metal Produced (tonnes)	3,536	3,108
Tin Metal Sold (tonnes)	3,523	3,075

The key fiscal outcomes for the period (50% equitable share) of the Renison Tin Project is summarised below:

<b>Tin Division</b>	<b>30 June 2015</b>	<b>30 June 2014</b>
Tin Price Received (\$/t Sn)	22,662	21,569
Depreciation & Amortisation (\$/t Sn)	1,887	2,727
Cost of Sales (\$/t Sn)	19,304	21,569

## **5.12 Pro Forma Financial Information**

### **(a) Basis of preparation**

The pro-forma historical financial information of the Metals X Group set out below is provided for illustrative purposes only. The Metals X Group is Metals X and each of its Subsidiaries. This includes the transactions described below but excludes Aditya Birla.

In addition, the pro-forma historical financial information of the Metals X Group has been presented in an abbreviated form insofar as it does not contain all disclosures required by the Australian Accounting Standards applicable to annual financial reports prepared in accordance with the Corporations Act.

### **(b) Pro forma Adjustments**

The following pro forma adjustments have been made in relation to material transactions that have taken place since the preparation of the Metals X Group consolidated statement of financial position as at 30 June 2015.

#### **(1) Georges Reward Project Acquisition**

On 10 July 2015 Metals X announced that it had entered into an agreement with Northern Mining Limited (79%) and Balagundi Pty Ltd (21%) to acquire their interests in the Georges Reward Project at Bulong in Western Australia for \$4.5 million in cash. The transaction was completed on 17 July 2015.

The following pro forma adjustments have been made in preparing the Metals X Group pro forma consolidated statement of financial position as at 30 June 2015.

- (1) A decrease in cash and cash equivalents of \$4.5 million together with a corresponding increase in exploration and evaluation expenditure, representing the purchase price and fair value of the Georges Reward Project.
- (2) A decrease in cash and cash equivalents of \$0.3 million together with a corresponding increase in accumulated losses, representing an estimation of Metals X's costs associated with the Georges Reward Project (including an estimate for stamp duty payable).

#### **(2) Mt Henry Gold Project Acquisition**

On 31 July 2015 the Company announced that it had entered into an agreement to acquire the Mt Henry Gold Project from Panoramic Resources Ltd and Matsa Resources Limited.

The consideration for the acquisition was 22 million new fully paid ordinary shares in Metals X. The transaction was completed on 16 September 2015. The value of the shares issued on the date of the transaction was \$1.225 per share.

The following pro forma adjustments have been made in preparing the Metals X Group pro forma consolidated statement of financial position as at 30 June 2015.

- (1) An increase in issued capital of \$26.95 million, representing the issue of additional Metals X Shares, together with a corresponding increase in exploration and evaluation expenditure, representing the purchase price and fair value of the Mt Henry Gold Project.
- (2) A decrease in cash and cash equivalents of \$1.6 million together with a corresponding increase in accumulated losses, representing an estimation of Metals X's costs associated with the Mt Henry Gold Project (including an estimate for stamp duty payable).

### **(3) Brainchip Holdings Limited Investment**

On 17 March 2015 Metals X entered into a convertible loan agreement with Brainchip Holdings Limited (Brainchip) (formerly Aziana Limited) for \$0.25 million. The loan was convertible at the lower of \$0.02 per share or the VWAP of the shares for five ASX trading days prior to the repayment date. The loan and capitalised interest of \$0.26 million was converted into 13,161,644 Brainchip shares on 24 August 2015. The embedded derivative contained within the convertible loan which was valued on grant date and carried at fair value through the profit and loss was valued at \$1.80 million on the conversion date. The embedded derivative was valued at \$1.44 million at 30 June 2015.

On 19 May 2015 Metals X announced that it had entered into an agreement to underwrite a \$3.5 million capital raising in Brainchip. On 10 September 2015 Metals X acquired 10,894,951 Brainchip shares for \$1.71 million under the underwriting agreement with Brainchip.

The following pro forma adjustments have been made in preparing the Metals X Group pro forma consolidated statement of financial position as at 30 June 2015.

- (1) An increase in available-for-sale financial assets of \$2.07 million representing the acquisition of the Brainchip shares on conversion of the convertible loan. This resulted in a decrease in other financial assets of \$1.58 million, together with a decrease in accumulated losses of \$0.49 million, representing interest on the convertible loan and a gain on the embedded derivative realised on conversion of the loan.
- (2) A decrease in cash and cash equivalents of \$1.71 million together with a corresponding increase in available-for-sale financial assets representing the acquisition of the Brainchip shares under the underwriting agreement.

### **(4) Dividend payment**

On 25 August 2015 Metals X announced a dividend of \$0.0295 per share in relation to the 2015 financial year. The record date was 31 August 2015 and the payment date was 25 September 2015. 2,170,099 Metals X Shares were issued under the Company's dividend reinvestment plan (DRP) which entitled investors to convert their dividend into shares at a 5% discount to the 5 day VWAP after the record date. The DRP participation price was \$1.14095 per share. The total value of the dividend payable was \$12.27 million.

The following pro forma adjustments have been made in preparing the Metals X Group pro forma consolidated statement of financial position as at 30 June 2015.

- (1) A decrease in cash and cash equivalents of \$9.79 million together with a corresponding increase in accumulated losses, representing the cash component of the dividend paid.
- (2) An increase in issued capital of \$2.48 million, representing the issue of additional Metals X Shares, together with a corresponding increase in accumulated losses, representing the dividend reinvestment participation component of the dividend paid.

## **(5) Grosvenor Gold Project Acquisition**

On 31 July 2015 Metals X announced that it had entered into an agreement with RNI NL to acquire the Grosvenor Gold Project. The consideration for the acquisition is 18 million new Metals X Shares. The transaction is due to be completed by the end of October 2015 / early November 2015. The value of the shares issued for the transaction is estimated at \$1.365 per share.

Acquisition accounting will be applied in accordance with AASB3: Business Combinations. The financial information has been prepared on the assumption that the book value of assets (excluding mine development assets) and liabilities at 31 July 2015 reflect a reasonable approximation of their fair values. The difference between the fair value of the consideration payable by Metals X for the acquisition of the Grosvenor Gold Project and the book value of the assets and liabilities of the Grosvenor Gold Project has been treated as a decrease in mine development assets

The following pro forma adjustments have been made in preparing the Metals X Group pro forma consolidated statement of financial position as at 30 June 2015.

- (1) An increase in issued capital of \$24.57 million, representing the issue of additional Metals X Shares.
- (2) A decrease in cash and cash equivalents of \$1.28 million together with a corresponding increase in accumulated losses, representing an estimation of Metals X's costs associated with the Grosvenor Gold Project (including an estimate for stamp duty payable).
- (3) An increase in the following arising from the acquisition of the Grosvenor Gold Project based on acquisition accounting:
  - (A) Inventories of \$0.70 million;
  - (B) Property, plant and equipment of \$7.86 million;
  - (C) Mine properties and development costs of \$3.91 million;
  - (D) Exploration and evaluation expenditure of \$21.14 million; and
  - (E) Rehabilitation provisions of \$9.05 million.

After the completion of the Grosvenor Gold Project transaction, Metals X will complete a critical appraisal of the feasibility study completed by RNI NL for the Grosvenor Gold Project. It will devise its own budget and works schedule for a re-start of the project which it believes can occur with low capital exposure in the first half of 2016. On an accounting basis, Metals X will undertake a detailed valuation of the identifiable assets and liabilities of the Grosvenor Gold Project to ascertain the appropriate allocation of any difference between the purchase price and the fair value of the identifiable assets and liabilities. The tax carrying values of the Grosvenor Gold Project assets may also be required to be reset which Metals X currently expects will result in a net increase in the deferred tax liabilities of the Metals X Group. These adjustments will impact depreciation and amortisation charges in future financial periods. For the purposes of compiling the pro-forma consolidated statement of financial position of the Metals X Group an assumption has been made that a full tax step up in the tax cost base is available. As a result, no deferred tax liability has been recognised in the pro-forma consolidated statement of financial position for the Metals X Group. Due to the above, the actual impact of acquisition accounting will vary from that disclosed in the pro-forma consolidated statement of financial position for the Metals X Group set out above.

Pro forma financial position	Metals X 30 June 2015	George's Reward Gold Project <sup>1</sup>	Brainchip Investment <sup>2</sup>	Mt Henry Gold Project <sup>3</sup>	Dividend payment <sup>4</sup>	Grosvenor Gold Project <sup>5</sup>	Metals X 30 June 2015 (Adjusted)
	\$'000						
<b>CURRENT ASSETS</b>							
Cash and cash equivalents	99,038	(4,760)	(1,711)	(1,618)	(9,796)	(1,279)	79,875
Trade and other receivables	16,108	-	-	-	-	-	16,108
Inventories	36,522	-	-	-	-	706	37,228
Prepayments	819	-	-	-	-	-	819
Other financial assets	5,601	-	(1,579)	-	-	-	4,022
<b>Total current assets</b>	<b>158,088</b>	<b>(4,760)</b>	<b>(3,290)</b>	<b>(1,618)</b>	<b>(9,796)</b>	<b>(573)</b>	<b>138,052</b>
<b>NON-CURRENT ASSETS</b>							
Available-for-sale financial assets	3,784	-	3,777	-	-	-	7,561
Property, plant and equipment	64,117	-	-	-	-	7,863	71,980
Mine properties and development costs	161,307	-	-	-	-	3,913	165,220
Exploration and evaluation expenditure	100,042	4,500	-	26,950	-	21,136	152,628
<b>Total non-current assets</b>	<b>329,250</b>	<b>4,500</b>	<b>3,777</b>	<b>26,950</b>	<b>-</b>	<b>32,912</b>	<b>397,389</b>
<b>TOTAL ASSETS</b>	<b>487,338</b>	<b>(260)</b>	<b>487</b>	<b>25,333</b>	<b>(9,796)</b>	<b>32,340</b>	<b>535,441</b>
<b>CURRENT LIABILITIES</b>							
Trade and other payables	36,912	-	-	-	-	-	36,912
Provisions	4,433	-	-	-	-	-	4,433
Interest bearing loans and borrowings	1,658	-	-	-	-	-	1,658
Unearned income	20,223	-	-	-	-	-	20,223
<b>Total current liabilities</b>	<b>63,226</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>63,226</b>
<b>NON-CURRENT LIABILITIES</b>							
Provisions	69,525	-	-	-	-	9,048	78,573
Interest bearing loans and borrowings	3,266	-	-	-	-	-	3,266
Unearned income	5,056	-	-	-	-	-	5,056
<b>Total non-current liabilities</b>	<b>77,847</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>9,048</b>	<b>86,895</b>
<b>TOTAL LIABILITIES</b>	<b>141,073</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>9,048</b>	<b>150,121</b>
<b>NET ASSETS</b>	<b>346,265</b>	<b>(260)</b>	<b>487</b>	<b>25,333</b>	<b>(9,796)</b>	<b>23,292</b>	<b>385,320</b>
<b>EQUITY</b>							
Issued capital	332,852	-	-	26,950	2,476	24,570	386,848
Accumulated losses	(9,770)	(260)	487	(1,618)	(12,272)	(1,279)	(24,711)
Share based payments reserve	19,961	-	-	-	-	-	19,961
Fair value reserve	3,222	-	-	-	-	-	3,222
<b>TOTAL EQUITY</b>	<b>346,265</b>	<b>(260)</b>	<b>487</b>	<b>25,333</b>	<b>(9,796)</b>	<b>23,292</b>	<b>385,320</b>

## SECTION 6 INFORMATION ON ADITYA BIRLA

The information in this Section 6 concerning Aditya Birla has been prepared based on a review of publicly available information (which has not been independently verified). Metals X does not make any representation or warranty, express or implied, as to the accuracy or completeness of such information.

The information on Aditya Birla in this Bidder's Statement should not be considered comprehensive. This section includes statements which have been made in, or based on statements made in, documents lodged by Aditya Birla with ASIC or given to ASX. Under the terms of ASIC Class Order 13/521, Aditya Birla is not required to consent to, and has not consented to, the inclusion of these statements in this Bidder's Statement.

Further information relating to Aditya Birla's businesses or Aditya Birla's securities may be included in Aditya Birla's Target's Statement in relation to the Offer, which will be sent to you directly by Aditya Birla.

### 6.1 Overview of Aditya Birla

Aditya Birla Minerals (ABY) is an Australian based mining company with a focus on copper production and exploration located in Perth, Western Australia. ABY holds mining and copper exploration activities at the Birla Nifty Copper Operation (Nifty) in the Great Sandy Desert, WA and the Mt Gordon Copper Operation (Mt Gordon) located in the Mt Isa Block, QLD.

Aditya Birla Minerals was established in 2003 to acquire and produce copper in concentrate in Australia, acquiring both its Nifty and Mt Gordon operations and adjacent exploration tenements in that year.

ABY was listed on the Australian Stock Exchange in 2006. The company ships copper in concentrate produced from its Nifty copper mine to the Hindalco copper smelter in India. The company has an agreement to sell the entire life of mine production to Hindalco Industries Limited. ABY is presently 51% owned by Hindalco, a member of the Aditya Birla Group.

Hindalco owns and operates an integrated copper smelting and refinery facility located in Dahej, India, (Hindalco Copper). The Queensland and West Australian copper production accounts for approximately 20% of Hindalco's concentrate requirements.

Aditya Birla Minerals production of copper in concentrate has decreased from 49,188 tonnes in 2012/13<sup>1</sup> to 44,071 tonnes in 2013/14 and was only 12,698 tonnes in 2014/15.<sup>2</sup>

### 6.2 Aditya Birla Projects

#### (a) Nifty

The Nifty operation comprises of an historical open pit oxide mine and an underground sulphide mine with an associated concentrator. Site infrastructure (powerhouse, camp, airfield, tailings storage facility) supports the sulphide operations. A concentrate storage facility is located at Port Hedland where the concentrate is shipped overseas to Hindalco Copper's Dahej smelting and refining facility in India.

The open pit operation exploited oxide, transitional and chalcocite mineral resources from which copper cathode was recovered. Open pit mining operations ceased in June 2006 and heap leaching operations ceased in January 2009.

Underground mining is currently carried out using open stoping methods and backfill. This is a bulk mining method where stopes are drilled and blasted and copper ore is loaded and hauled into to an underground crusher and conveying system. The conveying system transports the copper ore to the surface for processing by conventional flotation techniques.

Processing of the sulphide copper ore extracted from underground is by conventional comminution, grinding and flotation, to produce a concentrate that is then filtered and sold as concentrate.

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<sup>1</sup> ABY 2014 Annual Report, pp. 9.

<sup>2</sup> ABY 2015 Annual Report, pp. 9.

## Copper Resources and Reserves

Nifty Ore Reserves as on 31 March 2015 are shown below<sup>1</sup>.

Category	kT	Copper (%)
Proved	4,190	2.37
Probable	4,500	1.54
<b>Total</b>	<b>8,690</b>	<b>1.94</b>

Nifty Mineral Resources as on 31 March 2015 are shown below<sup>2</sup>.

Category	kT	Copper (%)
Measured	19,370	2.14
Indicated	8,700	1.39
Inferred	6,110	1.45
<b>Total</b>	<b>33,960</b>	<b>1.82</b>

### (b) Mt Gordon (on care and maintenance and subject to a sales agreement)

The Mt Gordon operation is located in northwest Queensland, approximately 120 km north of Mt Isa. The Mt Gordon mine was set up to produce copper in concentrate at an annualised rate of approximately 1.4mtpa of ore processing.

The operation was put under care and maintenance since April 2013.

On 21 September 2015 Aditya Birla announced that it had entered into a binding contract with Lighthouse Minerals Holdings Pty Ltd (**LMH**) for the sale of all of the shares in Birla Mt Gordon Pty Ltd (**BMG**), owner of Mt Gordon. This Offer assumes, and accordingly has been made conditional on the sale of the Mt Gordon assets completing by the end of the Offer Period.

Aditya Birla has announced that under the terms of the binding share purchase agreement LMH will acquire all the shares in BMG for:

- A cash payment of \$5 million to Aditya Birla, payable on completion of the transaction;
- A further contingent cash payment of \$10 million to Aditya Birla, payable if the three month delivery quoted price for copper on the London Metals Exchange averages at least A\$4.20 per pound over any continuous six month period, during the period commencing on 12 months after the date of first commercial production at Mt Gordon (under LMH's ownership) and ending 36 months after the date of first commercial production at Mt Gordon;
- Reimbursing Aditya Birla for actual care and maintenance expenses incurred by BMG in relation to Mt Gordon for the period commencing on the execution date of the agreement and ending on the completion date of the transaction, up to a maximum amount of \$500,000 per month; and
- Replacing all financial assurance bonds (being environmental bonds and performance bonds) in relation to Mt Gordon, amounting to a value of approximately \$41.7 million.

The sale is subject to certain customary conditions precedent and applicable procedural matters, including LMH obtaining FIRB approval and Aditya Birla procuring the discharge of all intercompany indebtedness between Aditya Birla and BMG before completion. Aditya Birla has announced that it anticipates that the transaction will be completed by 31 October 2015.

<sup>1</sup> ABY 2015 Annual Report, pp. 17.

<sup>2</sup> ABY 2015 Annual Report, pp. 13

### (c) Operating Results

Revenue for the financial year ending March 2015 was \$57.1 million compared to \$315.4 million during the previous year - a decrease of \$258.3 million. This reduction was mainly attributable to suspension of production at Nifty due to a sinkhole incident, drop in mine grade, ramp up of production post the sinkhole period and lower net realisation (net of TC/RC charges) from A\$6,853/t in FY14 to A\$6,120/t in FY15. The cost of goods sold decreased from \$311.7 million to \$105.5 million.<sup>1</sup>

The sales volume for FY15 was lower at 9,338 tonnes and copper production decreased from 44,071 tonnes in FY14 to only 12,698 tonnes in FY15.<sup>2</sup>

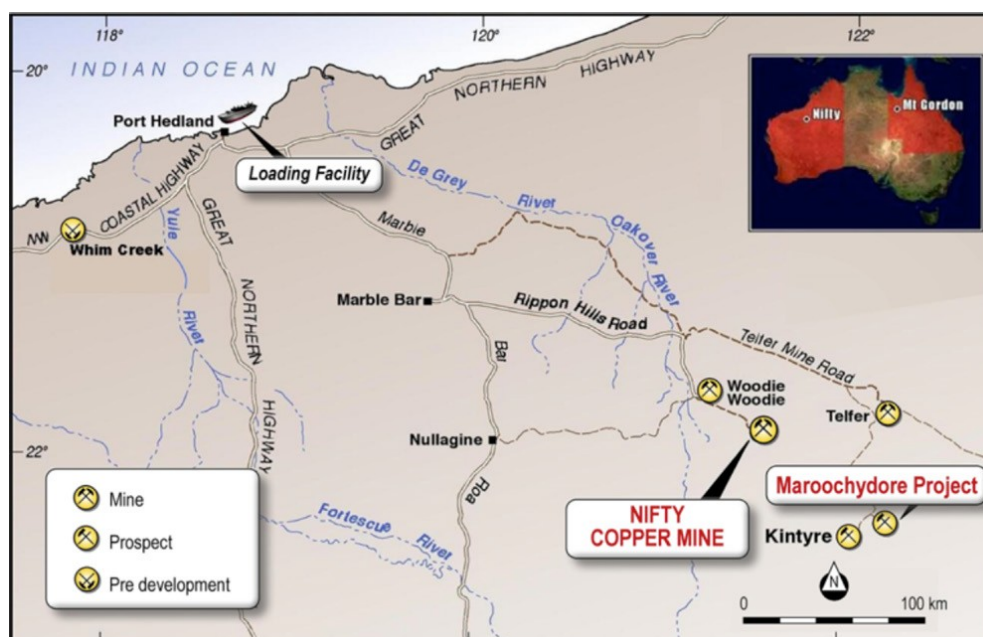
Aditya Birla reported a net loss before tax was for the year ending March 2015 of \$273.3 million compared to a loss of \$4.3 million in the previous year. The Company also reported a significant impairment of Group's assets of \$219.02 million<sup>3</sup>. Care & Maintenance expenses at Mt Gordon decreased by \$6.6 million compared to previous year.<sup>4</sup>

As on 31 March 2015, the Group held cash and cash equivalents of \$55.2 million.<sup>5</sup>

### Location and Tenure

#### Nifty and Maroochydore

The Nifty and Maroochydore Copper Projects lie close to the western margin of the Great Sandy Desert approximately 300 km and 400 km respectively south-east of Port Hedland.



The Nifty tenements cover a total area of 6,106.9 km<sup>2</sup>.

The Maroochydore tenements covers a total area of 243.7 km<sup>2</sup>.

<sup>1</sup> ABY 2015 Annual Report, pp. 8.

<sup>2</sup> ABY 2015 Annual Report, pp. 9.

<sup>3</sup> Ibid.

<sup>4</sup> Ibid, pp. 8.

<sup>5</sup> Ibid, pp. 9.

## ***Project History***

### **(a) Nifty**

Oxide copper was first discovered at Nifty in 1981 by WMC Limited ("WMC"). Drilling of the oxide resource ultimately led to the discovery of the deep sulphide resource in 1983. WMC commenced an open pit, heap leach, SX-EW operation on the relatively high grade part of the oxide mineralisation in 1993. In 1998, the Nifty operation was purchased by Straits Resources Limited ("Straits Resources"), from which Aditya Birla Minerals acquired the operation and surrounding exploration tenements in March 2003. Before acquisition of Nifty Operations a detailed due diligence was undertaken by Aditya Birla Minerals.

Subsequent to acquisition, following the completion of a positive feasibility study, underground development was commenced in January 2004 to exploit the sulphide resource via an exploration decline from the open pit. First sulphide ore was intersected in February 2005. Construction of the concentrator commenced in October 2004, with first concentrate being produced in March 2006. Other plants previously under construction include the paste fill plant, which was completed in August 2009.

Open pit mining operations ceased in June 2006 and heap leaching operations ceased in January 2009.

The Nifty underground operation sustained a major setback on 20 March 2014 when mining operations were suspended due to the development of a sinkhole. A subsequent prohibition notice was issued by the Western Australian DMP suspending all operations. Mining operations were suspended for more than 4.5 months, resuming in August 2014.

### ***Development Strategy***

Underground mining and copper production at the Birla Nifty copper mine in WA provides opportunities for further copper exploration and development. This includes the extension of mine life via extending resource base in existing ore body and converting more resource in to reserve category and finding another ore body through exploration and evaluation.

### **(b) Mt Gordon**

As noted above, it was announced by Aditya Birla on the ASX on 21 September 2015 that a binding agreement had been signed for the sale of Mt Gordon to a third party.

### **(c) Copper Exploration**

Aditya Birla Minerals is primarily focused on copper production and holds copper exploration tenements around the existing Nifty, Mt Gordon and Maroochydore Copper Projects. During the 2015 financial year planning of drilling programmes and approvals of programmes of Works were all completed early in the year. However, with the development of the Nifty sinkhole early in the field season no drilling was undertaken in FY15. There was also no drilling undertaken on the Mt Gordon tenements.

Aditya Birla announced in March 2015 that it would substantially reduce exploration expenditure and downsize the Nifty exploration team.

The Maroochydore copper project lies approximately 100 km south-east of the Nifty copper mine.

3D Modelling of the Maroochydore primary sulphide resource was completed and a maiden resource released to ASX. This is the first primary copper sulphide resource discovered in the Great Sandy Desert since the discovery of Nifty. It remains open along strike and down dip and contains approximately 90,000t of in-situ copper. Whilst first discovered some 2 decades ago, Aditya Birla has not advanced this project toward production since.

The Maroochydore Oxide, Supergene and Sulphide Mineral Resources at 31 March 2015 are shown below.

### Copper Resources-Oxide and Supergene Mineralisation

Cut-off	Category	kT	Copper (%)	Co ppm
0.5	Indicated	40,800	0.92	388
	Inferred	2,300	0.81	451
	<b>Total</b>	<b>43,200</b>	<b>0.91</b>	<b>391</b>

### Copper Resources-Sulphide

Cut-off	Category	kT	Copper (%)	Co ppm
1.1	Inferred	5,430	1.66	292
	<b>Total</b>	<b>5,430</b>	<b>1.66</b>	<b>292</b>

### Work Programme

The current Board of Aditya Birla have not articulated any positive strategic plan for the Nifty operations or the group as a whole. Aditya Birla has announced that it has engaged a financial adviser to undertake a strategic review including a sale of all assets.

## 6.3 Aditya Birla Directors and Management

### Directors

Mr Debu Bhattacharya (Non-Executive Chairman)

Mr Mysore Prasanna (Independent Non-Executive Director)

Dr Suresh Bhargava (Independent Non-Executive Director)

Mr Maurice Anghie (Independent Non-Executive Director)

Mr Narayan Krishnan (Independent Non-Executive Director)

Mr Neela Madhab Patnaik (Chief Executive Officer and Managing Director)

Mr Jagdish Chandra Laddha (Non-Executive Director)

Mr Peter Patrick Torre – Company Secretary

## 6.4 Historical Financial Information

The audited historical financial information set out below for Aditya Birla is extracted from Aditya Birla's full year financial statements as at 31 March 2015 and 31 March 2014. A copy of Aditya Birla's financial statements can be found on its website: [www.adityabirlaminerals.com.au](http://www.adityabirlaminerals.com.au).

The historical financial information in respect of Aditya Birla has been prepared in accordance with the recognition and measurement principles of the Australian Accounting Standards, and in accordance with its accounting policies, as set out in the financial reports of Aditya Birla for the full year ended 31 March 2015 and 31 March 2014.

Financial position for the year ended	31 March 2015 \$'000	31 March 2014 \$'000
<b>CURRENT ASSETS</b>		
Cash and cash equivalents	55,226	136,776
Trade and other receivables	20,962	12,349
Inventories	55,929	44,152
Income tax receivable	-	1,536
Derivative financial instruments	755	25,070
Others	2,104	2,235
<b>Total current assets</b>	<b>134,976</b>	<b>222,118</b>
<b>NON-CURRENT ASSETS</b>		
Inventories	10,830	76,441
Property, plant and equipment	74,910	146,040
Exploration and evaluation expenditure	140,905	208,984
Deferred tax assets	14,860	-
Others	286	305
<b>Total non-current assets</b>	<b>257,336</b>	<b>447,315</b>
<b>TOTAL ASSETS</b>	<b>392,312</b>	<b>669,433</b>
<b>CURRENT LIABILITIES</b>		
Trade and other payables	22,505	24,562
Provisions	3,675	650
Interest bearing loans and borrowings	1,279	9,068
Derivative financial instruments	3,900	-
<b>Total current liabilities</b>	<b>31,359</b>	<b>34,280</b>
<b>NON-CURRENT LIABILITIES</b>		
Deferred tax liabilities	-	50,677
Provisions	76,415	69,214
<b>Total non-current liabilities</b>	<b>76,415</b>	<b>119,891</b>
<b>TOTAL LIABILITIES</b>	<b>107,774</b>	<b>154,171</b>
<b>NET ASSETS</b>	<b>284,538</b>	<b>515,262</b>
<b>EQUITY</b>		
Issued capital	450,663	450,663
Accumulated losses	(166,125)	53,587
Cash flow hedge reserve	-	11,012
<b>TOTAL EQUITY</b>	<b>284,538</b>	<b>515,262</b>

## 6.5 Major Shareholders

As at the date of this Bidder's Statement Aditya Birla had 313,372,551 ordinary shares on issue. Based on Aditya Birla's most recent annual report for the year ended March 2015, Aditya Birla's substantial shareholders are:

Shareholder	Number	Percentage interest
Hindalco Industries Limited	159,820,001	51%
3 <sup>rd</sup> Wave Investors Limited	24,751,965	7.90%
Paradice Investment Management Pty Ltd	20,852,678	6.65%

## 6.6 Aditya Birla securities on issue

Based on documents lodged by Aditya Birla with ASX, the total number of securities on issue in Aditya Birla at the date of this Bidder's Statement is as follows:

Class of Security	Number on Issue
Fully Paid Ordinary Shares	313,372,551

## 6.7 Recent share price performance of Aditya Birla

The latest recorded sale price of Aditya Birla Shares on ASX before the Announcement Date, also being the date before this Bidder's Statement was lodged with ASIC, was A\$0.17 as at close of trading on ASX on 14 October 2015.

The latest recorded sale price of Aditya Birla Shares on ASX on 21 October 2015, being the latest practicable date before the Offer Date was A\$0.23.

## 6.8 Relevant interests of Metals X in Aditya Birla Shares

As at the date of this Bidder's Statement and the date immediately before the first Offer was sent, Metals X did not hold a relevant interest in any Aditya Birla Shares.

## 6.9 Voting power in Aditya Birla

As at the date of this Bidder's Statement and as at the date immediately before the first Offer was sent, Metals X did not hold any voting power in Aditya Birla Shares.

## 6.10 No recent acquisitions by Metals X

During the period commencing four months before the date on which this Bidder's Statement is lodged with ASIC and ending the day before the date of the Offer, neither Metals X nor any associate of Metals X provided, or agreed to provide consideration for an Aditya Birla Share other than pursuant to this Bidder's Statement.

## 6.11 No collateral benefits

Metals X, nor any associate of Metals X, in the four months before the date of this Bidder's Statement, or in the period between the date of this Bidder's Statement and the date of the Offer, has not given, offered to give or agreed to give a benefit which is not offered to all Aditya Birla Shareholders under the Offer to another person which was likely to induce the other person (or an Associate) to accept the Offer or dispose of Aditya Birla Shares.

## 6.12 No escalation agreements

Neither Metals X, nor any associate of Metals X, has entered into any escalation agreement that is prohibited by section 622 of the Corporations Act.

## 6.13 Further information on Aditya Birla

Further information about Aditya Birla can be found on Aditya Birla's website at [www.adityabirlaminerals.com.au](http://www.adityabirlaminerals.com.au).

## SECTION 7 INFORMATION ON THE MERGED GROUP

### 7.1 Introduction

The profile of the Merged Group will vary depending on the outcome of the Offer. Unless otherwise indicated, the description of the Merged Group in this Section 7 assumes that Aditya Birla is a wholly-owned subsidiary of Metals X. If Metals X is not entitled to compulsorily acquire Aditya Birla Shares during the Offer Period, some of the benefits that would otherwise accrue to Metals X if Aditya Birla were to become a wholly owned subsidiary of Metals X may not be fully realised.

### 7.2 Merged Group

Following completion of the transaction, Metals X will integrate Aditya Birla's copper operations into its Australian diversified portfolio and apply its management expertise and experience in underground mining, exploration and base metal processing to review, optimise and enhance the operations. Metals X will also utilise its highly experienced exploration team to review and interpret both the mine and regional geology with a focus on extending the economic mine life and growth of the Metals X copper business.

The proposed acquisition of Aditya Birla will provide a new arm to Metals X's diversification strategy.

Metals X believes shareholders will benefit from being part of a diversified Australian company with strong underground mining expertise, a strong track record in creating shareholder wealth and most importantly a desire and commitment to unlocking the potential of the Aditya Birla assets and tenements.

### 7.3 Pro-forma balance sheets

Using the 30 June 2015 consolidated financial statements of Metals X (including the adjustments as shown in Section 5.12) and the March 2015 financial statements of Aditya Birla and the total value of the Offer, on a pro-forma basis the Merged Group is estimated to hold total assets of \$657M, total liabilities of \$220M and net assets of \$437M. The Merged Group will hold a cash balance of approximately \$135M. The balance sheet of the Merged Group will depend on the outcome of the Offer.

Pro forma financial position	Metals X 30 June 2015 (Adjusted)	Aditya Birla 31 March 2015	Sale of Mt Gordon Adjustments **	Acquisition Adjustments *	Merged Group
	\$'000	\$'000	\$'000	\$'000	\$'000
<b>CURRENT ASSETS</b>					
Cash and cash equivalents	79,875	55,226	5,500 <sup>i</sup>	(5,539) <sup>d</sup>	<b>135,062</b>
Trade and other receivables	16,108	20,962	-	-	<b>37,070</b>
Inventories	37,228	55,929	-	-	<b>93,157</b>
Prepayments	819	2,104	-	-	<b>2,923</b>
Derivative financial instruments	-	755	-	-	<b>755</b>
Other financial assets	4,022	-	-	-	<b>4,022</b>
<b>Total current assets</b>	<b>138,052</b>	<b>134,976</b>	<b>5,500</b>	<b>(5,539)</b>	<b>272,989</b>
<b>NON-CURRENT ASSETS</b>					
Inventories	-	10,830	-	(10,830) <sup>c</sup>	-
Available-for-sale financial assets	7,561	-	-	-	<b>7,561</b>
Property, plant and equipment	71,980	74,910	(1,000) <sup>ii</sup>	(16,847) <sup>c</sup>	<b>129,043</b>
Mine properties and development costs	165,220	140,905	(9,313) <sup>ii</sup>	(140,905) <sup>c</sup>	<b>155,907</b>
Exploration and evaluation expenditure	152,628	15,545	(61,714) <sup>ii</sup>	(15,545) <sup>c</sup>	<b>90,914</b>
Deferred tax assets	-	14,860	-	(14,860) <sup>c</sup>	<b>0</b>
Prepayments	-	286	-	-	<b>286</b>
<b>Total non-current assets</b>	<b>397,389</b>	<b>257,336</b>	<b>(72,027)</b>	<b>(198,987)</b>	<b>383,711</b>
<b>TOTAL ASSETS</b>	<b>535,441</b>	<b>392,312</b>	<b>(66,527)</b>	<b>(204,526)</b>	<b>656,700</b>

Pro forma financial position	Metals X 30 June 2015 (Adjusted)	Aditya Birla 31 March 2015	Sale of Mt Gordon Adjustments **	Acquisition Adjustments *	Merged Group
	\$'000	\$'000	\$'000	\$'000	\$'000
<b>CURRENT LIABILITIES</b>					
Trade and other payables	36,912	22,505	-	-	59,417
Provisions	4,433	3,675	-	-	8,108
Interest bearing loans and borrowings	1,658	1,279	-	-	2,937
Unearned income	20,223	-	-	-	20,223
Derivative financial instruments	-	3,900	-	-	3,900
<b>Total current liabilities</b>	<b>63,226</b>	<b>31,359</b>	<b>-</b>	<b>-</b>	<b>94,585</b>
<b>NON-CURRENT LIABILITIES</b>					
Provisions	78,573	76,415	(37,839) <sup>ii</sup>	-	117,149
Interest bearing loans and borrowings	3,266	-	-	-	3,266
Unearned income	5,056	-	-	-	5,056
<b>Total non-current liabilities</b>	<b>86,895</b>	<b>76,415</b>	<b>(37,839)</b>	<b>-</b>	<b>125,471</b>
<b>TOTAL LIABILITIES</b>	<b>150,121</b>	<b>107,774</b>	<b>(37,839)</b>	<b>-</b>	<b>220,056</b>
<b>NET ASSETS</b>	<b>385,320</b>	<b>284,538</b>	<b>(28,688)</b>	<b>(204,526)</b>	<b>436,644</b>
<b>EQUITY</b>					
Issued capital	386,848	450,663	-	85,551 <sup>a</sup> (450,663) <sup>b</sup> (55) <sup>d</sup>	472,344
Accumulated losses	(24,711)	(166,125)	(28,688) <sup>iii</sup>	166,125 <sup>b</sup> (5,484) <sup>d</sup>	(58,883)
Share based payments reserve	19,961	-	-	-	19,961
Fair value reserve	3,222	-	-	-	3,222
<b>TOTAL EQUITY</b>	<b>385,320</b>	<b>284,538</b>	<b>(28,688)</b>	<b>(204,526)</b>	<b>436,644</b>

<b>Purchase consideration</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
Shares issued			85,551
<b>Net assets acquired</b>	<b>Book Value</b>	<b>Adjustment</b>	
Cash and cash equivalents	55,226		55,226
Trade and other receivables	20,962		20,962
Inventories	55,929		55,929
Prepayments	2,104		2,104
Derivative financial instruments	755		755
Inventories	10,830	(10,830)	-
Property, plant and equipment	74,910	(16,847)	58,063
Mine properties and development costs	140,905	(140,905)	-
Exploration and evaluation expenditure	15,545	(15,545)	-
Deferred tax assets	14,860	(14,860)	-
Prepayments	286		286
Trade and other payables	(22,505)		(22,505)
Provisions	(3,675)		(3,675)
Interest bearing loans and borrowings	(1,279)		(1,279)
Derivative financial instruments	(3,900)		(3,900)
Provisions	(76,415)		(76,415)
	<b>284,538</b>	<b>(198,987)</b>	<b>85,551</b>

The fair value of the net assets of Aditya Birla to be acquired will ultimately be determined at the date of closing of the transaction. Therefore, it is likely that the fair values of the assets and liabilities acquired will vary from those shown above and the differences may be material.

\* The notes below assume the success of the acquisition of 100% of the Aditya Birla Shares by Metals X and record the purchase accounting adjustments are as follows:

- (a) To record the purchase consideration for the Aditya Birla net assets.
- (b) To eliminate the historical Aditya Birla equity accounts.
- (c) To record the fair value adjustments to assets acquired and liabilities assumed.
- (d) To record the estimated transaction costs (including an estimate for stamp duty payable).

\*\* The following adjustments have been made to take into account the sale of Mt Gordon by Aditya Birla as disclosed in Section 6.2(b).

- (1) An increase in cash and cash equivalents of \$5.50 million representing the \$5.0 million cash consideration payable upon settlement of the transaction together with a payment of \$0.50 million for reimbursement of care and maintenance costs incurred up to 31 October 2015.
- (2) A decrease in the following arising from the sale of Mt Gordon:
  - a. Inventories of \$1.00 million;
  - b. Property, plant and equipment of \$9.31 million
  - c. Mine, properties and development of \$61.71 million; and
  - d. Rehabilitation provisions of \$37.84 million.
- (3) An increase in accumulated losses of \$28.69 million representing the loss arising on the sale of Mt Gordon.

#### **7.4 Prospective Financial Information of the Merged Group**

Metals X has given careful consideration as to whether a reasonable basis exists to produce reliable and meaningful forecast financial information in relation to the Merged Group. The Metals X Board has concluded that forecast financial information would be misleading to provide, as a reasonable basis does not exist for producing forecasts that would be sufficiently meaningful and reliable, particularly considering the effect that variations in key variable inputs may have on future earnings performance.

## 7.5 Merged Group Capital Structure

Assuming that Metals X acquires 100% of the Aditya Birla Shares, the following table shows the issued and fully paid share capital and performance rights of Metals X as at the date of this Bidder's Statement and as it will be immediately following completion of the Offer.

Proforma Capital Structure	# of securities
<b>Metals X</b>	
Shares on issue	440,181,038
Consideration Shares for Grosvenor Gold Project to be issued	18,000,000
Performance Rights	1,637,020
Fully Diluted	459,818,058
<b>Aditya Birla</b>	
Shares on issue	313,372,551
Fully Diluted	313,372,551
<b>Metals X (post-Offer)</b>	
Shares on issue	520,855,548 <sup>1</sup>
Performance Rights	1,637,020 <sup>2</sup>
Fully Diluted	522,492,568
<b>Ownership Composition (post-Merger, excluding performance rights)</b>	
Metals X Shareholders	87.97%
Aditya Birla Shareholders	12.03%

## 7.6 Major shareholders of Merged Group

Assuming that Metals X acquires 100 percent of the Aditya Birla Shares, the substantial holders of Metals X Shares will be as follows, based on the substantial holders of Metals X Shares and Aditya Birla Shares, based on the most recent annual report of Aditya Birla and substantial shareholders' notices provided to Metals X:

Shareholder in Merged Group	Approximate voting power	Approximate percentage Holding
APAC Resources Limited	99,407,571	19.09%
Jinchuan Group Limited	44,000,000	8.45%
BlackRock Group	35,305,319	6.78%
Hindalco Industries Limited	31,964,000	6.14%

## 7.7 Risks associated with the Merged Group

There are a number of risks associated with the Merged Group. These are summarised in Section 10.

## 7.8 Merged Group's register of securityholders

In accordance with Australian law, Metals X's register of shareholders will be maintained in Australia by its Australian registry, being:

Security Transfer Registrars Pty Ltd  
770 Canning Highway  
APPLECROSS WA 6153  
AUSTRALIA

<sup>1</sup> Assumes 100% acceptance of Offer (assumes issue of 62,674,510 Metals X Shares) and completion of the acquisition of Grosvenor Gold Project (issue of 18,000,000 Metals X Shares to the vendor, RNI NL),

<sup>2</sup> A summary of the terms of the Performance Rights currently on issue is set out in the Appendix 3B released by Metals X on 15 December 2014. Subject to receipt of shareholder approval, Metals X intends to issue a further 2,293,961 Performance Rights in or about December 2015 on substantially the same terms under the Metals X LTIP.

## **SECTION 8 THE INTENTIONS OF METALS X**

### **8.1 Intentions on conclusion of the Offer**

This Section sets out Metals X's intentions in relation to the following:

- the continuation of the business of Aditya Birla;
- any major changes to the business of Aditya Birla and any redeployment of the fixed assets of Aditya Birla; and
- the future employment of the present employees of Aditya Birla.

These intentions are based on the information concerning Aditya Birla, its business and the general business environment, which is known to Metals X at the time of the preparation of this Bidder's Statement.

Final decisions will only be reached by Metals X in light of material information and circumstances at the relevant time. Accordingly, the statements set out in this Section 8 are statements of current intention only, which may change as new information becomes available or circumstances change.

### **8.2 Rationale for the Offer**

Metals X is an Australian diversified mining company and is one of Australia's top 10 gold producers, Australia's only significant tin producer through its Tasmanian Renison Tin Project Joint Venture and it owns one of the largest undeveloped nickel deposits in the world consisting of over 2 million tonnes of contained nickel. In addition the company's portfolio includes resources of Lead, Zinc, Copper, Cobalt and Iron.

Metals X is predominately an underground miner with its underground tin operations in Tasmania and three underground gold mines within Western Australia. Metals X's Board and management have a track record of successfully operating underground mines and complex base metal processing plants, improving their performance and profitability. Further, Metals X has a highly successful exploration team that has continuously added significant life to its operation by unlocking geological controls and drivers of the ore systems.

Metals X intends to integrate Aditya Birla's copper operations into its Australian diversified portfolio and apply its management expertise and experience in underground mining, exploration and base metal processing to review, optimise and enhance the operations. Metals X will also utilise its highly experienced exploration team to review and interpret both the mine and regional geology with a focus on extending the economic mine life and growth of the Metals X copper business.

Metals X operates numerous mines in Western Australia and its corporate office is located in West Perth. It is anticipated that integrating the Aditya Birla corporate office and copper business with the Metals X corporate office will potentially create numerous synergies and produce significant savings.

Metals X has had the benefit of diversification and is experiencing strong cashflows from its gold business and its tin operations, even whilst base metal prices are at multi-year lows. Metals X is committed to continuing its growth as an Australian diversified mining company and will continue to look for additional opportunities across all of its business units including its copper business.

Metals X believes shareholders will benefit from being part of a diversified Australian company with strong underground mining expertise, a strong track record in creating shareholder wealth and most importantly a desire and commitment to unlocking the potential of the Aditya Birla assets and tenements.

The Offer is subject to a number of Defeating Conditions set out in Section 9.2 of this Bidder's Statement. One of the Defeating Conditions is a minimum acceptance condition which states that no acquisition of Aditya Birla Shares will proceed unless Metals X and its associates have, at the end of the Offer Period, a relevant interest in at least 90% of Aditya Birla Shares.

Subject to the Corporations Act requirements, Metals X may be able to waive the benefit of some or all of the Defeating Conditions in Section 9.2.

Metals X's current intentions are that unless the Defeating Conditions described in Section 9.2 are satisfied, the acquisition of Aditya Birla Shares under this Bidder's Statement will not proceed. Metals X reserves its right to review and reconsider this position as the Offer Period proceeds.

To the extent that Aditya Birla is not a wholly owned subsidiary at the end of the Offer Period and there are minority shareholders in Aditya Birla, Metals X will endeavour to implement the intentions contained below to the extent it is able to do so by law.

### **8.3 Intentions upon acquisition of 90% or more of Aditya Birla Shares**

This Section sets out Metals X's intentions if it acquires 90% or more of the Aditya Birla Shares and it is entitled to proceed to compulsory acquisition of the outstanding Aditya Birla Shares.

In that circumstance, Metals X's current intentions would be as set out below.

#### **(a) Corporate matters**

Metals X intends to:

- proceed with compulsory acquisition of the outstanding Aditya Birla Shares in accordance with the provisions of Chapter 6A of the Corporations Act;
- arrange for Aditya Birla to be removed from the Official List of ASX; and
- replace all members of the Board of Directors of Aditya Birla with its own nominees, whom it expects will be members of the Metals X management team.

#### **(b) Conduct of Business and Deployment of Assets**

A further review of the structure, systems and activities of Aditya Birla will be undertaken upon completion of the Offer. The review will evaluate the performance, profitability, prospects and strategic relevance of the Aditya Birla assets and operations within the Merged Group, in the context of the objective to grow the merged business and enhance profitability. This may lead to changes of existing structures, staffing, systems and activities.

Metals X intends to amalgamate the administrative functions of Metals X and Aditya Birla, such as finance and accounting, company secretarial and risk management, as well as those functions involved in setting overall planning and control of the combined operations of Metals X and Aditya Birla, with a view to eliminating duplication of tasks.

#### **(c) General Business Integration**

After the end of the Offer Period, Metals X intends to conduct an immediate, broad-based review of Aditya Birla's operations on both a strategic and financial level with a view to integrating Aditya Birla's operations into Metals X's operational and corporate structure.

In the course of this review, Metals X intends to focus on a number of key specific areas including (but not limited to) the areas set out below:

- closure of the Aditya Birla head office in Perth and integration of the activities and employees from these offices into the Metals X office in Perth and at Nifty where appropriate. Integration of roles may, subject to review, potentially involve some employee redundancies;
- review Aditya Birla mining practices and methods and in particular those associated with the causation of the underground failure and general operating performance in March 2014 attributed by Aditya Birla to a sinkhole. It is expected that Metals X will utilise its expertise and experience to re-evaluate the most appropriate mining methods to minimise dilution and optimise the economics of the mine without compromising the integrity of the ore body;

- review of the Aditya Birla exploration database and expenditure requirements and integration with exploration activities at Nifty;
- review of the Aditya Birla Mineral Resource and Ore Reserve estimates and the assumptions made in developing these estimates. It is expected that Metals X will re-estimate the Aditya Birla Mineral Resources and Ore Reserves using the same estimation practices and assumptions used by Metals X at its other projects; and
- to the extent that activities and functions, including management and the provision of the specialist technical or professional services presently carried out by Aditya Birla will be duplicated following completion of the Offer, such duplication will be eliminated where it is economically efficient to do so.

**(d) General operational review and employees**

Metals X intends to conduct an immediate, broad-based review of Aditya Birla's structure and operations compared to Metals X' practices to identify areas for improvement and subsequently to establish a plan to achieve or exceed best practice where Aditya Birla has not yet achieved that level. The review will apply quantitative and qualitative factors to measure performance and identify areas, which may be improved, and should be finalised within three months of the successful completion of the Offer.

Metals X has specific intentions in relation to this review which include (but are not limited to):

- identifying areas of potential profit improvement by taking advantage of Metals X's current systems of operation and any other synergies that may be generated following successful completion of the Offer; and
- improving capital management through more selective capital expenditure and working capital criteria.

As a result of this review, there may be a need for the roles of some Aditya Birla employees to change, as well as a need for redundancies in certain circumstances.

However, Metals X will not be in a position to gauge the full nature, timing, extent or incidence of such redundancies until it has completed its review.

**(e) Board of Directors**

On completion of the Offer, Metals X will procure that Aditya Birla's Board is reconstituted so that it comprises persons nominated by Metals X.

It is proposed that, shortly after completion of the Offer, the Board of Aditya Birla will comprise Metals X's two executive directors, Peter Cook and Warren Hallam, its CFO and Company Secretary, Mrs Fiona Van Maanen and one of its non-executive Directors.

Full details of the members of Metals X Board and Senior Management can be found in Section 5.7 of this Bidder's Statement.

**(f) Employees**

Metals X will seek, wherever possible or practicable, to allocate alternative responsibilities to any employees currently employed with Aditya Birla whose employment will no longer be required as a result of the business integration and structural and operational reviews described in this Section 8, or generally. However, Metals X considers that it may not be feasible to allocate alternative responsibilities to many of Aditya Birla's employees whose responsibilities would be duplicated following a successful acquisition or whose roles are not required, following Metals X review of the Aditya Birla businesses. In such circumstances, Metals X expects that such employees would be made redundant and would be paid their full entitlements in accordance with applicable legislation and terms of their contracts of employment.

#### **8.4 Intentions if 50.1% but less than 90% ownership is assumed**

If Metals X acquires in excess of 50.1% of Aditya Birla Shares but less than 90% of Aditya Birla Shares:

- (a) Metals X would review the composition of the board of directors of Aditya Birla, request representation on the board (commensurate with maintaining Aditya Birla as a subsidiary its shareholding in Aditya Birla) and otherwise consider whether it is necessary to make any changes having regard to the present position;
- (b) Metals X would consider and investigate, subject to the requirements of the ASX Listing Rules, compliance in all respects with the Corporations Act and, for the acquisition, buy-out or cancellation of (or alternate arrangement in relation to) any other marketable securities in Aditya Birla to which Metals X (or its associates) are not otherwise entitled to;
- (c) Metals X would consider and investigate, subject to the requirements of the ASX Listing Rules, compliance in all respects with the Corporations Act, and depending on its shareholding and the number of minority shareholders in Aditya Birla, the ability to arrange for Aditya Birla to be removed from the Official List of ASX;
- (d) Metals X would support the continuation of Aditya Birla's current exploration activities;
- (e) Metals X would conduct a review of Aditya Birla's business, assets and operations to identify the most effective means of operating Aditya Birla's projects; and
- (f) Metals X would review the future employment of the present employees of Aditya Birla after the close of the Offer, having regard to its specific plans for Aditya Birla's business and upon completing a review of the business, assets and operations of Aditya Birla.

It would, however, be for the board of directors of Aditya Birla to determine the extent to which the above intentions are implemented (if at all). Those intentions may only be implemented in accordance with the applicable legislation legal and regulatory requirements (including the provisions of the Corporations Act, the ASX Listing Rules and Aditya Birla's constitution). The directors of Aditya Birla may only implement those intentions if they consider them to be in the best interests of Shareholders.

#### **8.5 Intentions if less than 50.1% ownership is assumed**

Unless otherwise indicated, Metals X's intentions if it acquires less than 50.1% of Aditya Birla Shares would be to request representation on the board (commensurate with its shareholding in Aditya Birla) and gain a more detailed understanding of all the businesses, assets and operations of Aditya Birla to evaluate performance, profitability and prospects of Aditya Birla to the greatest extent possible based on the information then available to Metals X.

#### **8.6 Limitations on intentions**

Metals X would only make a decision on the above matters following receipt of appropriate legal and financial advice. Metals X intentions must be read as being subject to Aditya Birla's Board, including any nominees of Metals X, to have regard to the interests of all Aditya Birla shareholders and would therefore be subject to its obligations to comply with the applicable provisions of the Corporations Act, ASX Listing Rules (provided Aditya Birla remained listed) and the law generally.

#### **8.7 Business, assets and employees**

Other than as set out in this Section 8, it is the present intention of Metals X:

- (a) to continue the business activities of Aditya Birla;
- (b) not to make any major changes apart from optimisation of to the business activities of Aditya Birla and not to redeploy any of the fixed assets of Aditya Birla; and
- (c) subject to the completion of its review referred to in this Section 8 above, to maintain employment of Aditya Birla's existing employees.

## SECTION 9 TERMS AND CONDITIONS OF THE OFFER

This Section contains the terms and conditions of the Offer by Metals X to acquire all your Aditya Birla Shares.

### 9.1 The Offer

(a) **Offer Date**

The Offer Date is 30 October 2015.

(b) **Bid Class**

The Aditya Birla securities forming the bid class securities for the purpose of this Offer are the Aditya Birla Shares on issue on the Register Date.

(c) **Persons to whom the Offer is made**

The Offer is to all the holders of all of the ordinary shares of the capital of Aditya Birla Minerals Limited ACN 103 515 037.

(d) **Offer Consideration**

Metals X hereby offers to acquire all of your Aditya Birla Shares for an Offer Consideration of 1 Metals X Share for every 5 Aditya Birla Shares, on the terms and conditions set out in this Section 9.

If you become entitled to a fraction of a Metals X Share the fraction will be rounded down to the nearest whole number of Metals X Shares.

The Metals X Shares to be issued are fully paid ordinary shares in Metals X and have the rights summarised in section 12.1

(e) **Acceptance must be in respect of all shares**

You may only accept the Offer in respect of all your Aditya Birla Shares.

(f) **Offers to all holders of Aditya Birla Shares**

Offers on terms and conditions identical to those contained in this Offer have been dispatched or will be dispatched to all holders of Aditya Birla Shares, registered as such in the register of members of Aditya Birla at 5.00pm (AWST) on the Register Date.

(g) **Improving the Offer Consideration**

If Metals X improves the Offer Consideration offered, the Corporations Act contains provisions to ensure that any Aditya Birla Shareholder who has already accepted the Offer receives the benefit of the improved Offer Consideration.

(h) **Foreign Shareholders and Unmarketable Parcel Shareholders**

If, at the time this Offer is made to you, you are a Foreign Shareholder or an Unmarketable Parcel Shareholder, then you will not be entitled to receive any Metals X Shares as part of the Offer Consideration. Instead you will receive a cash amount determined in accordance with Section 9.10.

### 9.2 Conditions of the Offer

Subject to Section 9.3, the completion of this Offer and any contract that results from an acceptance of this Offer, are subject to the fulfilment or waiver of the conditions set out below before the end of the Offer Period:

(a) **FIRB**

Before the end of the Offer Period, Metals X (and its associates) receives FIRB approval for the purposes of the FATA so as to enable Metals X (and its associates) to acquire the Aditya Birla Shares, which will be taken to have been obtained on the earlier of:

- (1) receiving written notice from the Treasurer of the Commonwealth of Australia or his delegate to the effect that there are no objections under the FATA or Australia's foreign investment policy to the proposed acquisition to the fullest extent contemplated by this Bidder's Statement; and

- (2) the period during which the Treasurer of the Commonwealth of Australia is empowered by section 26 of the FATA to make an order prohibiting the proposed acquisitions described above by Metals X expiring without any order (other than an interim order) having been made.
- (b) **Minimum acceptance**  
At or before the end of the Offer Period, Metals X has a Relevant Interest in such number of Aditya Birla Shares which represents at least 90% of the aggregate of all Aditya Birla Shares then on issue.
- (c) **Index out**  
Between the Announcement Date and the end of the Offer Period (each inclusive) the S&P/ASX 200 Index does not close below 4500 for three or more consecutive trading days.
- (d) **Metals X Share price**  
The volume weighted average price of a Metals X Share over three or more consecutive trading days on the ASX does not fall below A\$1.10 at any time between the Announcement Date and the end of the Offer Period (each inclusive).
- (e) **Aditya Birla Share price**  
The volume weighted average price of an Aditya Birla Share over three or more consecutive trading days on the ASX does not fall below A\$0.10 at any time between the Announcement Date and the end of the Offer Period (each inclusive).
- (f) **Gold price**  
The spot gold price for gold as quoted on Bloomberg does not fall below A\$1,250 per ounce at any time during a day for three or more consecutive days between the Announcement Date and the end of the Offer Period (each inclusive).
- (g) **Copper price**  
The cash sale price of copper as quoted on the London Metals Exchange (converted from US dollars to Australian dollars using the official exchange rate published by the Reserve Bank of Australia on the relevant day) does not fall below A\$6,000 per tonne for three or more consecutive trading days between the Announcement Date and the end of the Offer Period (each inclusive).
- (h) **Disclosure - Nifty Concentrate Offtake Agreement**  
Aditya Birla makes available to Metals X the Nifty Concentrate Offtake Agreement, together with any supplementary material binding commitments relevant to performance of the Nifty Concentrate Offtake Agreement.
- (i) **Independent Expert review - Nifty Concentrate Offtake Agreement**  
That in respect of the Nifty Concentrate Offtake Agreement:
- (1) Aditya Birla permits an independent industry expert agreed between Aditya Birla and Metals X, or failing agreement in writing by the date which is seven (7) days after the Announcement Date as appointed by Metals X, at Metals X's cost, to access all relevant documentation and materials and the expert provides written confirmation to Metals X that the Nifty Concentrate Offtake Agreement is on terms that:
- (A) are arms' length and consistent with industry practice;
  - (B) are consistent with publicly made statements by Aditya Birla; and
  - (C) do not permit or no longer permit price participation by Hindalco without the agreement of Aditya Birla in annual setting of pricing under a memorandum of agreement based on prevailing Japanese benchmark terms, or that Hindalco has otherwise set aside, waived or permanently eliminated any price participation by Hindalco.

- (2) Between the Announcement Date and the end of the Offer Period (each inclusive), Aditya Birla does not enter into any legally binding agreement with Hindalco or any other third party that would have the purpose or effect of creating or varying any rights or obligations of Aditya Birla in relation to the production, sale, supply or marketing of copper concentrates produced by Aditya Birla, or agree to do any such thing in the future.

(j) **Price Participation - Nifty Concentrate Offtake Agreement**

That prior to the date which is fourteen (14) days before the end of the Offer Period, Aditya Birla confirm to Metals X in writing that the Nifty Concentrate Offtake Agreement does not permit or no longer permits price participation by Hindalco without the agreement of Aditya Birla in annual setting of pricing under a memorandum of agreement based on prevailing Japanese benchmark terms, or that Hindalco has otherwise set aside, waived or permanently eliminated any price participation by Hindalco.

(k) **Data Room Access**

That within 3 Business Days of Aditya Birla establishing or compiling a due diligence data room (whether in physical, virtual or electronic form) capable of access by any third party (**Data Room**) comprising due diligence material in connection with the strategic review process announced by Aditya Birla on 7 October 2015, Aditya Birla provides access to Metals X to that Data Room.

(l) **Sale of Mt Gordon**

Aditya Birla completes the sale of the Mt Gordon assets, as set out in the Mt Gordon Sale Announcement dated 21 September 2015, by the end of the Offer Period.

(m) **Material adverse change**

- (1) In this condition **Event** means any event, change, condition, matter or thing.
- (2) Between the Announcement Date and the end of the Offer Period (each inclusive) none of the following occurs (whether or not becoming public):
- (A) an Event (including a decision of a Government Agency or a change in law) occurs or will or is reasonably likely to occur;
  - (B) information is disclosed or announced by Aditya Birla concerning any Event; or
  - (C) information concerning any Event becomes known to Metals X (whether or not becoming public),
- (each of (A), (B) and (C) above a **Specified Event**) which, whether individually or when aggregated with all such Events of a like kind that have occurred or are reasonably likely to occur (including a decision of a Government Agency or a change in law), has had or would be considered reasonably likely to have:
- (D) a material adverse effect on the business, assets, liabilities, financial or trading position, profitability or prospects of the Aditya Birla Group taken as a whole; or
  - (E) without limiting the generality of the previous section, would have the effect of:
    - (1) a diminution in the value of the consolidated net assets of the Aditya Birla Group, taken as a whole, by at least A\$5 million against what it would reasonably have been expected to have been but for such Specified Event; or
    - (2) materially adversely breaching, constraining, impairing, terminating or otherwise triggering any review or action by a Government Agency that could reasonably be expected to give rise to such a material adverse effect on any of the material Tenements or any material Authorisation, including an environmental Authorisation, in connection with any Tenements.

- (3) A Specified Event shall not include an Event:
  - (A) fully and fairly disclosed by Aditya Birla on the ASX within 6 months prior to the Announcement Date, including the Mt Gordon Sale Announcement dated 21 September 2015;
  - (B) relating to the state of securities markets in general; or
  - (C) resulting from any changes in the copper mining industry in general.

(n) **No untrue statements to the ASX**

Between the Announcement Date and the end of the Offer Period (each inclusive), there not having occurred or been announced or become known to Metals X or Aditya Birla that information announced by Aditya Birla to ASX prior to the Announcement Date is, or is likely to be, incomplete, incorrect, untrue or misleading in a material respect such that Metals X might reasonably be expected to have not proceeded with the Offer at all or would have proceeded with the Offer on materially different terms.

(o) **Conduct of business**

Between the Announcement Date and the end of the Offer Period (each inclusive), otherwise than in the ordinary course of business, neither Aditya Birla nor any of its Subsidiaries:

- (1) announces, declares, or distributes any dividend, bonus or other share of its profits or assets;
- (2) makes any changes to its constitution or passes any special resolution or amends the terms of issue of any shares, options, performance rights or other convertible securities;
- (3) borrows or agrees to borrow any money, other than in the ordinary course of business;
- (4) provides a guarantee or indemnity or both to a third party for an amount that exceeds A\$500,000;
- (5) does any of the following:
  - (A) enters or agrees to enter into any contract of service or varies or agrees to vary any existing contract of service with any director or employee;
  - (B) makes or agrees to make any substantial change in the basis or amount of remuneration of any director, employee or consultant;
  - (C) except as provided under any superannuation, provident or retirement scheme or contract in effect on the Announcement Date, pays or agrees to pay any retirement benefit or allowance to any director or employee;
  - (D) makes or agrees to make any payments to any third party that is above A\$500,000, including to any employee, director or consultant to Aditya Birla that is contingent on the Offer or the outcome of the Offer (or a similar transaction); and
  - (E) amends or agrees to amend in any material respect any arrangement with its advisers, or enter into arrangements with any new advisers, in respect of the Offer or a similar transaction;
- (6) acquires, offers to acquire or agrees to acquire any one or more businesses, assets, entities or undertakings valued at, or involving a financial commitment of more than A\$500,000 (individually or when aggregated with all other such matters arising after the Announcement Date), or makes an announcement or enters into an agreement in relation to such an acquisition, undertaking or financial commitment; or
- (7) incurs or commits to incur an amount of capital expenditure in excess of A\$500,000 other than:
  - (A) capital expenditure that has been announced by Aditya Birla before the Announcement Date as intended to be incurred or committed; and
  - (B) capital expenditure in the day to day operating activities of the business of Aditya Birla and its Subsidiaries conducted in the same manner as before the Announcement Date.

(p) **Nifty**

In relation to Nifty:

- (1) between the Announcement Date and the end of the Offer Period (each inclusive), there is no prohibition notice, interim order or other action taken by any Government Agency that is announced or becomes known to Metals X or Aditya Birla beyond matters disclosed by Aditya Birla prior to the Announcement Date, which adversely jeopardises, restrains, prohibits or impedes, or threatens to jeopardise, restrain, prohibit or impede, the ability of the Nifty underground mine and/or concentrator to operate; and
- (2) Aditya Birla makes available to Metals X all information (including all prior notices and material communications) as at and from the Announcement Date until the end of the Offer Period (each inclusive) relating to any prohibition notice or interim order issued, conditions imposed, or other action taken by any Government Agency in connection with the operation of the Nifty underground mine and/or concentrator following the sinkhole incident which occurred at Nifty in March 2014.

(q) **Dealings affecting Aditya Birla Tenements**

Between the Announcement Date and the end of the Offer Period (each inclusive), otherwise than in the ordinary course of business, or in accordance with Mt Gordon Sale Announcement, neither Aditya Birla nor any of its Subsidiaries:

- (1) enters into, agrees to enter into or announces any agreement to enter into any contract, commitment or arrangement (including without limitation any ore sale, ore processing, joint venture, partnership, farm-in, royalty, management services, marketing or off-take agreement) in relation to any of the Aditya Birla Tenements;
- (2) relinquishes, sells or disposes of any interest or creates any Security Interest over any of the Aditya Birla Tenements;
- (3) takes any action or omits to take any action that results in or may reasonably be expected to result in a disposal of, or a breach of the terms of any of the Authorisations in connection with any Aditya Birla Tenement; or
- (4) takes any action or omits to take any action that results in or may reasonably be expected to result in the surrender of any of the Aditya Birla Tenements or any Authorisation relating to any Aditya Birla Tenements,

including announcing an intention to do any of the above matters.

(r) **No natural disaster**

Between the Announcement Date and the end of the Offer Period (each inclusive) a natural disaster materially and directly affecting the operations of the Aditya Birla Group for at least five Business Days does not occur.

(s) **No litigation on foot or pending**

Between the Announcement Date and the end of the Offer Period (each inclusive), no litigation against Aditya Birla which may reasonably result in a judgement of A\$500,000 or more is commenced, is threatened to be commenced, is announced, or is made known to Metals X (whether or not becoming public) or Aditya Birla.

(t) **No regulatory action**

Between the Announcement Date and the end of the Offer Period (each inclusive):

- (1) there is not in effect any preliminary or final decision, order or decree issued by any Government Agency;
- (2) no action or investigation is announced, commenced or threatened by any Government Agency; and
- (3) no application is made to any Government Agency (other than by Metals X or any Associate of Metals X),

in consequence of or in connection with the Offer (other than an application to, or a decision or order of, ASIC or the Takeovers Panel in exercise of the powers and discretions conferred by the Corporations Act) which restrains, prohibits or impedes, or threatens to restrain, prohibit or impede, or materially impact upon, the making of the Offers and the completion of

any transaction contemplated by this Bidder's Statement or which requires the divestiture by Metals X of any Aditya Birla Shares or any material assets of Metals X or any of its Subsidiaries.

(u) **Prescribed occurrences**

Between the Announcement Date and the date 3 Business Days after the end of the Offer Period (each inclusive), none of the following prescribed occurrences (being the occurrences listed in section 652C of the Corporations Act) happen:

- (1) Aditya Birla converting all or any of the Aditya Birla Shares into a larger or smaller number of shares under section 254H of the Corporations Act;
- (2) Aditya Birla or any of its Subsidiaries resolving to reduce its share capital in any way;
- (3) Aditya Birla or any of its Subsidiaries entering into a buyback agreement or resolving to approve the terms of a buyback agreement under section 257C(1) or 257D(1) of the Corporations Act;
- (4) Aditya Birla or any of its Subsidiaries:
  - (A) issuing Aditya Birla Shares;
  - (B) granting an option over Aditya Birla Shares; or
  - (C) agreeing to make such an issue or grant such an option;
- (5) Aditya Birla or any of its Subsidiaries issuing, or agreeing to issue, convertible notes;
- (6) Aditya Birla or any of its Subsidiaries disposing or agreeing to dispose, of the whole, or a substantial part, of its business or property;
- (7) Aditya Birla or any of its Subsidiaries granting, or agreeing to grant, a Security Interest in the whole, or a substantial part, of its business or property;
- (8) Aditya Birla or any of its Subsidiaries resolving that it be wound up;
- (9) the appointment of a liquidator or provisional liquidator of Aditya Birla or any of its Subsidiaries;
- (10) the making of an order by a court for the winding up of Aditya Birla or any of its Subsidiaries;
- (11) an administrator of Aditya Birla or any of its Subsidiaries being appointed under section 436A, 436B or 436C of the Corporations Act;
- (12) Aditya Birla or any of its Subsidiaries executing a deed of company arrangement; or
- (13) the appointment of a receiver, receiver and manager, other controller (as defined in the Corporations Act) or similar official in relation to the whole, or a substantial part, of the property of Aditya Birla or any of its Subsidiaries.

### **9.3 Conditions Generally**

(a) **Conditions are separate**

Each of the Defeating Conditions (and where applicable each part of a Defeating Condition) is a distinct and separate condition, and shall not merge on completion of any contract arising from acceptance of this Offer.

(b) **Effect of conditions**

Each of the Defeating Conditions is a condition subsequent. The breach or non-fulfilment of any Defeating Condition shall not prevent a contract to purchase your Aditya Birla Shares arising from your acceptance of this Offer. However, if Metals X has not:

- (1) declared all Offers to be free from the Defeating Conditions before the date applicable under section 650F(1) of the Corporations Act; and

(2) the Defeating Conditions have not been fulfilled at the end of the Offer Period,

all contracts resulting from the acceptance of Offers and all acceptances that have not resulted in binding contracts are void. In such case, Metals X will return the Acceptance Form (if any), together with all documents forwarded by you to you, at the address provided by Aditya Birla in accordance with section 641(1) of the Corporations Act and notify ASX Settlement of the lapse of the Offer in accordance with Rule 14.19 of the ASX Settlement Operating Rules.

(c) **Benefit of conditions**

Subject to the provisions of the Corporations Act, Metals X alone is entitled to the benefit of the Defeating Conditions and any breach or non-fulfilment of those Defeating Conditions may be relied upon only by Metals X.

(d) **Freeing Offer from conditions**

Subject to section 650F of the Corporations Act, Metals X may, at any time at its sole discretion, declare the Offer free from all or any of the Defeating Conditions by giving notice in writing to Aditya Birla. The notice may be given in relation to the Defeating Conditions not later than seven (7) days before the end of the Offer Period.

(e) **Status notice**

The date for giving the notice required by section 630(3) of the Corporations Act on the status of the Defeating Conditions to the Offer is the date seven (7) days before the end of the Offer Period, subject to variation in accordance with section 630(2) of the Corporations Act if the period during which the Offer remains open for acceptance is extended.

(f) **Status and effect of the Defeating Conditions**

As at the date of this Bidder's Statement, Metals X is not aware of any events or circumstances which would result in the non-fulfilment of the Defeating Conditions.

#### **9.4 Offer Period**

Unless withdrawn or extended this Offer will remain open for acceptance by you during the period commencing on the Offer Date and ending at 5.00 pm (AWST) on 30 November 2015 (Offer Period).

#### **9.5 How to accept this Offer**

(a) **Acceptance must be in respect of all shares**

You may accept this Offer in respect of all (but not less than all) of your Aditya Birla Shares.

(b) **Time for acceptance**

You may accept this Offer at any time during the Offer Period.

(c) **Manner of acceptance**

The manner by which you accept this Offer will depend on whether your Aditya Birla Shares are in a CHESS Holding or in an Issuer Sponsored Holding. Your Aditya Birla Shares are in a CHESS Holding if they are sponsored by a Broker or other Controlling Participant or you yourself are a Participant. Your Aditya Birla Shares are in an Issuer Sponsored Holding if they are sponsored directly by Aditya Birla as issuer.

If you have any questions about how to accept this Offer or need a replacement Acceptance Form, please contact Security Transfer Registrars Pty Ltd on 08 9315 2333 (within Australia) and +61 8 9315 2333 (outside Australia). Alternatively, you may consult your broker or other financial or professional adviser.

(d) **CHESS Holdings**

If any of your Aditya Birla Shares are in a CHESS Holding, acceptance of this Offer in respect of those Aditya Birla Shares can only be made in accordance with the ASX Settlement Operating Rules.

To accept this Offer in respect of those Aditya Birla Shares you must either:

- (1) instruct your Controlling Participant (normally your stockbroker) to initiate acceptance of this Offer in accordance with Rule 14.14 of the ASX Settlement Operating Rules before the end of the Offer Period; or
- (2) complete and sign the Acceptance Form in accordance with the instructions on it and return the Acceptance Form together with all other documents required by the Instructions to the address specified on the form. This will authorise and instruct your Controlling Participant to initiate acceptance of the Offer on your behalf. For the return of the Acceptance Form to be an effective acceptance of the Offer, you must ensure it is received in time to give instructions to your Controlling Participant and your Controlling Participant to carry out those instructions, before the end of the Offer Period.

If you are a Participant, please initiate acceptance of this Offer in accordance with Rule 14.14 of the ASX Settlement Operating Rules before the end of the Offer Period.

**(e) Issuer Sponsored Holdings**

If any of your Aditya Birla Shares are in an Issuer Sponsored Holding, then to accept this Offer in respect of those Aditya Birla Shares, you must:

- (1) complete and sign the Acceptance Form attached to this Offer in accordance with the Instructions (which must be observed in accepting the Offer in respect of any Aditya Birla Shares held in an Issuer Sponsored Holding); and,
- (2) ensure that the Acceptance Form and any documents required by the terms of the Offer and the Instructions on the Acceptance Form are received not later than the end of the Offer Period at the following address:

Security Transfer Registrars Pty Ltd  
770 Canning Highway, Applecross WA 6153; or  
PO Box 535, Applecross WA 6953

Acceptance of the Offer in respect of your Aditya Birla Shares which are in an Issuer Sponsored Holding shall not be complete until the properly completed Acceptance Form (including any documents required by the terms of the Offer and the Instructions on the Acceptance Form) has been received at the address specified above. Metals X may, however, in its sole discretion waive at any time, prior to the end of the Offer Period, all or any of those requirements.

**(f) Return of Acceptance Form**

A reply-paid envelope is enclosed for shareholders with Australian addresses to return their completed Acceptance Form. Overseas shareholders should return their Acceptance Form by airmail.

The method chosen to deliver the Acceptance Form and other documents is at the risk of each accepting shareholder.

**(g) Authority to accept Offer**

When accepting this Offer, you should also ensure that if the accepting shareholder:

- (1) is a corporation, the Acceptance Form is signed by two directors, a director and company secretary, or by the sole director in the case of an Australian company with a sole director who is also the sole company secretary;
- (2) is deceased, the Acceptance Form is signed by the person or persons authorised to administer the estate of the deceased shareholder;
- (3) is one or two or more joint holders, all such holders sign the Acceptance Form; or
- (4) is accepting through an attorney under power:
  - (A) the power of attorney has not been revoked;
  - (B) the donor of the power of attorney has not died;
  - (C) the power of attorney has been validly executed;
  - (D) the power of attorney duly empowers the attorney to sign such a form; and
  - (E) the attorney duly signs the Acceptance Form.

## 9.6 Metals X Shares

Metals X Shares to be allotted under the terms of this Offer will be fully paid ordinary shares ranking equally in all respects from the date of their issue with the existing ordinary shares in Metals X. A summary of the rights and liabilities attaching to Metals X Shares is set out in section 12.1

Metals X has been admitted to the official list of the ASX and shares of the same class as those to be issued as consideration under this Offer have been granted official quotation by the ASX.

Metals X will apply to the ASX for official quotation of the Metals X Shares to be issued under the Offer within seven (7) days after the date on which the Bidder's Statement is given to Aditya Birla. However, official quotation is not granted automatically on application.

In accordance with section 625(3) of the Corporations Act, the Offer is subject to a condition that application for admission to quotation of the Metals X Shares issued under the Offer is made within seven (7) days after the date on which the Bidder's Statement is given to Aditya Birla and permission for admission to quotation will be granted no later than seven (7) days after the end of the Offer Period. This condition may not be waived.

## 9.7 Entitlement to Offer

### (a) Offer made to holders of Aditya Birla Shares

This Offer is made to you as the holder of Aditya Birla Shares which are registered in your name in the register of members of Aditya Birla at 5.00pm (AWST) on the Register Date.

If at any time during the Offer Period another person is or is entitled to be registered as the holder of some or all of those Aditya Birla Shares, then in accordance with section 653B(1)(a) of the Corporations Act:

- (1) an offer corresponding to this Offer is deemed to have been made to that person in respect of the Aditya Birla Shares of which that person is, or is entitled to be, so registered as holder; and
- (2) this Offer is deemed to have been made to you in respect of the remainder (if any) of the Aditya Birla Shares that were registered in your name at 5.00pm (AWST) on the Register Date.

The Aditya Birla Shares in respect of which this Offer is made or deemed to be made to you, in accordance with this paragraph, are referred to in this document as "your Aditya Birla Shares".

### (b) Shares held in separate parcels

If at any time during the Offer Period and before you accept this Offer, you are registered or entitled to be registered as the holder of one or more parcels of Aditya Birla Shares as trustee or nominee for, or otherwise on account of, another person, then in accordance with Section 653B of the Corporations Act:

- (1) this Offer shall be deemed at that time to consist of separate corresponding offers made to you in relation to the respective separate parcels of Aditya Birla Shares; and
- (2) you may at the one time, accept two or more such separate corresponding offers as if they were a single offer in relation to separate parcels of shares; however, an acceptance by you of any of those separate and distinct corresponding offers is ineffective unless:
  - (A) you have given to Metals X notice indicating that your Aditya Birla Shares consist of separate parcels; and
  - (B) the acceptance indicates the number of Aditya Birla Shares in the separate parcels to which acceptance relates.

If this applies to you, contact Security Transfer Registrars Pty Ltd on 08 9315 2333 (within Australia) and +61 8 9315 2333 (from outside Australia) for such additional copies of this Bidder's Statement and Acceptance Form as are necessary.

### (c) Shares registered to broker or other nominee

Beneficial owners whose Aditya Birla Shares are registered in the name of a broker, investment dealer, bank, trust company or other nominee should contact that nominee for assistance in accepting this Offer.

## 9.8 Effect of acceptance

By signing and returning an Acceptance Form in accordance with the procedures set out in Section 9.5 and the Instructions on the Acceptance Form, you will be deemed to have:

- (a) irrevocably accepted this Offer (and any variation of it) in accordance with its terms in respect of all of your Aditya Birla Shares;
- (b) subject to this Offer being declared free of the Defeating Conditions or such conditions being fulfilled or waived, authorised the transfer of your Shares to Metals X for the Offer Consideration specified in this Offer;
- (c) represented and warranted to Metals X that on the date of registration of the transfer of your Aditya Birla Shares to Metals X, your Aditya Birla Shares shall be fully paid up and free from all mortgages, charges, liens and other encumbrances (whether legal or equitable) of any kind and that you have full power and authority to sell your Aditya Birla Shares to Metals X;
- (d) authorised Metals X (by its directors, officers, servants or agents) to complete on the Acceptance Form correct details of your Aditya Birla Shares, fill in any blanks remaining on the Acceptance Form and rectify any error in or omission from the Acceptance Form as may be necessary to make the Acceptance Form an effective acceptance of this Offer or to enable registration of the transfer of your Aditya Birla Shares to Metals X;
- (e) authorised Metals X (by its directors, officers, servants or agents) to alter the number of Aditya Birla Shares said to be held by you if it is otherwise than as set out in the enclosed Acceptance Form;
- (f) represented and warranted to Metals X, and agreed with Metals X that your Aditya Birla Shares will be purchased by Metals X with all Rights and that you will execute all such instruments as may be required for the purpose of vesting in it any such Rights. If, for any reason, Metals X does not receive any Rights referred to in this paragraph, Metals X will be entitled to reduce the amount of consideration payable in accordance with this Offer by the amount of value (as reasonably assessed by Metals X) of such Rights;
- (g) irrevocably authorised and directed Aditya Birla to pay to Metals X or to account to Metals X for all Rights, subject however to any such Rights received by Metals X being accounted for by Metals X to you in the event that this Offer is withdrawn or the contract resulting from your acceptance of this Offer is rendered void pursuant to Section 9.11 (effect of withdrawal);
- (h) irrevocably appointed Metals X and its directors from time to time jointly and severally as your attorney in your name and on your behalf, to execute all such instruments as Metals X may require for the purpose of vesting in it your Aditya Birla Shares and any applicable Rights;
- (i) agreed not to attend or vote in person at any general meeting of Aditya Birla or to purport to exercise any of the powers conferred on Metals X or its nominee in paragraph 9.8(h) above;
- (j) agreed to indemnify Metals X in respect of any claim or action against it or any loss, damage or liability whatsoever incurred by it as a result of you not producing your Holder Identification Number or in consequence of the transfer of your Aditya Birla Shares being registered by Aditya Birla without production of your Holder Identification Number for your Aditya Birla Shares;
- (k) authorised Metals X to notify Aditya Birla on your behalf that your place of address for the purpose of serving notices upon you in respect of your Aditya Birla Shares in respect of which you have accepted this Offer is at the address of Metals X as specified by Metals X in the notification, and that all such notices are to be marked care of Metals X and to have directed Aditya Birla to serve all correspondence, payments or notifications in respect of any Rights and other communications and documents whatsoever in respect of those Aditya Birla Shares to Metals X at that address; and
- (l) if at the time of acceptance of this Offer your Aditya Birla Shares are in a CHESS Holding, with effect from the date that this Offer or any contract resulting from acceptance of this Offer is declared free of its Defeating Conditions, or those conditions are satisfied, authorised Metals X to cause a message to be transmitted to ASX Settlements in accordance with the ASX Settlement Operating Rule 14.17.1 so as to transfer your Aditya Birla Shares to Metals X's Takeover Transferee Holding. Metals X shall be so authorised even though at the time of such a transfer it has not paid the consideration due to you under this Offer;

- (m) represented and warranted to Metals X that, unless you have notified in accordance with Section 9.7 (Shares held in separate parcels), your Aditya Birla Shares do not consist of separate parcels of Aditya Birla Shares;
- (n) whether or not this Offer or any contract resulting from your acceptance of this Offer becomes unconditional, irrevocably appointed Metals X or each of the directors of Metals X from time to time jointly and each of them severally as your attorney to exercise all of your rights and powers in relation to your Aditya Birla Shares, including (without limitation) to:
  - (1) attend and vote (and otherwise participate) in respect of your Aditya Birla Shares at any and all general meetings of Aditya Birla, to receive notices of all such meetings and to requisition or join with other holders of Aditya Birla Shares in requisitioning or to convene or to join with other holders of Aditya Birla Shares in convening a general meeting or general meetings of Aditya Birla;
  - (2) demand a poll for any vote to be taken at any meeting of Aditya Birla Shareholders;
  - (3) propose or second any resolutions to be considered at any and all meetings of Aditya Birla Shareholders;
  - (4) complete and execute all forms, notices, instruments (including instruments appointing Metals X or a director of Metals X as a proxy or representative in respect of any of those Aditya Birla Shares), transfers (including further transfers of any of those Aditya Birla Shares to any person) and resolutions relating to those Aditya Birla Shares and generally to exercise all powers and rights which you may have as the registered holder or beneficial owner thereof;
  - (5) to request Aditya Birla to register the name of Metals X or its nominee on any of your Aditya Birla Shares which you hold on any register of Aditya Birla; and
  - (6) generally to exercise all your powers and rights in relation to your Aditya Birla Shares; and,
- (o) agreed that in exercising the powers conferred by the power of attorney in section 9.8(n), Metals X and any such director shall be entitled to act in the interests of Metals X as the beneficial owner and intended registered holder of your Aditya Birla Shares;
- (p) agreed to do all such acts, matters and things that Metals X may require to give effect to the matters the subject of this section 9.8;
- (q) agreed that the undertakings and authorities referred to in this Section 9.8 will (unless otherwise stated herein) remain in force after you receive the consideration for your Aditya Birla Shares acquired by Metals X and after Metals X becomes registered holder of them;
- (r) if you have a registered address in India, acknowledged that this Bidder's Statement is for a private placement and was furnished to you on a confidential basis and solely for your information and may not be reproduced, disclosed or distributed to any other person and further acknowledged that the Offer is made to you on a private placement basis and is not made in or accompanied by a prospectus that is registered with the Registrar of Companies in India or any other authority and pursuant thereto the investor further acknowledges and unconditionally agrees to be bound by the disclaimers, limitations and restrictions described herein; and
- (s) if you have a registered address in India, you confirm that you are eligible to invest in the Metals X Shares under all applicable Indian laws including but not limited to the Foreign Exchange Management Act, 1999 (FEMA) and the rules, regulations, circulars and notifications issued thereunder and have not been prohibited by the Reserve Bank of India or any other Indian regulatory or governmental authority from making such investment in the Metals X Shares and further that, you undertake to comply with FEMA and all other applicable Indian laws, including any reporting obligations. .

## 9.9 Validity of acceptance

- (a) Subject to this Section 9.9, your acceptance of the Offer will not be valid unless it is made in accordance with the requirements set out in section 9.5.
- (b) Metals X will determine, in its sole discretion, all questions as to the form of documents, eligibility to accept the Offer and time of receipt of an acceptance of the Offer. Metals X is not required to communicate with you prior to or after making this determination. The determination of Metals X will be final and binding on all parties.

- (c) If you comply with some but not all, of the requirements for acceptance, Metals X may in its absolute discretion, at any time and without further communication to you, treat the Acceptance Form as valid notwithstanding your failure to comply with all requirements. The payment of the consideration in accordance with the Offer may be delayed until any irregularity has been resolved or waived and any other documents required to procure registration have been received by Metals X.
- (d) Where the requirements for acceptance have been complied with in respect of some but not all of the Aditya Birla Shares, Metals X may in its sole discretion deem your acceptance of this Offer complete in respect of those Aditya Birla Shares for which the requirements have been complied with (in this section referred to as “**Relevant Shares**”) but not in respect of the remainder, notwithstanding any other terms of this Offer. In that event, Metals X must provide the consideration in respect of the Relevant Shares but not any of the other Aditya Birla Shares you may hold, notwithstanding any other terms of this Offer.

## 9.10 Provision of Consideration

### (a) Form of consideration

The consideration for the acquisition of your Aditya Birla Shares under the Offer is to be satisfied wholly by the issue of Metals X Shares.

### (b) Form and timing of payment

Subject to this Section 9.10, Metals X shall provide the consideration for your Aditya Birla Shares on or before the earlier of:

- (1) twenty-one (21) days after the expiry of the Offer Period; or
- (2) one (1) month after the later of your acceptance and the date the Offer becomes unconditional,

and the obligation of Metals X to issue and allot any Metals X Shares to you to which you are entitled under the Offer will be satisfied by Metals X:

- (3) entering your name on the register of members of Metals X; and,
- (4) despatching or procuring the despatch to you of an uncertificated holding statement as set forth in the paragraph headed “Dispatch of Metals X Shares” below.

### (c) Dispatch of Metals X Shares

Subject to this Section 9.10, a holding statement in respect of the Metals X Shares to which you will become entitled by accepting this Offer will be posted to you at your risk by ordinary mail addressed to you at your address as shown in the Acceptance Form, or such other address as you may notify in writing to Metals X.

### (d) Foreign Shareholders and Unmarketable Parcel Shareholders

If you are a Foreign Shareholder or an Unmarketable Parcel Shareholder:

- (1) you will not be entitled to receive Metals X Shares as part of the Offer Consideration for your Aditya Birla Shares as a result of accepting this Offer; and
- (2) Metals X will:
  - (A) arrange for the issue and allotment to a nominee for all accepting Foreign Shareholders and accepting Unmarketable Parcel Shareholders approved by ASIC (**Nominee**) of the Metals X Shares to be issued in accordance with the Offer to which you and all other Foreign Shareholders and Unmarketable Parcel Shareholders would have been entitled but for this Section 9.10 (Foreign Shareholders and Unmarketable Parcel Shareholders). Metals X may arrange for the Metals X Shares to be issued to the Nominee in tranches and as many tranches as it determines in its sole discretion;

- (B) cause those Metals X Shares so allotted to be offered for sale on ASX by the Nominee (in one or more tranches) as soon as practicable after the end of the Offer Period, and otherwise in such manner, on such terms and at such price that the Nominee determines; and
- (C) pay the amount ascertained in accordance with the following formula:

$$\text{Proceeds of sale} \quad \times \quad \frac{A}{B}$$

where:

- Proceeds of sale is the amount which is received by the Nominee upon the sale of the Metals X Shares in the relevant tranche under this Section less brokerage and other sale expenses;
- A is the number of Metals X Shares which Metals X would otherwise be required to procure to be issued to you as a result of your acceptance of the Offer; and
- B is the total number of Metals X Shares issued to the Nominee in the relevant tranche under this Section 9.10 (Foreign Shareholders and Unmarketable Parcel Shareholders).

Payment will be made by cheque in Australian currency. The cheque will be sent to you at your risk by pre-paid air-mail to your address as shown on the copy of the Aditya Birla register maintained by Metals X. Under no circumstances will interest be paid on the proceeds of this sale, regardless of any delay in remitting these proceeds to you.

Despite anything else contained in this Bidder's Statement, Metals X is not under any obligation to spend any money, or undertake any action, in order to satisfy itself of the illegibility of Foreign Shareholders to receive Metals X Shares.

## 9.11 Withdrawal

### (a) Power to withdraw

Subject to compliance with section 652B of the Corporations Act, Metals X may only withdraw this Offer with the written consent of ASIC which consent may be given subject to such conditions (if any) as are specified in the consent of ASIC. If this happens, Metals X will comply with any conditions imposed by ASIC and send a notice of withdrawal to ASX and Aditya Birla and to each person to whom the Offer has been made at their address as set out in the register of members of Aditya Birla.

### (b) Effect of withdrawal

If this Offer is withdrawn, all contracts arising from its acceptance become void.

## 9.12 Extension of Offer Period

- (a) Metals X may at any time, and from time to time, before the end of the Offer Period vary this Offer by extending the Offer Period, in accordance with section 650C of the Corporations Act.
- (b) If, within the last 7 days of the Offer Period, either of the following events occurs:

- (1) the Offer is varied to improve the consideration offered; or
- (2) Metals X's voting power in Aditya Birla increases to more than 50%,

then the Offer Period will be automatically extended so that it ends 14 days after the event referred to in paragraph (1) or (2) above, in accordance with section 624(2) of the Corporations Act.

## 9.13 Variation

Metals X reserves the right to vary this Offer in accordance with the provisions of section 650D of the Corporations Act.

## **SECTION 10            RISK FACTORS**

### **10.1     Introduction**

In deciding whether or not to accept the Offer you should consider the risk factors outlined in this Section 10, which relate to becoming a shareholder of Metals X. Set out below is a summary of the material risk factors (which include risks that relate to the Aditya Birla' assets, on the assumption this Offer becomes unconditional and Aditya Birla becomes a subsidiary of Metals X). The summary is not intended to provide a comprehensive list of all possible risks, there may be additional unforeseeable risks which cannot be foreseen by Metals X on the basis of the information available to it at the date of this Bidder's Statement. The future performance of Metals X and the future investment performance of its securities may be influenced by a wide range of factors, many of which are outside the control of Metals X. The future value of Metals X and the prices at which its securities trade on the ASX may be influenced by some or all of these factors.

### **10.2     Risk Factors relevant to Metals X and the Merged Group**

#### **(a)     Commodity price fluctuations**

Aditya Birla currently only produces copper (and minor amounts of gold as a by product). Metals X is a producer of gold and tin and potentially nickel in addition to copper. This means that Metals X offers greater product diversity, but it does mean that the Merged Group will be exposed to commodity price risks in each of these additional product markets. Commodity prices fluctuate and are affected by numerous factors beyond the control of Metals X. These factors include world demand for commodities, forward selling by producers and the level of production costs in major commodity-producing regions. Moreover, commodity prices are also affected by macroeconomic factors such as expectations regarding inflation, interest rates and global and regional demand for, and supply of, commodities.

#### **(b)     Financing**

In order to proceed with the development of any of its projects, Metals X may be required to raise additional equity and/or debt capital in the future. There is no assurance that it will be able to raise such capital when it is required or that the terms associated with providing such capital will be satisfactory to Metals X, which may prejudice its ongoing ability to participate in these projects. In the event that Metals X fails to obtain sufficient financing when required, Metals X may be forced to delay or eliminate its potential future development activities, sell existing assets or reduce its operations.

#### **(c)     Dependence upon key personnel**

Metals X's success depends to a significant extent upon its key management personnel, as well as other management personnel. The loss of the services of such personnel could have a material adverse effect upon Metals X. To address this risk Metals X has secured a number of key personnel by service and consultancy contracts.

#### **(d)     Contractual arrangements**

Metals X and the Merged Group are parties to a number of material contracts and may be advanced in the finalisation of other contracts. Failure by any other party to a contract with the Merged Group to comply with their obligations could have a material adverse effect on Metals X. Additionally, the failure by the Merged Group to finalise and execute contracts presently under negotiation or to finalise conditions arising under existing conditional material contracts could have a material adverse effect on Metals X.

#### **(e)     Joint venture partners**

Financial failure or default by any participant in a joint venture to which the Merged Group is a party may have a material adverse effect on Metals X insofar as it may have to bear that share of the joint venture costs which would otherwise have been borne by the relevant participant in the joint venture.

#### **(f)     Project delay**

To the extent that construction and development activities are delayed for any of the development projects in which the Merged Group is the operator or is to be granted management rights, this may affect the total development costs and the timing and level of proceeds derived from the operation which may have a material adverse effect on Metals X.

(g) **Environmental risks**

The operations and activities of the Merged Group are subject to State and Commonwealth laws and regulations concerning the environment. As with most exploration projects and mining operations, the Merged Group's activities are expected to have an impact on the environment, particularly if advanced exploration or mine development proceeds. Such impact can give rise to substantial costs for environmental rehabilitation, damage, control and losses. Further, if there are environmental rehabilitation conditions attaching to the mining tenements of the Merged Group, failure to meet such conditions could lead to forfeiture of these tenements.

(h) **Tenure and native title risks**

Interests in exploration and mining tenements in Australia are governed by State legislation and are evidenced by the granting of leases or licences. Each lease or licence is for a specific term and carries with it annual expenditure and reporting conditions as well as other conditions requiring compliance. These conditions include the requirement, for exploration licences, for reduction in the area held under licence from time to time unless it is considered that special circumstances apply. Consequently Metals X could lose title to, or its interest in, its tenements if licence conditions are not met or if expenditure commitments are not met.

It is possible that, in relation to tenements in which the Merged Group has an interest or may acquire such an interest, there may be areas over which legitimate native title rights of Aboriginal Australians exist. If native title rights do exist, the ability of Metals X to obtain the consent of any relevant land owner, or to progress from the exploration phase to the development and mining phases of the operation, may be adversely affected.

It is possible that there will exist on the Merged Group's mining tenements, areas containing sacred sites or sites of significance to Aboriginal people subject to the provisions of the Aboriginal Heritage Act 1972 (WA), the Northern Territory Aboriginal Sacred Sites Act 1989 (NT), the Aboriginal Heritage Act 1988 (SA), the Aboriginal Relics Act 1975 (TAS) and the Aboriginal Cultural Heritage Act 2003 (QLD), or areas subject to the Native Title Act 1993 (Cth) in Australia. As a result land within the tenements may be subject to exploration, mining or other restrictions as a result of claims of Aboriginal heritage sites or native title.

(i) **Exploration and development**

There can be no assurance that any exploration or development activity in regard to the Merged Group's properties, or any properties that may be acquired in the future, will result in the discovery or exploitation of an economic resource.

Mineral exploration, development and mining/extraction may be hampered by circumstances beyond the control of the Metals X.

(j) **Exploration risks**

Exploration is a high risk activity that requires large amounts of expenditure over extended periods of time. Metals X exploration activities will be subject to all the hazards and risks normally encountered in the exploration of minerals, including climatic conditions, hazards of operating vehicles and plant, risks associated with operating in remote areas and other similar considerations. Conclusions drawn during exploration and development are subject to the uncertainties associated with all sampling techniques and to the risk of incorrect interpretation of geological, geochemical, geophysical, drilling and other data.

(k) **Resource estimates**

Resource estimates are expressions of judgment based on knowledge, experience and industry practice. Estimates, which were valid when originally calculated, may alter when new information or techniques become available. In addition, by their very nature, resource estimates are imprecise and depend to some extent on interpretations, which may prove to be inaccurate. As further information becomes available through additional fieldwork and analysis, the estimates may change. Accordingly, the actual resources may materially differ from these estimates and assumptions and no assurances can be given that the resource estimates and the underlying assumptions will be realised. This could result in alterations to development and mining/extraction plans, which may, in turn, affect the Merged Group's operations and ultimately Metals X financial performance and value.

(l) **Production and cost estimates and forecasts**

Metals X undertakes its business planning using a range of estimates and forecasts using information available to it at that point in time. These plans include estimates of future production and of the cash costs and capital costs of that production. The ability of Metals X to achieve production targets, or meet operating or capital expenditure budgets or estimates cannot be assured. Actual costs of production may be impacted by factors such as variations in ore grade, mine operating conditions, including geotechnical conditions, metallurgical recoveries, labour costs and availability, as well as accidents, poor performance and general economic factors. A failure to realise estimated forecasts and plans could have a material adverse impact on Metals X financial and operating performance.

(m) **Operational and technical risks**

The operations of the Merged Group may be affected by various factors, including failure to locate or identify mineral deposits, failure to achieve predicted grades and/or resources in exploration and mining, operational and technical difficulties encountered in mining and extraction, difficulties in commissioning and operating plant and equipment, mechanical failure or plant breakdown, unanticipated metallurgical or recovery problems which may affect extraction costs, adverse weather conditions, industrial and environmental accidents, industrial disputes, and unexpected shortages or increases in the costs of consumables, spare parts, plant and equipment.

(n) **Exchange rate fluctuations**

International prices of most commodities are denominated in United States dollars, whereas the income and expenditure of the Merged Group, whilst operating on Australian projects, will be in Australian currency, exposing Metals X to the fluctuations and volatility of the rate of exchange between the United States dollar and the Australian dollar, subject to any currency hedging that might be undertaken.

(o) **General economic conditions**

Economic conditions, both domestic and global, may affect the performance of the Merged Group. Factors such as fluctuations in currencies, commodity prices, inflation, interest rates, supply and demand and industrial disruption may have an impact on operating costs and share market prices. The Merged Group's future possible revenues and share price can be affected by these factors, all of which are beyond the control of Metals X.

(p) **Equity market conditions**

Securities listed on the stock market, and in particular securities of mining and exploration companies, including Metals X, can experience extreme price and volume fluctuations that are often unrelated to the operating performances of such companies. The market price of securities may fall as well as rise and may be subject to varied and unpredictable influences on the market for equities in general.

General factors that may affect the market price of securities include economic conditions in both Australia and internationally, investor sentiment, local and international share market conditions, changes in interest rates and the rate of inflation, variations in commodity prices, the global security situation and the possibility of terrorist disturbances, changes to government regulation, policy or legislation (including any changes adopted to address climate change issues), changes which may occur to the taxation of companies as a result of changes in Australian and foreign taxation laws, changes to the system of dividend imputation in Australia, and changes in exchange rates.

(q) **Changes in government policy and legislation**

Any material adverse changes in relevant government policies or legislation of Australia may affect the viability and profitability of the Merged Group, and consequent returns to investors. The activities of the Merged Group will be subject to various federal, state and local laws governing prospecting, development, production, environmental remediation of mining activities, taxes, labour standards and occupational health and safety, climate change and other matters.

(r) **Other**

Other risk factors include those normally found in conducting business, including litigation resulting from the breach of agreements or in relation to employees (through personal injuries, industrial matters or otherwise) or any other cause, strikes, lockouts, loss of service of key management or operational personnel, weather and climate, non-insurable risks, delay

in resumption of activities after reinstatement following the occurrence of an insurable risk and other matters that may interfere with the business or trade of the Merged Group.

### 10.3 Risk Factors that arise from the Offer

- (a) **Aditya Birla shareholders have limited withdrawal rights with respect to the Offer, which means that a decision to accept the Offer may be irrevocable.**

Once you have accepted the Offer for your Aditya Birla Shares, you have the right to withdraw your acceptance of the Offer only in limited circumstances. Under Australian law, if after you have accepted the Offer and while it remains subject to conditions, the Offer is varied (such as by an extension of the Offer Period) so as to postpone for more than one month the time when Metals X must meet its obligations under the Offer, you will be able to withdraw your acceptance. Otherwise, you will be unable to withdraw your acceptance of the Offer even if the market value of Metals X Shares varies significantly from their value on the date of your acceptance of the Offer.

- (b) **Metals X has not verified the reliability of the Aditya Birla information included in, or which may have been omitted from, this Bidder's Statement**

In respect of information relating to Aditya Birla presented in, or omitted from, this Bidder's Statement, including all Aditya Birla financial information, Metals X has relied upon publicly available information and has not had the opportunity to conduct any due diligence review of the information. Any inaccuracy or omission in the Aditya Birla information could adversely affect the anticipated results of operations of the Merged Group.

- (c) **Change of control provisions in Aditya Birla's agreements triggered upon the acquisition of control of Aditya Birla may lead to adverse consequences**

Metals X is not aware of any pre-emptive rights or change of control provisions affecting Aditya Birla's assets or agreements that would be triggered by Metals X obtaining control of Aditya Birla. However, Aditya Birla may be a party to agreements that contain pre-emptive rights or change of control provisions that may be triggered if Metals X acquires Aditya Birla Shares representing a majority of the voting rights of Aditya Birla. The operation of these changes of control provisions, if triggered, could have negative consequences including requiring Aditya Birla to renegotiate its financings, or sell joint venture interests. These provisions may be waived with the consent of the other party and Metals X would consider seeking such waivers if it discovered that pre-emptive rights or change of control provisions affecting Aditya Birla's assets or agreements would be triggered upon Metals X obtaining control of Aditya Birla. In the absence of these waivers, the operation of any of these changes of control provisions could adversely affect the operations of the Merged Group.

### 10.4 Merger integration risks

Integrating two companies such as Metals X and Aditya Birla may produce some risks, including integrating management, information systems and work practices. Metals X intends to continue current business strategy and operations after completion of the Offer.

Greater than expected integration costs could have a material adverse effect on Metals X and the Merged Group.

- (a) **Synergy risks**

Whilst the directors of Metals X expect to realise certain synergy benefits from the merger, achievement of these synergies is not certain. The synergies may not be realised to their full extent or may be realised over a longer period of time than the directors of Metals X expect. This could have a material adverse impact on the financial performance of Metals X.

- (b) **Taxation Risks**

The tax consequences and risks of the Offer depend upon the specific circumstances of each Aditya Birla Shareholder. Aditya Birla Shareholders should obtain their own professional taxation advice regarding the applicable law in respect of the Offer.

- (c) **Impairment of Goodwill and other Intangible Assets**

The financial statements of the Metals X Group will be prepared in conformity with the Australian International Financial Reporting Standards (AIFRS) and consistent with the current accounting policies of Metals X. Under AIFRS, intangible assets are reviewed semi-annually for impairment. Changes to the carrying amounts of intangible assets of Metals X or Aditya Birla could have a material adverse impact on the financial performance of Metals X.

## **SECTION 11      TAX CONSIDERATIONS**

### **11.1      Introduction**

The following is a general description of the Australian income and capital gains tax consequences to Aditya Birla Shareholders of the acceptance of the Offer. The comments set out below are primarily directed to those Aditya Birla Shareholders who hold their Aditya Birla Shares as capital assets for the purpose of long term investment. If you hold your Aditya Birla Shares on revenue account or you trade in Aditya Birla Shares you will need to get independent professional advice.

The following summary is intended only for Aditya Birla Shareholders resident in Australia for income tax purposes. Aditya Birla Shareholders who are not resident in Australia for tax purposes should take into account the tax consequences under the laws of their country of residence, as well as under Australian law, of acceptance of the Offer. Furthermore, this summary is not intended for Aditya Birla Shareholders who acquired their Aditya Birla Shares in respect of their (or an associates) employment at Aditya Birla (or an associated company).

The following description is based upon the law in effect at the date of this Bidder's Statement, but it is not intended to be an authoritative or complete statement of the law applicable to the particular circumstances of every Aditya Birla Shareholder. Aditya Birla Shareholders should seek independent professional advice in relation to their own particular circumstances.

### **11.2      Aditya Birla Shareholders receiving shares**

The Australian taxation consequences of the Offer will depend upon a number of factors, including:

- your tax residency status;
- whether you hold your Aditya Birla Shares on capital account, revenue account or as trading stock; and
- whether capital gains tax scrip for scrip rollover relief is available.

If you have any questions about the taxation aspects of holding or disposing Aditya Birla Shares then you should seek specific advice from a professional taxation adviser before making a decision whether or not to accept the Offer.

#### **(a)      Aditya Birla Shares held on capital account**

If you acquired Aditya Birla Shares for investment purposes with the intention of generating dividend income and long term capital growth, you may be considered to hold your Aditya Birla Shares on capital account for income tax purposes.

Acceptance of the Offer will involve the disposal of your Aditya Birla Shares by way of transfer to Metals X. This change in the ownership of your Aditya Birla Shares will constitute a capital gains tax event for Australian capital gains tax (**CGT**) purposes.

You will make a capital gain if the market value of the Metals X Shares received, calculated at the time the Offer is accepted, exceeds the tax cost base of the Aditya Birla Shares.

For CGT purposes, the tax cost base of the Aditya Birla Shares would generally include the amount paid to acquire those Aditya Birla Shares plus any incidental costs of acquisition (for example, brokerage fees and stamp duty). In some cases, the cost base may be indexed for inflation, which reduces the capital gain.

You will make a capital loss if the capital proceeds received are less than the reduced cost base of the Aditya Birla Shares. A capital loss may only be applied by you to offset any capital gains realised by you during the same year of income or during a later year of income. A capital loss cannot be offset against other income. There are specific rules in relation to losses incurred by trusts.

If you are an individual, trust or complying superannuation fund that has held the Aditya Birla Shares for twelve (12) months or longer at the time of your acceptance of the Offer, the capital gain derived will be a discount capital gain so that only half of the gain for an individual or trust, or two-thirds of the gain for a complying superannuation fund, is included in assessable income.

If you are a company or have not held the Aditya Birla Shares for at least twelve (12) months at the date of acceptance of the Offer, then you will not be eligible to claim a discount on the capital gain, as described above.

If you make a capital gain as a result of accepting this Offer and the other conditions of CGT scrip for scrip rollover are satisfied (refer below), you may be eligible for tax relief upon the disposal of your Aditya Birla Shares under the scrip for scrip rollover relief provisions.

#### **CGT scrip for scrip rollover relief**

You may be entitled to scrip for scrip rollover relief if each of the following is satisfied:

- The Offer results in Metals X becoming the owner of 80 percent or more of the shares in Aditya Birla;
- You would otherwise make a capital gain on the disposal of your Aditya Birla Shares; and
- You elect to obtain rollover relief.

Rollover relief entitles a shareholder to elect to disregard the capital gain they make from a share that is disposed of as part of a corporate takeover or merger if the shareholder receives a replacement share in exchange.

The effect of a shareholder electing to claim rollover relief is that the capital gain that would otherwise arise to the shareholder from the disposal of their Aditya Birla Shares will effectively be deferred until the disposal of replacement Metals X Shares (refer below).

If scrip for scrip rollover relief is available and you elect to claim it then the tax cost base of the Metals X Shares that you receive will be based upon the tax cost base of your Aditya Birla Shares. You will be taken to have acquired the Metals X Shares at the original time the Aditya Birla Shares were acquired for CGT purposes. The date of acquisition is particularly relevant for determining whether the twelve (12) month holding requirement is satisfied for the discount capital gain (referred to above).

Rollover relief is not available if you would realise a capital loss on acceptance of the Offer.

#### **Where scrip for scrip rollover relief is not claimed or is not available in relation to the disposal of Aditya Birla Shares**

Where scrip for scrip rollover relief is not claimed or is not available in relation to the disposal of your Aditya Birla Shares, you will make either a capital gain or capital loss equal to the difference between the tax cost base of your Aditya Birla Shares and the market value of the Metals X Shares you receive under the Offer.

##### **(b) Aditya Birla shares held on revenue account**

If you originally acquired your Aditya Birla Shares with the intention of reselling them at a profit you may be considered to hold your Shares on revenue account for income tax purposes.

Where this is the case, any gain or loss realised on disposal of your Aditya Birla Shares will be assessable as ordinary income or claimed as a revenue deduction. The gain or loss will be calculated as the difference between the value of the consideration, being the original cost of acquiring the Aditya Birla Shares and the market value of the replacement Metals X Shares.

In these circumstances scrip for scrip rollover relief will not be available.

##### **(c) Aditya Birla Shares held as trading stock**

If you are engaged in the business of share trading, you may be holding your Aditya Birla Shares as trading stock.

If you hold your Aditya Birla Shares as trading stock, scrip for scrip rollover relief will not be available on acceptance of this Offer. The market value of the Metals X Shares you receive from accepting this Offer will be included in your assessable income.

### **11.3 Taxation implications of holding Metals X Shares**

As a consequence of accepting the Offer, shareholders will cease to be shareholders of Aditya Birla and will become shareholders of Metals X.

Dividends received by Australian resident shareholders of Metals X will generally be required to be included in the assessable income of such shareholders. Australian resident shareholders may be entitled to claim a tax offset equal to any franking credits attaching to the dividends.

(a) **Subsequent disposal of Metals X Shares held on revenue account**

Australian resident shareholders who hold their Metals X Shares on revenue account (refer above) will generally be required to treat any gain or loss arising on a subsequent disposal of their Metals X Shares as assessable income or deductible revenue, respectively.

(b) **CGT on subsequent disposal of Metals X Shares**

The subsequent disposal of Metals X Shares by Australian resident shareholders will generally give rise to CGT implications.

These will differ depending upon whether or not scrip for scrip rollover relief was claimed in relation to the disposal of Aditya Birla Shares under the Offer.

**Where scrip for scrip rollover relief is not claimed or is not available in relation to the disposal of Aditya Birla Shares**

Where scrip for scrip rollover relief was not claimed or was not available in respect of the disposal of the Aditya Birla Shares, the tax cost base of each Metals X Share will include the market value of the Aditya Birla Shares disposed of under the Offer at the time of exchange.

If you are an individual, trust or complying superannuation fund that has held replacement Metals X Shares for twelve (12) months or longer at the time of the subsequent disposal, the capital gain derived will be a discount capital gain so that only half of the gain for an individual or trust, or two-thirds of the gain for a complying superannuation fund, is included in the shareholder's assessable income.

If you are a company or hold the replacement Metals X Shares for less than twelve (12) months, then you will not be eligible to claim the discount on the capital gain.

**Where scrip for scrip rollover relief is claimed in relation to the disposal of Aditya Birla Shares**

Where scrip for scrip rollover relief was claimed in relation to the disposal of Aditya Birla Shares, the tax cost base of the replacement Metals X Shares is calculated by reference to the original tax cost base of the Aditya Birla Shares disposed of under the Offer.

For CGT purposes a shareholder will be taken to have acquired the replacement Metals X shares at the time the Aditya Birla Shares were originally acquired. Consequently, shareholders will be entitled to add together the ownership periods for both the Aditya Birla Shares and replacement Metals X Shares to determine whether the twelve (12) month holding requirement is satisfied for the discount capital gain rules, or in applying indexation.

If you have any questions about the financial or taxation aspects of holding or selling Metals X Shares, you should seek your own independent advice from a professional advisor before making a decision whether or not to accept the Offer.

#### **11.4 Shareholders receiving cash**

If by accepting this Offer you are only able to receive cash, as set out in Section 9.10 of this Bidder's Statement, the Nominee will arrange for the Metals X Shares that are exchanged for your Aditya Birla Shares to be sold. You will receive the proceeds of sale (less brokerage and sale expenses) of the Metals X Shares calculated in accordance with the formula in Section 9.10(d)(2)(C).

The taxation consequences of receiving cash instead of Metals X Shares will generally be the same as if you received the Metals X Shares directly and immediately sold them. Shareholders receiving cash will generally only be subject to CGT on the disposal of the Aditya Birla Shares if:

- (1) that Shareholder receiving cash and its associates holds 10 percent or more of Aditya Birla Shares at the time of disposal or for any continuous 12-month period within 2 years before the time of disposal; and
- (2) more than 50% of Aditya Birla's value is due to direct or indirect interests attributable to Australian real property.

Shareholders receiving cash should obtain independent advice as to the tax implications of the sale of Aditya Birla Shares, and whether any protection is available under a relevant double tax treaty.

#### **11.5 Goods and Services Tax (GST)**

Holders of Aditya Birla Shares should not be liable to GST in respect of a disposal of those shares.

## **SECTION 12            ADDITIONAL INFORMATION**

### **12.1    Rights and liabilities attaching to Metals X Shares**

From their date of issue, the Metals X Shares to be issued pursuant to the Offer will rank equally with the existing Metals X Shares.

The rights and restrictions attaching to Metals X Shares are set out in Metals X's constitution and, in certain circumstances, are regulated by the Corporations Act, the ASX Listing Rules and general law. Under Section 140(1) of the Corporations Act, the constitution of Metals X has effect as a contract between Metals X and each member and between a member of Metals X and each other member. Accordingly, if Aditya Birla Shareholders accept the Offer and are allotted Metals X Shares as consideration, they will become contractually bound to comply with the constitution of Metals X.

A summary of the principal rights attaching to Metals X Shares based is set out below. It does not purport to be exhaustive or to constitute a definitive statement of the rights attaching to Metals X Shares. Such rights involve complex questions of law arising from interaction of the constitution and statutory and common law requirements. Shareholder should seek their own advice when trying to establish their rights in specific circumstances.

#### **(a)        Shares**

Shares in Metals X can be issued with preferred, deferred or other special rights, obligations or restrictions in relation to dividends, voting, return of share capital, payment of calls or other matters, as determined by Metals X's Board from time to time. All unissued shares are under the control of Metals X's Board, which may grant options on the shares, issue option certificates and allot or dispose of the shares on the terms and conditions and for consideration it thinks fit. This power is subject to contract or any contrary rules in the constitution. The Metals X's constitution permits the issue of preference shares on terms determined by Metals X's Board.

#### **(b)        Alteration of rights**

The rights and restrictions attaching to any class of shares (unless provided by the terms of issue of shares of that class), can only be varied with the consent in writing of members with at least three-quarters of the votes in that class, or with the sanction of a special resolution passed at a separate meeting of the holders of shares of that class.

#### **(c)        Calls**

The Board of Metals X may from time to time call upon shareholders for unpaid monies on their shares. If such a call is made, shareholders are liable to pay the amount of the call in the manner and at the time and place specified by Metals X's Board. Such calls may be payable by instalments. When a resolution of Metals X's Board authorising the call is passed, the call will be deemed to have been made. It may be revoked or postponed at the discretion of Metals X's Board.

#### **(d)        Forfeiture and lien**

Metals X is empowered to forfeit shares in relation to any part of allotment monies, calls, instalments, interest and expenses which remain unpaid following any notice sent to a shareholder. Such forfeiture must occur in accordance with the constitution, the Corporations Act and the ASX Listing Rules.

Metals X has a first lien or charge for unpaid calls, instalments and related interest and any amount it is legally required to pay in relation to a shareholder's shares. The lien or charge extends to all dividends declared in respect of the shares provided that, if Metals X registers a transfer of any shares subject to this lien or charge without giving the transferee notice of the claim it may have at that time, the shares are freed and discharged from Metals X's lien or charge in respect to that claim.

#### **(e)        Share transfers**

Shares may be transferred in any manner required or permitted by the ASX Listing Rules or the ASX Settlement Operating Rules and by any instrument in writing in any usual or common form or in any other form that Metals X's Board approves. Metals X's Board may only refuse to register a transfer of securities of Metals X as permitted by the ASX Listing Rules or the ASX Settlement Operating Rules.

(f) **Directors need not issue share certificates**

Subject to the requirements of the ASX Listing Rules and the Corporations Act, Metals X need not issue share certificates.

(g) **Meeting procedure**

The ASX and each shareholder and director of Metals X are entitled to receive notice of and attend any general meeting of Metals X.

Two shareholders must be present to constitute a quorum for a general meeting and no business may be transacted at any meeting except the election of a Chairman and an adjournment, unless the quorum required is present at the start of the business. Metals X is obliged to convene and hold an annual general meeting.

(h) **Voting rights**

Each shareholder has the right to receive notices of, and to attend, general meetings of Metals X.

Subject to restrictions on voting from time to time affecting any class of shares in Metals X, and any restrictions imposed by the Corporations Act, the shares in Metals X carry the right to cast one vote on a show of hands and, on a poll, one vote for each fully paid share held, and for each partly paid share held, a vote having the same proportionate value as the proportion to which the shares have been paid up. Voting may be in person or by proxy, attorney or representative.

(i) **Remuneration of directors**

Directors, except executive directors, are to be paid out of company funds as remuneration for their services, such sum as accrues on a daily basis as Metals X in general meeting determines to be divided among them as agreed, or failing agreement, equally.

Director's (except executive director's) fees for their services as directors is by a fixed sum and not a commission on a percentage of profits or operating revenue. It may not be increased except at a general meeting in which particulars of the proposed increase have been provided in the notice convening the meeting to shareholders. There is provision for directors who devote special attention to the business of Metals X or who perform services which are regarded as being outside the scope of their ordinary duties as directors, or who at the request of Metals X's Board engage in any journey on company business, to be paid extra remuneration determined by Metals X's Board. Directors are also entitled to their reasonable travel, accommodation and other expenses incurred in attending company or board meetings, or meetings of any committee engaged in Metals X's business.

Any director may be paid a retirement benefit as determined by Metals X's Board, consistent with the Corporations Act and the ASX Listing Rules.

A director is disallowed from voting on any contract or arrangement in which he or she has directly or indirectly any material interest, if it will be contrary to the Corporations Act. If such a director does vote, his or her vote will not be counted, nor will his or her attendance be counted in the quorum present at the meeting. Either or both of these prohibitions may be relaxed or suspended to any extent by ordinary resolution passed at a general meeting if permitted by the Corporations Act.

(j) **Election of Directors**

The Metals X constitution states that there must be a minimum of three directors, which Metals X's Board may from time to time determine provided it may not reduce the number below the number of directors in office at the time of the reduction.

## **12.2 Date for determining holders of Shares**

For the purposes of section 633 of the Corporations Act, the date for determining the people to whom information is to be sent under items 6 and 12 of section 633(1) is the Register Date.

## **12.3 No Brokerage**

You will not incur brokerage if you accept the Offer. You may be required to pay brokerage if Aditya Birla Shares are sold on the market. Note CHESS holders may be subject to fees charged by their Controlling Participants to process an acceptance.

## 12.4 ASIC modifications and exemptions

ASIC has published various "Class Order" instruments providing for modifications and exemptions that apply generally to all persons, including Metals X, in relation to the operation of Chapter 6 of the Corporations Act. Metals X may rely on this class order relief.

This Bidder's Statement includes or is accompanied by statements that are made in, or based on, statements made in documents lodged with ASIC or the ASX. Under the terms of ASIC Class Order 13/521, the parties making those statements are not required to consent to, and have not consented to, the inclusion of those statements in this Bidder's Statement.

If you would like to obtain (free of charge) a copy of any of these documents, or the relevant parts of the documents containing the statements, please contact Metals X on +61 8 9220 5700.

Metals X has also relied on the modification to section 619(3) of the Corporations Act as set out in paragraph 4 of ASIC Class Order 13/521 in relation to the appointment of a nominee in respect of the Foreign Shareholders.

As permitted by ASIC Class Order 13/523, this Bidder's Statement may include or be accompanied by certain statements:

- (a) fairly representing a statement by an official person; or
- (b) from a public official document or a published book, journal or comparable publication.

In addition, as permitted by ASIC Class Order 07/429, this Bidder's Statement contains share price trading data sourced from IRESS and the ASX official website without each party's consent.

Metals X has not obtained from ASIC any modifications or exemptions from the Corporations Act in relation to the Offer.

## 12.5 Metals X is a disclosing entity

Due to the fact that Metals X is offering Metals X Shares as consideration for the acquisition of Aditya Birla Shares, the Corporations Act requires that this Bidder's Statement must include all information that would be required for a prospectus for an offer of Metals X Shares under sections 710 to 713 of the Corporations Act. Metals X does not need to issue a prospectus for the Offer of the Metals X Shares as the Offer is occurring under a takeover bid.

Metals X is a disclosing entity (as defined in section 111AC of the Corporations Act) for the purposes of section 713 of the Corporations Act and, as such, is subject to regular reporting and disclosure obligations. Specifically, like all listed companies, Metals X is required to continuously disclose to the market any information it has which a reasonable person would expect to have a material effect on the price or the value of Metals X Shares.

Metals X Shares have been quoted on the ASX during the 12 months prior to the date of this Bidder's Statement. For this reason, Metals X is only required to disclose information in this Bidder's Statement that would usually be required where its shares have been continuously quoted securities.

In general terms, where Metals X Shares are continuously quoted securities the Bidder's Statement is only required to contain information in relation to the effect of the Offer on Metals X and the rights and liabilities attaching to the Metals X Shares. It is not necessary to include general information in relation to all of the assets and liabilities, financial position and performance, profits and losses or prospects of Metals X unless such information has been excluded from a continuous disclosure notice in accordance with the ASX Listing Rules and it is information:

- (a) that investors and their professional advisors would reasonably require for the purposes of making an informed assessment of such matters; and
- (b) relating to the rights and liabilities attaching to the Metals X Shares.

Information that is already in the public domain has not been reported in this Bidder's Statement other than that information which is considered necessary to make this Bidder's Statement complete.

Metals X's annual report to shareholders for the year ended 30 June 2014 (**Annual Report**) was lodged with ASIC and ASX on 24 October 2014. The Annual Report includes the directors' report, remuneration report and auditor's independence declaration, statements of comprehensive income, financial position, changes in equity and cash flows, comprehensive notes to the financial statements and an independent auditor's report. Metals X's annual financial report for the year ended 30 June 2015 was lodged with ASIC and ASX on 25 August 2015.

Pursuant to section 712 of the Corporations Act, this Bidder's Statement incorporates by reference the Annual Report and all continuous disclosure notices given by Metals X to the ASX since 24 October 2014. A list of continuous disclosure notices given by Metals X to the ASX since 24 October 2014 is set out in Annexure A to this Bidder's Statement.

Metals X, as a disclosing entity under the Corporations Act, states that:

- (a) it is subject to regular reporting and disclosure obligations;
- (b) copies of documents lodged with ASIC in relation to Metals X (not being documents referred to in section 1274(2)(a) of the Corporations Act) may be obtained from, or inspected at, an ASIC office; and
- (c) it will provide a copy of each of the following documents, free of charge, to any person on request during the Offer Period:
  - (1) the Annual Report;
  - (2) the financial statements of Metals X for the 12 months ended 30 June 2015 (being the annual financial report most recently lodged by Metals X with ASIC);
  - (3) the half-year financial report for the half-year ended 31 December 2014; and
  - (4) all continuous disclosure notices given by Metals X after the lodgement of the Annual Report with ASIC and before the lodgement of this Bidder's Statement with ASIC.

Requests for free copies of these documents may be made by calling the shareholder information line on 1300 659 000 (for callers within Australian) or +61 8 9215 6061 (for callers outside Australia).

Copies of all documents lodged with ASIC in relation to Metals X can be inspected at the registered office of Metals X during normal office hours. Metals X also has a website, <http://www.metalsx.com.au/> which includes a wide range of information on Metals X (including copies of the above documents) and its activities.

## 12.6 Corporate Governance

Metals X and its subsidiaries have adopted a corporate governance statement (**Corporate Governance Statement**) in order to implement and maintain a culture of good corporate governance both internally and in its external dealings. In adopting the Corporate Governance Charter the Metals X Board is mindful of the Revised Corporate Governance Principles and Recommendations (Third edition) published by the ASX (**ASX Guidelines**).

The Corporate Governance Statement in full is available at Metals X's website at <http://www.metalsx.com.au/about-us/corporate-governance>. In this section (below), Metals X briefly addresses the areas where Metals X has departed from the ASX Guidelines. Where Metals X's corporate governance practices do not correlate with the practices recommended by the Corporate Governance Charter Metals X is working towards compliance however it does not consider that all practices are appropriate for the company due to its size and scale of operations.

The Metals X Board is of the view that with the exception of the departures from the ASX Guidelines as set out below, it otherwise complies with all of the ASX Guidelines.

*Principle 2.4: A majority of the board of a listed entity should be independent directors.*

Metals X does not comply with ASX Recommendation 2.4, there is a majority of non-executive directors but there is not a majority of independent directors on the Metals X Board. In accordance with the definition of independence above, only three of the directors of Metals X are considered to be independent. The Metals X Board believes that Metals X is not of sufficient size to warrant the inclusion of more independent non-executive directors in order to meet the ASX recommendation of maintaining a majority of independent non-executive directors. Metals X maintains a mix of directors from different backgrounds with complementary skills and experience

## 12.7 Interests of Metals X Directors in Metals X Shares

The table below shows the interests of the directors of Metals X in Metals X Shares at the date of this Bidder's Statement and the number of Metals X Shares which the directors are expected to hold directly or indirectly following completion of the Offer (assuming Metals X acquires 100% of Aditya Birla). All percentages are shown based on a fully diluted position.

Name	Number of Metals X Shares held prior to Offer	percent of Metals X Shares held prior to Offer	Expected Number of Metals X Shares held immediately following Offer	Expected percent of Metals X Shares held immediately following Offer	Voting power on completion of Offer
PM Cmrlec	91,521	0.02%	91,521	0.12%	91,521
PG Cook	18,361,237	4.17%	18,361,237	3.53%	18,361,237
AC Ferguson	-	-	-	-	-
WS Hallam	1,587,500	0.36%	1,587,500	0.30%	1,587,500
S D Heggen	5,000	0.00%	5,000	0.00%	5,000
P J Newton	13,874,697	3.15%	13,874,697	2.66%	13,874,697
X Penggen <sup>(1)</sup>	44,000,000	10.00%	44,000,000	8.45%	44,000,000
Y Zhang (Alt Director)	-	-	-	-	-
<b>Total</b>	<b>77,919,955</b>	<b>17.70%</b>	<b>77,919,955</b>	<b>14.96%</b>	<b>77,919,955</b>

**Notes:** <sup>(1)</sup> X Penggen is a director of Jinchuan Group Limited which holds 44,000,000 Metals X Limited.

As at the date of this Bidder's Statement, the Metals X Directors hold interests in Performance Rights as follows:

Name	Performance Rights
PM Cmrlec	-
PG Cook	384,616
AC Ferguson	-
WS Hallam	282,692
S D Heggen	-
P J Newton	-
X Penggen	-
Y Zhang (Alt Director)	-
<b>Total</b>	<b>667,308</b>

A summary of the terms of the Performance Rights in the above table is set out in the Appendix 3B released by the Company on 15 December 2014. Subject to receipt of shareholder approval, Metals X intends to issue a further 324,476 performance rights to PG Cook and 225,175 Performance Rights to Warren Hallam performance rights to WS Hallam in or about December 2015 on substantially the same terms as the existing Performance Rights.

## 12.8 Indemnification and Insurance of Directors and Officers

Each Metals X Director has a deed of indemnity, insurance and access with Metals X. Metals X has a policy of paying a premium in respect of a contract of insurance to insure Directors and officers of Metals X and related bodies corporate against those liabilities for which insurance is permitted under section 199B of the Corporations Act.

## 12.9 Disclosure of interests of certain persons

Except as set out in this Bidder's Statement, no:

- (a) director or proposed director of Metals X;
- (b) person named in this Bidder's Statement as performing a function in a professional, advisory or other capacity in connection with the preparation or distribution of this Bidder's Statement;
- (c) promoter of Metals X; or
- (d) underwriter to the issue of Metals X Shares or financial services licensee named in this Bidder's Statement as being involved in the issue of Metals X Shares,

(together, the **Interested Persons**) holds at the date of this Bidder's Statement or held at any time during the last two years, any interest in

- (e) the formation or promotion of Metals X;
- (f) property acquired or proposed to be acquired by Metals X in connection with its formation or promotion or the Offers; or
- (g) the Offer of Metals X Shares.

## 12.10 Disclosure of fees or benefits received by certain persons

Other than as set out below or elsewhere in this Bidder's Statement, no amounts have been paid or agreed to be paid and no benefits have been given or agreed to be given:

- (a) to a director or proposed director of Metals X to induce them to become, or to qualify as, a director of Metals X; or
- (b) for services provided by an Interested Person in connection with the formation or promotion of Metals X or the offer of Metals X Shares under the Offer.

HopgoodGanim Lawyers has acted as legal advisor to Metals X in relation to the Offer and has prepared the tax summary included in Section 11. HopgoodGanim Lawyers is entitled to professional fees in accordance with its time-based charges.

## 12.11 Competent Person statement

### (a) **Competent Person statement – Gold, Tin and Nickel Divisions and Rover Project**

Other than as stated elsewhere in this Bidder's Statement, the information in this Bidder's Statement that relates to Mineral Resources and Ore Reserves for Metals X's Gold (other than the Mt Henry Gold Project, Grosvenor Gold Project or George's Reward), Tin and Nickel Divisions and Rover Project is extracted from the report entitled "Annual Update Mineral Resources and Ore Reserves as at 30 June 2015" released to ASX on 25 August 2015 and is available to view at <http://www.metalsx.com.au>. Metals X confirms that it is not aware of any new information or data that materially affects the information included in the original market announcement and that all material assumptions and technical parameters underpinning the estimates in the relevant market announcement continue to apply and have not materially changed. Metals X confirms that the form and context in which the Competent Persons' findings are presented have not been materially modified from the original market announcement.

### (b) **Competent Person statement – Mt Henry Gold Project**

The information in this Bidder's Statement that relates to Mineral Resources and Ore Reserves for the Mt Henry Gold Project is extracted from the announcement of Panoramic Resources Limited titled "Positive Results from Mt Henry Feasibility Study" released on 14 May 2015 and is available to view at [www.asx.com.au](http://www.asx.com.au). Metals X confirms that it is not aware of any new information or data that materially affects the information included in the original market announcement and that all material assumptions and technical parameters underpinning the estimates in the relevant market announcement continue to apply and have not materially changed. Metals X confirms that the form and context in which the Competent Persons' findings are presented have not been materially modified from the original market announcement.

## **12.12 Consents**

This Bidder's Statement contains statements made by or statements based on statements made by Metals X and its directors. Metals X and its directors have consented to the inclusion of:

- (a) each statement made by Metals X or its Directors; and
- (b) each statement which is based on a statement made by Metals X or its directors,

in the form and context in which the statement appears, and have not withdrawn their consent.

HopgoodGanim Lawyers has given, and has not withdrawn, its written consent to be named as the Australian Legal Adviser of Metals X in the form and context in which it is named and for its logo to be included in this Bidder's Statement. To the maximum extent permitted by law, HopgoodGanim Lawyers expressly disclaims and takes no responsibility for any part of this Bidder's Statement, other than a reference to its name and the tax summary including in Section 11 of this Bidder's Statement.

Xavier Group Pty Limited (Xavier Group) has given, and has not withdrawn, its written consent to be named as the Corporate Advisor for Metals X in the form and context in which it is named and for its logo to be included in this Bidder's Statement. To the maximum extent permitted by law, Xavier Group expressly disclaims and takes no responsibility for any part of this Bidder's Statement, other than a reference to its name.

Security Transfer Registrars Pty Ltd has given, and has not withdrawn, its written consent to be named as the Share Registry of Metals X in the form and context in which it is named in this Bidder's Statement. To the maximum extent permitted by law, Security Transfer Registrars Pty Ltd expressly disclaims and takes no responsibility for any part of this Bidder's Statement, other than a reference to its name.

Other than as specifically outlined above, each of HopgoodGanim, Xavier Group and Security Transfer Registrars has not caused or authorised the issue of this Bidder's Statement and does not make or purport to make any statement in this Bidder's Statement or any statement on which a statement in this Bidder's Statement is based.

## **12.13 Other material information**

Except as disclosed in this Bidder's Statement, there is no other material information known to Metals X which is material to the making of the decision by an Aditya Birla Shareholder as to whether to accept the Offer.

The Corporations Act only requires that Metals X disclose information which is as up to date as is reasonable in the circumstances. Further, Metals X is not required to disclose information in this Bidder's Statement if it would be unreasonable to require Metals X to do so because the information had previously been disclosed to holders of Aditya Birla Shares.

## **12.14 Expiry date**

No securities will be issued on the basis of this Bidder's Statement after the date which is 13 months after the date of this Bidder's Statement.

## **12.15 Foreign jurisdictions**

The distribution of this Bidder's Statement in jurisdictions outside Australia may be restricted by law, and persons who come into possession of it should seek advice on and observe any such restrictions. Any failure to comply with such restrictions may constitute a violation of applicable securities laws. This Bidder's Statement does not constitute an offer in any jurisdiction in which, or to any person to whom, it would not be lawful to make such an offer. Metals X disclaims all liabilities to such persons. No action has been taken to register or qualify Metals X or to otherwise permit a public offering of Metals X Shares outside Australia.

## **12.16 Costs and expenses**

All costs and expenses of the preparation and circulation of this Bidder's Statement and the Offer, and all transfer duty or brokerage charges payable on transfer of your Aditya Birla Shares to Metals X will be paid by Metals X.

## **12.17 Governing Law**

This Bidder's Statement and Offer and any contract that results from your acceptance of this Offer are governed by the laws in force in Western Australia.

## SECTION 13 DEFINITIONS AND INTERPRETATION

### 13.1 Defined Terms

In this Offer, the following words have these meanings unless the contrary intention or the context otherwise requires:

**Acceptance Form** means the form of acceptance and transfer enclosed with this Bidder's Statement and forms part of the Offer (the Instructions on which are for guidance only and do not form part of this Offer).

**Aditya Birla** means Aditya Birla Minerals Limited ACN 103 515 037.

**Aditya Birla Shareholder** means a holder of Aditya Birla Shares;

**Aditya Birla Shares** or **Shares** means the issued fully paid ordinary shares in the capital of Aditya Birla and includes all Rights attaching to them and the term **Aditya Birla Share** or **Share** shall have a corresponding meaning.

**Aditya Birla Tenements** means the Nifty, Maroochydore and Mt Gordon tenements listed in the Aditya Birla 2014-2015 Annual Report released to ASX on 17 July 2015.

**Announcement Date** means the date on which the Offer was announced to ASX by Metals X, namely 15 October 2015, a copy of which is annexed at Annexure B to this Bidder's Statement.

**ASIC** means Australian Securities & Investments Commission.

**Associate** has the meaning given to that term in the Corporations Act.

**ASX** means ASX Limited.

**ASX Listing Rules** means the official listing rules of ASX.

**ASX Operating Rules** means the operating rules of ASX in force from time to time.

**ASX Operating Rules Procedures** means the procedures of the ASX Operating Rule.

**ASX Settlement** means the ASX Settlement Pty Limited ACN 008 504 532.

**ASX Settlement Operating Rules** means the operating rules of the settlement facility provided by ASX.

**Authorisation** means any authorisation, lease, licence, permit, approval, certificate, consent, direction or notice from any competent authority or regulatory body that is necessary or desirable.

**AWST** means Australian Western Australian Time (GMT +8).

**A\$ or \$** means Australian dollars.

**Bidder's Statement** or **Statement** means this document, being the statement of Metals X (including any supplementary bidder's statements) under Part 6.5 Division 2 of the Corporations Act relating to the Offer.

**Board of Aditya Birla** or **Aditya Birla Board** means the board of directors of Aditya Birla.

**Board of Metals X** or **Metals X Board** means the board of directors of Metals X.

**Broker** means a member organisation admitted to participate in the CHESS under the ASX Settlement Operating Rules.

**Business Day** means a day on which banks are open for business in Perth excluding a Saturday, Sunday or public holiday.

**CGT** means capital gains tax.

**CMGP** means Metals X's Central Murchison Gold Project in Western Australia.

**CHESS** means Clearing House Electronic Subregister System, which provides for the electronic transfer of securities in Australia.

**CHESS Holding** has the meaning set out in the ASX Settlement Operating Rules.

**Controlling Participant** shall have the meaning set out in the ASX Settlement Operating Rules.

**Corporations Act** means the *Corporations Act 2001* (Cth).

**Conditions** or **Defeating Conditions** means the conditions set out in Section 9.2.

**Directors** means the directors of Metals X from time to time.

**EBIDTA** means earnings before interest, tax, depreciation and amortisation.

**FATA** means *Foreign Acquisitions and Takeovers Act 1974* (Cth).

**FIRB** means the Foreign Investment Review Board.

**Foreign Shareholder** means any Aditya Birla Shareholder whose address shown in the Aditya Birla register of members is a place outside Australia and India.

**Government Agency** means any foreign or Australian government or governmental, semi-governmental, administrative, fiscal or judicial body, department, commission, authority, tribunal, agency or entity, or any minister of the Crown in right of the Commonwealth of Australia or any state.

**Hindalco** means Hindalco Industries Limited.

**Holding Identification Number** means the number used to identify an Aditya Birla Shareholder on the CHESS Subregister of Aditya Birla;

**GST** means goods and services tax.

**HGO** means Metals X's Higginsville Gold Operations in Western Australia.

**Instructions** means those instructions on how to accept the Offer set out more particularly on the Acceptance For.

**Issuer Sponsored Holding** means a holding of Aditya Birla Shares on Aditya Birla's issuer sponsored sub-register.

**JORC Code** means the 2012 Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves prepared by the Joint Ore Reserves Committee of The Australasian Institute of Mining and Metallurgy, Australian Institute of Geoscientists and Minerals Council of Australia (as amended or replaced from time to time).

**Marketable Parcel** has the meaning given to that term in the ASX Operating Rules Procedures which, among other things, includes a parcel of shares, the value of which is not less than \$500.

**Metals X** means Metals X Limited ACN 110 150 055.

**Metals X Group** means Metals X and its subsidiaries.

**Metals X LTIP** means Metals X Long Term Incentive Plan, approved by Metals X Shareholders at Metals X's annual general meeting held 26 November 2010.

**Metals X Shareholder** means a holder of Metals X Shares.

**Metals X Shares** means fully paid ordinary shares in the capital of Metals X and the term **Metals X Share** shall have a corresponding meaning.

**Merged Group** means Metals X and its subsidiaries (including Aditya Birla and each of its subsidiaries) which will exist as a result of the takeover bid as constituted by this Offer, should the Offer be successful and Aditya Birla becomes a subsidiary of Metals X.

**Mt Gordon Sale Announcement** means the announcement made to ASX by Aditya Birla on 21 September 2015 in relation to the binding sale of its Mt Gordon assets.

**Nifty Mine** or **Nifty** means the Nifty copper operations and assets owned by Aditya Birla.

**Nifty Concentrate Offtake Agreement** means the agreement (including all variations, extensions and modifications) between Aditya Birla (or a Subsidiary) and Hindalco pursuant to which Aditya Birla (or a Subsidiary) has agreed to sell the entire life of mine production to Hindalco.

**Nominee** has the meaning given to that term in section 9.10.

**NPAT** means net profit after tax.

**Offer** means Metals X's offer to acquire Aditya Birla Shares as contained in Section 9.1 of this Bidder's Statement.

**Offer Date** means the date on which the Offer was first made to shareholders of Aditya Birla, namely 30 October 2015.

**Offer Period** means the period during which the Offer will remain open for acceptance in accordance with Section 9.4 of this Bidder's Statement.

**oz** means ounces.

**pa** means per annum.

**Participant** has the same meaning given to that term in the ASX Settlement Operating Rules.

**Performance Rights** means rights capable of grant or issued by Metals X under the Metals X LTIP.

**Register Date** means 5.00pm (AWST) on 16 October 2015, being the time and date set by Metals X under section 633(2) of the Corporations Act.

**Regulatory Approvals** means any consent, registration, filing, agreement, notarisation, certificate, licence, approval, permit, authority or exemption from, by or with a Governmental Agency necessary to implement the Offer.

**Relevant Interest** has the meaning given to that term in sections 608 and 609 of the Corporations Act.

**Rights** means all accretions, rights or benefits of whatever kind attaching to or arising from Aditya Birla Shares directly or indirectly after the date of this Bidder's Statement, including, without limitation, all dividends or other distributions and all rights to receive any dividends or other distributions, or to receive or subscribe for shares, stock units, notes, bonds, options or other securities, declared or paid by Aditya Birla or any of its Subsidiaries.

**Security Interest** means an interest or power:

- (a) reserved in or over an interest in any asset; or
- (b) created or otherwise arising in or over any interest in any asset under a security agreement, a bill of sale, mortgage, charge, lien, pledge, trust or power,

by way of, or having similar commercial effect to, security for the payment of a debt, any other monetary obligation or the performance of any other obligation, and includes, but is not limited to:

- (c) any agreement to grant or create any of the above; and

- (d) a security interest within the meaning of section 12(1) of the *Personal Property Securities Act 2009* (Cth).

**Section** means a section in this Bidder's Statement.

**SKO** means Metals X's South Kalgoorlie Operations in Western Australia.

**Subsidiary** shall have the meaning ascribed to it in the Corporations Act.

**Takeover Transferee Holding** has the meaning given to that term in the ASX Settlement Operating Rules, being the CHESS Holding to which Aditya Birla Shares are to be transferred pursuant to acceptances of the Offer.

**Takeovers Panel** means the takeovers panel having powers under Part 6.10 of the Corporations Act.

**Target's Statement** has the meaning given to that term in the Corporations Act and refers to the Target's Statement to be issued by Aditya Birla in response to this Bidder's Statement as required under the Corporations Act.

**Unmarketable Parcel** means a parcel of Aditya Birla Shares that does not constitute a Marketable Parcel.

**Unmarketable Parcel Shareholder** means an Aditya Birla Shareholder to whom, if they accept the Offer, Metals X Shares would be issued which would not constitute a Marketable Parcel.

**VWAP** means volume weighted average price.

## 13.2 Interpretation

Terms used in this Bidder's Statement and Offer have the meaning (if any) given to them in Chapter 6 of the Corporations Act unless that meaning is inconsistent with the context in which the term is used.

In this Offer:

- (a) headings are for convenience of reference only and do not affect the meaning of the sections they introduce;

unless the context otherwise requires:

- (b) the singular includes the plural and vice versa;
- (c) words importing any gender include all other genders;
- (d) references to persons include corporations;
- (e) appendices and annexures to this Offer form part of this Offer;
- (f) references to paragraphs are to paragraphs in this Offer; and,
- (g) references to "dollar" or "\$" are references to Australian currency.


## **SECTION 14                      APPROVAL OF BIDDER'S STATEMENT**

This Bidder's Statement has been approved by a unanimous resolution passed by the Directors of Metals X.

Dated this 15<sup>th</sup> day of October 2015.

For and on behalf of

Metals X Limited

A handwritten signature in black ink, appearing to read 'H. Gosh', is written over a horizontal dotted line.

Director

## Annexure A - ASX announcements by Metals X since 24 October 2014

The following table lists announcements made to the ASX by Metals X over the period between 25 October 2014 and 15 October 2015.

Date	Headline
15/10/2015	MLX announces scrip bid for Aditya Birla Minerals Limited
09/10/2015	CMGP Commissions Process Plant
01/10/2015	SAU: Cannon Mine Progress
29/09/2015	Change of Director's Interest Notice x 3
23/09/2015	Appendix 3B Dividend Reinvestment Plan Share Issue
17/09/2015	Change in substantial holding
16/09/2015	PAN: Settlement completed on Mt Henry Gold Project
16/09/2015	MAT: Settlement of Mt Henry Gold Project
16/09/2015	Section 708A Notice and Appendix 3B
14/09/2015	Change in substantial holding for BRN
11/09/2015	Update - Dividend/Distribution - MLX
28/08/2015	Gold Hedge Program
26/08/2015	RNI: RNI Finalises Debt Repayment Terms With Taurus
26/08/2015	Update - Dividend/Distribution - MLX
25/08/2015	Dividend/Distribution - MLX
25/08/2015	Full Year Results for Financial Year Ended 30 June 2015
25/08/2015	Appendix 4E and Annual Financial Report
25/08/2015	Annual Update of Mineral Resource & Ore Reserves Estimates
20/08/2015	PEA: Pacific Energy Secures 8MW Contract with Metals X
18/08/2015	AZK: Prospectus
18/08/2015	Paddy's Flat Underground Mining & Services Contract
17/08/2015	RNI: RNI Update
11/08/2015	SAU: Mining at Cannon Commences
11/08/2015	HBJ Underground Site Visit Presentation
05/08/2015	Renison Tin Project - Temporary Production Interruption
05/08/2015	Presentation - Diggers & Dealers
31/07/2015	Quarterly Activities Report
31/07/2015	MAT: Sale of Mt Henry Gold Project
31/07/2015	Metals X to Acquire the Mt Henry Gold Project
31/07/2015	PAN: Sale of Mt Henry Gold Project
31/07/2015	Acquisition of Grosvenor Gold Project
31/07/2015	RNI To Sell Gold Assets To Metals X
13/07/2015	SAU: Metals X Acquisition of Georges Reward
10/07/2015	Acquisition of Georges Reward Project
07/07/2015	NMT: Completes Lithium Rights and Infrastructure transaction
16/06/2015	SAU: Cannon Mine Go Ahead Approved
19/05/2015	Metals X to Underwrite Aziana's BrainChip Acquisition
19/05/2015	AZK: Underwritten Capital Raising
27/04/2015	Change in substantial holding
24/04/2015	Quarterly Activities Report
24/04/2015	Quarterly Exploration Results Report
14/04/2015	Central Tanami Project
14/04/2015	TAM: Company Update
09/04/2015	TAM: Company Update
01/04/2015	AZK: Additional Funding and ASX Waiver Granted
26/03/2015	Expiry of Unlisted Options and Appendix 3B
12/03/2015	TAM: Company Update
10/03/2015	SAU:Cannon Grade Control Drilling
05/03/2015	High Grade Gold from Gt Fingall & Paddy's Flat Deep Drilling
05/03/2015	Change in substantial holding
27/02/2015	Central Tanami Project

Date	Headline
26/02/2015	Trading Halt
26/02/2015	NST Signs HOA to Acquire Central Tanami Project
26/02/2015	TAM: Northern Star Resources - Heads of Agreement
19/02/2015	Half Year Results for Period Ending 31 December 2014
19/02/2015	Appendix 4D and Half Yearly Report and Accounts
10/02/2015	Metals X Announces Global Share Listing on OTCQX
09/02/2015	Metals X Investor Update
09/02/2015	Metals X to Acquire 75% of Central Tanami Project
09/02/2015	TAM: Central Tanami Project
30/01/2015	Quarterly Activities Report
29/01/2015	CMGP - Feasibility and Development Strategy
22/01/2015	Metals X Deals Lithium Rights to Neometals and Takes Royalty
22/01/2015	NMT:Acquires Lithium Rights and Infrastructure from Metals X
19/01/2015	SAU:Cannon Project -Improved Economics and Development Time'
14/01/2015	Change of Director's Interest Notice
09/01/2015	Amended Appendix 3B Unlisted Options
09/01/2015	Stunning Drill Results from Rover 1
07/01/2015	Appendix 3B - Dividend Reinvestment Plan Share Issue
02/01/2015	Change in substantial holding
29/12/2014	Ceasing to be a substantial holder
29/12/2014	Dividend Reinvestment Plan Issue Price
24/12/2014	New Acquisition
22/12/2014	New Base Metals Discovery
16/12/2014	Change of Director's Interest Notice x 2
16/12/2014	Appendix 3B Performance Rights
15/12/2014	Resources & Reserves Governance Statement 2014 Annual Report
10/12/2014	Update - Appx 3A.1 Notification of Distribution - MLX
10/12/2014	CMGP - Mineral Resource and Initial Ore Reserve Estimates
08/12/2014	Change of Director's Interest Notice x 6
03/12/2014	Appendix 3B Capital Consolidation
03/12/2014	Completion of Share Consolidation
01/12/2014	Expiry of Unlisted Options
26/11/2014	Results of Annual General Meeting
26/11/2014	Presentation at Annual General Meeting
11/11/2014	SAU:Executed Finance and Development Agreement with Metals X
07/11/2014	Letter to Shareholders
04/11/2014	Expiry of Unlisted Options and Appendix 3B
27/10/2014	Quarterly Activities Report
27/10/2014	New - Appx 3A.1 Notification of Distribution - MLX
27/10/2014	Capital Consolidation Timetable
27/10/2014	FY2014 Dividend Timetable Amended



**15 OCTOBER 2015**

# **METALS X ANNOUNCES SCRIP BID FOR ADITYA BIRLA MINERALS LIMITED**

Metals X Limited (ASX:MLX) (Metals X) is pleased to announce its intention to make an off-market takeover offer (Offer) for all of the issued shares in Aditya Birla Minerals Limited (ASX:ABY) (Aditya Birla).

Metals X's Offer is **1 Metals X Share for every 5 Aditya Birla Shares**.

The Offer is equivalent to approximately **\$0.274 per Aditya Birla Share** compared to the closing price of \$0.17 yesterday.<sup>1</sup>

- ✓ **60.6% premium** based on Metals X and Aditya Birla closing prices on the day prior to this announcement.
- ✓ **46.9% premium** based on a 1 month VWAP.<sup>2</sup>
- ✓ **41.6% premium** based on a 2 month VWAP.<sup>3</sup>
- ✓ **19% premium** based on a 3 month VWAP.<sup>4</sup>

The Offer is subject to conditions, including a 90% acceptance condition. The conditions are set out in full in the Annexure attached to this announcement.

In making this Offer Metals X recognises that Aditya Birla's controlling 51% shareholder, Hindalco Industries Limited (Hindalco) must accept this Offer in order for other Aditya Birla shareholders to also accept this Offer. Metals X acknowledges the control of Hindalco as major shareholder and the importance of Hindalco's role as long term copper product off-taker.

Metals X wrote to Aditya Birla and sought to commence merger discussions in May 2015, but has been unable to initiate any engagement with Aditya Birla.

Metals X has determined the best course is to set out our intentions in a fully formed Offer made directly to Aditya Birla shareholders, which is the subject of today's announcement.

In this way Metals X believes all Aditya Birla shareholders, including Hindalco, will have a complete basis to consider and assess what Metals X believes is a very attractive Offer.

Metals X is offering Aditya Birla shareholders a quick and certain opportunity to trade out of your underperforming Aditya Birla Shares and into Metals X shares, should our conditions be satisfied.

A copy of the Bidder's Statement prepared by Metals X is being provided today to Aditya Birla and ASIC and will separately be released to ASX.

1 Metals X closing price of \$1.365 and Aditya Birla closing price of \$0.17 on 14 October 2015.  
2 Volume weighted average price (VWAP) from 15 September to 14 October 2015 sourced from IRESS.  
3 VWAP from 17 August to 14 October 2015 sourced from IRESS.  
4 VWAP from 16 July to 14 October 2015 sourced from IRESS.

## ABOUT THE OFFER

The Offer is a compelling opportunity to exchange Aditya Birla Shares for shares in Metals X,

- ✓ Metals X is a well credentialed, well performing mining company
- ✓ Metals X has the management and operating experience to take on the challenge of turning around the underperforming Nifty Mine
- ✓ Because we are offering shares in Metals X, if the bid is successful, accepting shareholders will:
  - retain exposure to any upside realised by Metals X acquiring ownership of the Nifty Mine;
  - diversify their risk exposure, as Metals X has a portfolio of gold, tin and other base metal assets; and
  - enjoy the benefit of future dividends that may be paid by Metals X.<sup>5</sup>

Commenting on the Offer, Metals X CEO and Managing Director Peter Cook said:

“Aditya Birla is an underperforming Company and its shareholders have seen substantial loss of wealth over the last few years. Nifty is an underperforming asset and continues to be a challenging operation which with appropriate stewardship is capable of being a good mine. However, Metals X believes its underground mining experience, technical capability, financial capacity and experience in operating Western Australian mines make Metals X almost uniquely placed to take on the Nifty challenge.”

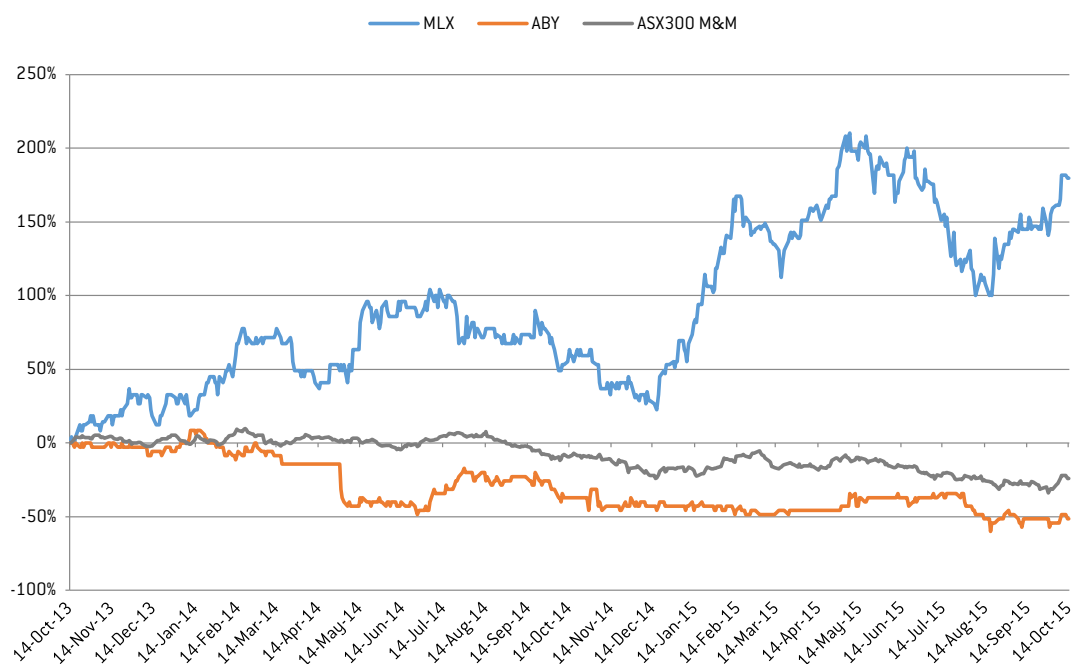
## METALS X STRATEGY

Metals X has a strategy of developing a diversified portfolio of mining assets. Metals X has built its portfolio by identifying underperforming assets to which Metals X can apply its mining expertise and financial and operating discipline to create value for its shareholders.

Currently Metals X operates three key divisions: gold, tin and nickel as well as other exploration activities. Metals X wishes to expand its operating and commodity diversification strategy by adding copper as a new operating division.

Metals X believes Aditya Birla and the underperforming Nifty Mine is an ideal opportunity in the right location, right commodity and right time in the cycle, and provides a logical next step in the growth profile of Metals X. It provides desirable diversification into copper, and is the profile of mining operation that fits Metals X mining expertise.

Metals X strategy of being a diversified mining company developing and operating successful mining operations has seen Metals X outperform the majority of other Australian mining companies within the S&P/ASX 300 Metals & Mining Index over the past 2 years. Metals X's total shareholder return over the twelve months to 14 October 2015 was 61.6%.<sup>6</sup>



<sup>5</sup> Metals X current policy is to pay 30% of NPAT as dividends.

<sup>6</sup> Capital growth in the MLX Share Price from 14 October 2014 to 14 October 2015 including dividends paid.

METALS X ANNOUNCES SCRIP BID FOR ADITYA BIRLA MINERALS LIMITED

## ADVISORS

Metals X is advised by –

Corporate Advisors: **Xavier Group**  
Legal Advisor: **HopgoodGanim**

## ENQUIRIES

Peter Cook  
Executive Director & CEO  
e: peter.cook@metalsx.com.au

Warren Hallam  
Executive Director  
e: warren.hallam@metalsx.com.au

Rod Corps  
Manager – Investor Relations  
e: rod.corps@metalsx.com.au

## Annexure

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### 1. Conditions of the Offer

The conditions to the Offer will be:

#### (a) FIRB

Before the end of the Offer Period, Metals X (and its associates) receives FIRB approval for the purposes of the FATA so as to enable Metals X (and its associates) to acquire the Aditya Birla Shares, which will be taken to have been obtained on the earlier of:

- (1) receiving written notice from the Treasurer of the Commonwealth of Australia or his delegate to the effect that there are no objections under the FATA or Australia's foreign investment policy to the proposed acquisition to the fullest extent contemplated by this Bidder's Statement; and
- (2) the period during which the Treasurer of the Commonwealth of Australia is empowered by section 26 of the FATA to make an order prohibiting the proposed acquisitions described above by Metals X expiring without any order (other than an interim order) having been made.

#### (b) Minimum acceptance

At or before the end of the Offer Period, Metals X has a Relevant Interest in such number of Aditya Birla Shares which represents at least 90% of the aggregate of all Aditya Birla Shares then on issue.

#### (c) Index out

Between the Announcement Date and the end of the Offer Period (each inclusive) the S&P/ASX 200 Index does not close below 4500 for three or more consecutive trading days.

#### (d) Metals X Share price

The volume weighted average price of a Metals X Share over three or more consecutive trading days on the ASX does not fall below A\$1.10 at any time between the Announcement Date and the end of the Offer Period (each inclusive).

#### (e) Aditya Birla Share price

The volume weighted average price of an Aditya Birla Share over three or more consecutive trading days on the ASX does not fall below A\$0.10 at any time between the Announcement Date and the end of the Offer Period (each inclusive).

#### (f) Gold price

The spot gold price for gold as quoted on Bloomberg does not fall below A\$1,250 per ounce at any time during a day for three or more consecutive days between the Announcement Date and the end of the Offer Period (each inclusive).

#### (g) Copper price

The cash sale price of copper as quoted on the London Metals Exchange (converted from US dollars to Australian dollars using the official exchange rate published by the Reserve Bank of Australia on the relevant day) does not fall below A\$6,000 per tonne for three or more consecutive trading days between the Announcement Date and the end of the Offer Period (each inclusive).

**(h) Disclosure - Nifty Concentrate Offtake Agreement**

Aditya Birla makes available to Metals X the Nifty Concentrate Offtake Agreement, together with any supplementary material binding commitments relevant to performance of the Nifty Concentrate Offtake Agreement.

**(i) Independent Expert review - Nifty Concentrate Offtake Agreement**

That in respect of the Nifty Concentrate Offtake Agreement:

- (1) Aditya Birla permits an independent industry expert agreed between Aditya Birla and Metals X, or failing agreement in writing by the date which is seven (7) days after the Announcement Date as appointed by Metals X, at Metals X's cost, to access all relevant documentation and materials and the expert provides written confirmation to Metals X that the Nifty Concentrate Offtake Agreement is on terms that:
  - (A) are arms' length and consistent with industry practice;
  - (B) are consistent with publicly made statements by Aditya Birla; and
  - (C) do not permit or no longer permit price participation by Hindalco without the agreement of Aditya Birla in annual setting of pricing under a memorandum of agreement based on prevailing Japanese benchmark terms, or that Hindalco has otherwise set aside, waived or permanently eliminated any price participation by Hindalco.
- (2) Between the Announcement Date and the end of the Offer Period (each inclusive), Aditya Birla does not enter into any legally binding agreement with Hindalco or any other third party that would have the purpose or effect of creating or varying any rights or obligations of Aditya Birla in relation to the production, sale, supply or marketing of copper concentrates produced by Aditya Birla, or agree to do any such thing in the future.

**(j) Price Participation - Nifty Concentrate Offtake Agreement**

That prior to the date which is fourteen (14) days before the end of the Offer Period, Aditya Birla confirm to Metals X in writing that the Nifty Concentrate Offtake Agreement does not permit or no longer permits price participation by Hindalco without the agreement of Aditya Birla in annual setting of pricing under a memorandum of agreement based on prevailing Japanese benchmark terms, or that Hindalco has otherwise set aside, waived or permanently eliminated any price participation by Hindalco.

**(k) Data Room Access**

That within 3 Business Days of Aditya Birla establishing or compiling a due diligence data room (whether in physical, virtual or electronic form) capable of access by any third party (**Data Room**) comprising due diligence material in connection with the strategic review process announced by Aditya Birla on 7 October 2015, Aditya Birla provides access to Metals X to that Data Room.

**(l) Sale of Mt Gordon**

Aditya Birla completes the sale of the Mt Gordon assets, as set out in the Mt Gordon Sale Announcement dated 21 September 2015, by the end of the Offer Period.

**(m) Material adverse change**

- (1) In this condition **Event** means any event, change, condition, matter or thing.

- (2) Between the Announcement Date and the end of the Offer Period (each inclusive) none of the following occurs (whether or not becoming public):
- (A) an Event (including a decision of a Government Agency or a change in law) occurs or will or is reasonably likely to occur;
  - (B) information is disclosed or announced by Aditya Birla concerning any Event; or
  - (C) information concerning any Event becomes known to Metals X (whether or not becoming public),
- (each of (A), (B) and (C) a **Specified Event**) which, whether individually or when aggregated with all such Events of a like kind that have occurred or are reasonably likely to occur (including a decision of a Government Agency or a change in law), has had or would be considered reasonably likely to have:
- (D) a material adverse effect on the business, assets, liabilities, financial or trading position, profitability or prospects of the Aditya Birla Group taken as a whole; or
  - (E) without limiting the generality of the previous section, would have the effect of:
    - (1) a diminution in the value of the consolidated net assets of the Aditya Birla Group, taken as a whole, by at least A\$5 million against what it would reasonably have been expected to have been but for such Specified Event; or
    - (2) materially adversely breaching, constraining, impairing, terminating or otherwise triggering any review or action by a Government Agency that could reasonably be expected to give rise to such a materially adverse effect on any of the material Tenements or any material Authorisation, including an environmental Authorisation, in connection with any Tenements.
- (3) A Specified Event shall not include an Event:
- (A) fully and fairly disclosed by Aditya Birla on the ASX within 6 months prior to the Announcement Date, including the Mt Gordon Sale Announcement dated 21 September 2015;
  - (B) relating to the state of securities markets in general; or
  - (C) resulting from any changes in the copper mining industry in general.

**(n) No untrue statements to the ASX**

Between the Announcement Date and the end of the Offer Period (each inclusive), there not having occurred or been announced or become known to Metals X or Aditya Birla that information announced by Aditya Birla to ASX prior to the Announcement Date is, or is likely to be, incomplete, incorrect, untrue or misleading in a material respect such that Metals X might reasonably be expected to have not proceeded with the Offer at all or would have proceeded with the Offer on materially different terms.

**(o) Conduct of business**

Between the Announcement Date and the end of the Offer Period (each inclusive), otherwise than in the ordinary course of business, neither Aditya Birla nor any of its Subsidiaries:

- (1) announces, declares, or distributes any dividend, bonus or other share of its profits or assets;
- (2) makes any changes to its constitution or passes any special resolution or amends the terms of issue of any shares, options, performance rights or other convertible securities;
- (3) borrows or agrees to borrow any money, other than in the ordinary course of business;
- (4) provides a guarantee or indemnity or both to a third party for an amount that exceeds A\$500,000;
- (5) does any of the following:
  - (A) enters or agrees to enter into any contract of service or varies or agrees to vary any existing contract of service with any director or employee;
  - (B) makes or agrees to make any substantial change in the basis or amount of remuneration of any director, employee or consultant;
  - (C) except as provided under any superannuation, provident or retirement scheme or contract in effect on the Announcement Date, pays or agrees to pay any retirement benefit or allowance to any director or employee;
  - (D) makes or agrees to make any payments to any third party that is above A\$500,000, including to any employee, director or consultant to Aditya Birla that is contingent on the Offer or the outcome of the Offer (or a similar transaction); and
  - (E) amends or agrees to amend in any material respect any arrangement with its advisers, or enter into arrangements with any new advisers, in respect of the Offer or a similar transaction;
- (6) acquires, offers to acquire or agrees to acquire any one or more businesses, assets, entities or undertakings valued at, or involving a financial commitment of more than A\$500,000 (individually or when aggregated with all other such matters arising after the Announcement Date), or makes an announcement or enters into an agreement in relation to such an acquisition, undertaking or financial commitment; or
- (7) incurs or commits to incur an amount of capital expenditure in excess of A\$500,000 other than:
  - (A) capital expenditure that has been announced by Aditya Birla before the Announcement Date as intended to be incurred or committed; and
  - (B) capital expenditure in the day to day operating activities of the business of Aditya Birla and its Subsidiaries conducted in the same manner as before the Announcement Date.

**(p) Nifty**

In relation to Nifty:

- (1) between the Announcement Date and the end of the Offer Period (each inclusive), there is no prohibition notice, interim order or other action taken by any Government Agency that is announced or becomes known to Metals X or Aditya Birla beyond matters disclosed by Aditya Birla prior to the Announcement Date, which adversely jeopardises, restrains, prohibits or impedes, or threatens to jeopardise, restrain, prohibit or impede, the ability of the Nifty underground mine and/or concentrator to operate; and

- (2) Aditya Birla makes available to Metals X all information (including all prior notices and material communications) as at and from the Announcement Date until the end of the Offer Period (each inclusive) relating to any prohibition notice or interim order issued, conditions imposed, or other action taken by any Government Agency in connection with the operation of the Nifty underground mine and/or concentrator following the sinkhole incident which occurred at Nifty in March 2014.

**(q) Dealings affecting Aditya Birla Tenements**

Between the Announcement Date and the end of the Offer Period (each inclusive), otherwise than in the ordinary course of business, or in accordance with Mt Gordon Sale Announcement, neither Aditya Birla nor any of its Subsidiaries:

- (1) enters into, agrees to enter into or announces any agreement to enter into any contract, commitment or arrangement (including without limitation any ore sale, ore processing, joint venture, partnership, farm-in, royalty, management services, marketing or off-take agreement) in relation to any of the Aditya Birla Tenements;
- (2) relinquishes, sells or disposes of any interest or creates any Security Interest over any of the Aditya Birla Tenements;
- (3) takes any action or omits to take any action that results in or may reasonably be expected to result in a disposal of, or a breach of the terms of any of the Authorisations in connection with any Aditya Birla Tenement; or
- (4) takes any action or omits to take any action that results in or may reasonably be expected to result in the surrender of any of the Aditya Birla Tenements or any Authorisation relating to any Aditya Birla Tenements,

including announcing an intention to do any of the above matters.

**(r) No natural disaster**

Between the Announcement Date and the end of the Offer Period (each inclusive) a natural disaster materially and directly affecting the operations of the Aditya Birla Group for at least five Business Days does not occur.

**(s) No litigation on foot or pending**

Between the Announcement Date and the end of the Offer Period (each inclusive), no litigation against Aditya Birla which may reasonably result in a judgement of A\$500,000 or more is commenced, is threatened to be commenced, is announced, or is made known to Metals X (whether or not becoming public) or Aditya Birla.

**(t) No regulatory action**

Between the Announcement Date and the end of the Offer Period (each inclusive):

- (1) there is not in effect any preliminary or final decision, order or decree issued by any Government Agency;
- (2) no action or investigation is announced, commenced or threatened by any Government Agency; and
- (3) no application is made to any Government Agency (other than by Metals X or any Associate of Metals X),

in consequence of or in connection with the Offer (other than an application to, or a decision or order of, ASIC or the Takeovers Panel in exercise of the powers and discretions conferred by the Corporations Act) which restrains, prohibits or impedes, or

threatens to restrain, prohibit or impede, or materially impact upon, the making of the Offers and the completion of any transaction contemplated by this Bidder's Statement or which requires the divestiture by Metals X of any Aditya Birla Shares or any material assets of Metals X or any of its Subsidiaries.

**(u) Prescribed occurrences**

Between the Announcement Date and the date 3 Business Days after the end of the Offer Period (each inclusive), none of the following prescribed occurrences (being the occurrences listed in section 652C of the Corporations Act) happen:

- (1) Aditya Birla converting all or any of the Aditya Birla Shares into a larger or smaller number of shares under section 254H of the Corporations Act;
- (2) Aditya Birla or any of its Subsidiaries resolving to reduce its share capital in any way;
- (3) Aditya Birla or any of its Subsidiaries entering into a buyback agreement or resolving to approve the terms of a buyback agreement under section 257C(1) or 257D(1) of the Corporations Act;
- (4) Aditya Birla or any of its Subsidiaries:
  - (A) issuing Aditya Birla Shares;
  - (B) granting an option over Aditya Birla Shares; or
  - (C) agreeing to make such an issue or grant such an option;
- (5) Aditya Birla or any of its Subsidiaries issuing, or agreeing to issue, convertible notes;
- (6) Aditya Birla or any of its Subsidiaries disposing or agreeing to dispose, of the whole, or a substantial part, of its business or property;
- (7) Aditya Birla or any of its Subsidiaries granting, or agreeing to grant, a Security Interest in the whole, or a substantial part, of its business or property;
- (8) Aditya Birla or any of its Subsidiaries resolving that it be wound up;
- (9) the appointment of a liquidator or provisional liquidator of Aditya Birla or any of its Subsidiaries;
- (10) the making of an order by a court for the winding up of Aditya Birla or any of its Subsidiaries;
- (11) an administrator of Aditya Birla or any of its Subsidiaries being appointed under section 436A, 436B or 436C of the Corporations Act;
- (12) Aditya Birla or any of its Subsidiaries executing a deed of company arrangement; or
- (13) the appointment of a receiver, receiver and manager, other controller (as defined in the Corporations Act) or similar official in relation to the whole, or a substantial part, of the property of Aditya Birla or any of its Subsidiaries.

## 2. Definitions

In this Annexure, the following words have these meanings unless the contrary intention or the context otherwise requires:

**Aditya Birla** means Aditya Birla Minerals Limited ACN 103 515 037.

**Aditya Birla Shares** or **Shares** means the issued fully paid ordinary shares in the capital of Aditya Birla and includes all rights attaching to them and the term

**Aditya Birla Tenements** means the Nifty, Maroochydore and Mt Gordon tenements listed in the Aditya Birla 2014-2015 Annual Report released to ASX on 17 July 2015.

**Announcement Date** means the date on which the Offer was announced to ASX by Metals X, namely 15 October 2015.

**ASX** means ASX Limited.

**FATA** means Foreign Acquisitions and Takeovers Act 1974 (Cth).

**FIRB** means the Foreign Investment Review Board.

**Hindalco** means Hindalco Industries Limited.

**Metals X** means Metals X Limited ACN 110 150 055.

**Mt Gordon Sale Announcement** means the announcement made to ASX by Aditya Birla on 21 September 2015 in relation to the binding sale of its Mt Gordon assets.

**Nifty Concentrate Offtake Agreement** means the agreement (including all variations, extensions and modifications) between Aditya Birla (or a Subsidiary) and Hindalco pursuant to which Aditya Birla (or a Subsidiary) has agreed to sell the entire life of mine production to Hindalco.

**Nifty Mine** or **Nifty** means the Nifty copper operations and assets owned by Aditya Birla.

**Offer** means Metals X's offer to acquire Aditya Birla Shares.

**Offer Period** means the period during which the Offer will remain open for acceptance.

**Relevant Interest** has the meaning given to that term in sections 608 and 609 of the Corporations Act.

**Subsidiary** shall have the meaning ascribed to it in the Corporations Act.

ISSUER SPONSORED ACCEPTANCE FORM

THIS DOCUMENT IS IMPORTANT. IF YOU ARE IN DOUBT AS TO HOW TO DEAL WITH IT, PLEASE CONTACT YOUR STOCK BROKER OR LICENSED PROFESSIONAL ADVISOR.

REGISTERED OFFICE:

LEVEL 3  
18-32 PARLIAMENT PLACE  
WEST PERTH WA 6005 AUSTRALIA

METALS X LIMITED

ACN: 110 150 055

SHARE REGISTRY:

Security Transfer Registrars Pty Ltd

All Correspondence to:

PO BOX 535,  
APPLECROSS WA 6953 AUSTRALIA  
770 Canning Highway,  
APPLECROSS WA 6153 AUSTRALIA  
T: +61 8 9315 2333 F: +61 8 9315 2233  
E: registrar@securitytransfer.com.au  
W: www.securitytransfer.com.au

«Holder\_name»  
«Address\_line\_1»  
«Address\_line\_2»  
«Address\_line\_3»  
«Address\_line\_4»  
«Address\_line\_5»

Holder Number:

Your total holding of Aditya Birla Minerals Limited  
Shares as at 5.00pm WST on 16 October 2015:

Securities to be issued as consideration (on the basis of  
1 Metals X Share for every 5 Aditya Birla Shares held 1:5:

Use this form to accept the METALS X LIMITED Offer to acquire all of your ADITYA BIRLA MINERALS LIMITED Shares.

If any of the above details are incorrect, please amend them and initial the alterations.

By signing in the box below you accept the Offer from Metals X Limited and subject to the terms of the Offer (as set out in the Bidder's Statement from Metals X Limited dated 15 October 2015, as replaced or supplemented) and you acknowledge the effect of your acceptance is as set out in Section 9 of Metals X Limited Bidder's Statement (including that you agree to transfer all of your Aditya Birla Minerals Limited Shares to Metals X Limited in return for the consideration payable to you pursuant to the Offer).

SECURITY HOLDER(S) SIGNATURE(S) This section must be signed for your instructions to be executed.

Individual/Security Holder 1

Sole Director & Company Secretary

Individual/Security Holder 2

Director/Company Secretary

Individual/Security Holder 3

Director

**Individual/Joint Holding:** This form must be signed by all securityholders. **Power of Attorney:** To sign as power of attorney, you must have already lodged it with the registry. Alternatively, attach a certified copy of the power of attorney to this form. **Companies:** This form must be signed in accordance with the company's constitution and the Corporations Act 2001 and attested by two directors (or a director and a secretary) or by a sole director/company secretary. Please indicate the office held by signing in the appropriate space.

My/Our contact details in case of enquiries are:

NAME

TELEPHONE NUMBER

You must complete, sign and return this Issuer Sponsored Acceptance Form to one of the addresses shown overleaf BEFORE the Offer closes.

Your acceptance must be received by us no later than 5.00 pm WST on the last day of the Offer Period

REGISTRY DATE STAMP

E & O.E.



## HOW TO ACCEPT THE OFFER

Please refer to Section 9 of Metals X Limited Bidder's Statement and the definitions in the Bidder's Statement. Terms defined in the Bidder's Statement have the same meanings when used in this form. If you have any queries about how to accept the Offer or about how to complete this Acceptance Form, please contact your financial advisor or the Metals X Limited Share Registry on (08) 9315 2333.

Sold all your Aditya Birla Minerals Limited Shares? – if you have sold all your Aditya Birla Minerals Limited Shares, you need not take any further action. We suggest you destroy this form for security reasons.

## SIGNING INSTRUCTIONS

**Individuals** - where the holding is in one name, the registered holder must sign.

**Joint holdings** - where the holding is in more than one name, all of the securityholders should sign.

**Companies** - this form must be signed by a Director jointly with either another Director or a Company Secretary. Alternatively, where the company has a Sole Director who is also the Sole Company Secretary, this form may be signed by that person. If the company (pursuant to section 204A of the Corporations Act 2001) does not have a Company Secretary; a Sole Director may also sign alone. Please sign in the appropriate place to indicate the office held. Delete titles as applicable.

**Power of Attorney** - if you have not already lodged the Power of Attorney with the registry, please attach a certified photocopy of the Power of Attorney to this form when you return it.

## LODGEMENT INSTRUCTIONS

If you wish to accept the offer, you must complete this Acceptance Form and it must be mailed, delivered or faxed to the Metals X Limited Share Registry:

### Security Transfer Registrars Pty Ltd

PO BOX 535

Applecross, Western Australia 6953

### Street Address:

Alexandrea House, Suite 1

770 Canning Highway

Applecross, Western Australia 6153

### Facsimile:

+61 8 9315 2233

### Email:

registrar@securitytransfer.com.au

***Your acceptance must be received by Security Transfer Registrars Pty Ltd no later than 5.00pm WST on the Closing Date.***

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## ENQUIRIES

Metals X has established a shareholder information hotline in relation to the Offer. If you have any questions about the Offer or how to accept the Offer, please call\* the shareholder information hotline on:

**1300 659 000** (For callers within Australia)

**+61 8 9215 6061** (For callers outside Australia)

OR consult your broker, legal or other financial or professional adviser.

The shareholder information hotline is open from 9.00 am to 5.00 pm AWST from Monday to Friday during the Offer Period.

\*Calls may be recorded.

For questions regarding your holding of shares in Aditya Birla, please call Aditya Birla's share registry Link Market Services Limited on +61 8 9211 6650. All enquiries should be directed to the Company's share registry:

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## PRIVACY STATEMENT

Personal information is collected on this form by Security Transfer Registrars Pty Ltd as the registrar for securities issuers for the purpose of maintaining registers of securityholders, facilitating distribution payments and other corporate actions and communications. Your personal details may be disclosed to related bodies corporate, to external service providers such as mail and print providers, or as otherwise required or permitted by law. If you would like details of your personal information held by Security Transfer Registrars Pty Ltd or you would like to correct information that is inaccurate please contact them on the address on this form.



**CHESS ACCEPTANCE FORM**

THIS DOCUMENT IS IMPORTANT. IF YOU ARE IN DOUBT AS TO HOW TO DEAL WITH IT, PLEASE CONTACT YOUR STOCK BROKER OR LICENSED PROFESSIONAL ADVISOR.

**REGISTERED OFFICE:**

LEVEL 3  
18-32 PARLIAMENT PLACE  
WEST PERTH WA 6005 AUSTRALIA

# METALS X LIMITED

ACN: 110 150 055

**SHARE REGISTRY:**

Security Transfer Registrars Pty Ltd

**All Correspondence to:**

**PO BOX 535,  
APPLECROSS WA 6953 AUSTRALIA**  
770 Canning Highway,  
APPLECROSS WA 6153 AUSTRALIA  
T: +61 8 9315 2333 F: +61 8 9315 2233  
E: registrar@securitytransfer.com.au  
W: www.securitytransfer.com.au

«Holder\_name»  
«Address\_line\_1»  
«Address\_line\_2»  
«Address\_line\_3»  
«Address\_line\_4»  
«Address\_line\_5»

Holder Number:

Your total holding of Aditya Birla Minerals Limited  
Shares as at 5.00pm WST on 16 October 2015:

Securities to be issued as consideration on the basis of  
1 Metals X Limited Share for every 5 Aditya Birla Shares held 1:5:

**Use this form to accept the METALS X LIMITED Offer to acquire all of your ADITYA BIRLA MINERALS LIMITED Shares.**

If any of the above details are incorrect, please amend them and initial the alterations.

**For CHESS Holdings**

If your MLX Shares are held on the CHESS Sub register, to accept this Offer you can either:

a. Contact your Controlling Participant - normally your broker (if you do that, you do not need to return this form)

**OR**

b. If you want us to contact your Controlling Participant on your behalf, please insert their details below

Controlling  
Participant's name

Address

**Your acceptance must be received by us no later than 5.00 pm WST on the second last day of the Offer Period to effect acceptance of the Offer on CHESS during business hours.**

By signing in the box below you accept the Offer from Metals X Limited and subject to the terms of the Offer (as set out in the Bidder's Statement from Metals X Limited dated 15 October 2015, as replaced or supplemented) and you acknowledge the effect of your acceptance is as set out in Section 9 of Metals X Limited Bidder's Statement (including that you agree to transfer all of your Aditya Birla Minerals Limited Shares to Metals X Limited in return for the consideration payable to you pursuant to the Offer).

If you have a CHESS Holding, you authorize us to contact and give instructions directly to your Controlling Participant (including via the CHESS system). By accepting the Offer you are accepting for all Metals X Limited Shares registered as held by you at the date your acceptance is processed (even if different to the number stated above). You cannot accept the Offer for only part of your holding (except in the cases referred to in Section 9.7 of Metals X Limited Bidder's Statement).

**SECURITY HOLDER(S) SIGNATURE(S)** This section must be signed for your instructions to be executed.

Individual/Security Holder 1

Individual/Security Holder 2

Individual/Security Holder 3

Sole Director & Company Secretary

Director/Company Secretary

Director

My/Our contact details in case of enquiries are:

**NAME**

**TELEPHONE NUMBER**

[Signature Line]

( [Area Code] ) [Number]

You must complete, sign and return this CHESS Acceptance Form to one of the addresses shown overleaf BEFORE the Offer closes. Neither Security Transfer Registrars nor Metals X Limited will be responsible for any delays incurred by this process - you must allow sufficient time for Metals X Limited to initiate acceptance of the Offer on your behalf.

**REGISTRY DATE STAMP**

E & O.E.



## HOW TO ACCEPT THE OFFER

Please refer to Section 9 of Metals X Limited Bidder's Statement and the definitions in the Bidder's Statement. Terms defined in the Bidder's Statement have the same meanings when used in this form. If you have any queries about how to accept the Offer or about how to complete this Acceptance Form, please contact your financial advisor or the Metals X Limited Share Registry on (08) 9315 2333.

Sold all your Aditya Birla Minerals Limited Shares? – if you have sold all your Aditya Birla Minerals Limited Shares, you need not take any further action. We suggest you destroy this form for security reasons.

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**Joint holdings** - where the holding is in more than one name, all of the securityholders should sign.

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**Power of Attorney** - If you have not already lodged the Power of Attorney with the registry, please attach a certified photocopy of the Power of Attorney to this form when you return it.

## LODGEMENT INSTRUCTIONS

**IF YOU HAVE A CHESS HOLDING, THE SIGNED AND COMPLETED FORM SHOULD BE RETURNED TO YOUR BROKER.**

If you wish to accept the offer, you must complete this Acceptance Form and it must be mailed, delivered or faxed to the Metals X Limited Share Registry:

### Security Transfer Registrars Pty Ltd

PO BOX 535

Applecross, Western Australia 6953

### Street Address:

Alexandrea House, Suite 1

770 Canning Highway

Applecross, Western Australia 6153

### Facsimile:

+61 8 9315 2233

### Email:

registrar@securitytransfer.com.au

***Your acceptance must be received by Security Transfer Registrars Pty Ltd no later than 5.00pm WST on the second last day of the Offer Period to effect acceptance of the Offer on CHESS during business hours.***

## ENQUIRIES

Metals X has established a shareholder information hotline in relation to the Offer. If you have any questions about the Offer or how to accept the Offer, please call\* the shareholder information hotline on:

**1300 659 000** (For callers within Australia)

**+61 8 9215 6061** (For callers outside Australia)

OR consult your broker, legal or other financial or professional adviser.

The shareholder information hotline is open from 9.00 am to 5.00 pm AWST from Monday to Friday during the Offer Period.

\*Calls may be recorded.

For questions regarding your holding of shares in Aditya Birla, please call Aditya Birla's share registry Link Market Services Limited on +61 8 9211 6650.

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