



ACN 117 763 443

ASX ANNOUNCEMENT

18th March 2014

MetroCoal Bids to Take Control of Cape Alumina

MetroCoal is pleased to announce that it has made an unconditional cash offer to acquire all of Cape Alumina Limited ACN 107 817 694 (**Cape**) shares via an on-market bid.

MetroCoal Limited ACN 117 763 443 (**MetroCoal**) is offering 0.6 cents cash for every Cape share held.

Details of the Offer are set out in the Bidder's Statement which can be viewed at [http://metrocoal.com.au/uploads/MTE Bidder Statement.pdf](http://metrocoal.com.au/uploads/MTE_Bidder_Statement.pdf).

The rationale for the offer is to acquire Cape for a relatively small capital outlay (based on the current offer price) to expose our shareholders to the diversified bulk commodities of bauxite and thermal coal.

MetroCoal is seeking to gain control of Cape to diversify its asset base and risk profile to provide it with both a stronger near term (bauxite) and long term (coal) project pipeline and to influence the expenditure of MTE's earlier cash investment.

On gaining control of Cape, MetroCoal is proposing to:

- (a) continue to engage with the Queensland Government to ensure that the Bauxite Hills project is able to be developed in conjunction with the Cape York Regional Plan once enacted;
- (b) on gaining a requisite level of confidence that the Bauxite Hills project is able to be developed in accordance with the Cape York Regional Plan (once adopted), accelerate the development of the Bauxite Hills project;
- (c) support Cape in any future resubmission to the Queensland Government to develop the Aurukun bauxite deposit;
- (d) utilise MetroCoal's surplus cash to facilitate the funding of Cape's bauxite projects and in particular the Bauxite Hills project in a period of strong global bauxite markets with a view to commercial production and corresponding generation of positive cash flows; and
- (e) support Cape in optimising opportunities with third parties in the bauxite exploration and development sector (initially in the Cape York region) to enhance or accelerate the development of Cape's bauxite projects.

For further information, please contact:

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Further information on MetroCoal can be found on our website www.metrocoal.com.au