



26 October 2015

**ABML DIRECTORS REJECT INADEQUATE AND HIGHLY CONDITIONAL OFF-MARKET
TAKEOVER OFFER FROM METALS X**

SHAREHOLDERS ADVISED TO TAKE NO ACTION IN RELATION TO THE OFFER

Aditya Birla Minerals Limited (**ABML**; **ASX:ABY**) refers to the off-market takeover offer made by Metals X Limited (**Metals X**; **ASX:MLX**) for all ABML shares announced on 15 October 2015 (**Offer**).

The Board of Directors of ABML recommends ABML shareholders **REJECT** the Offer. ABML shareholders need **TAKE NO ACTION** in relation to the Offer.

The Directors of ABML believe the unsolicited and highly conditional Offer from Metals X materially undervalues ABML and is not in the best interests of ABML shareholders.

ABML's 51% shareholder, Hindalco Industries Limited (**Hindalco**), has informed ABML that after evaluating the proposal, it will not be accepting the Offer¹. Therefore, the 90% minimum acceptance condition in the Metals X Offer is not capable of being satisfied.

The Offer of 1 Metals X share for every 5 ABML shares values the equity of ABML at approximately A\$82.1 million based on the closing price of Metals X shares on 23 October 2015, the last trading day prior to this announcement.

Further to the announcement of 21 September 2015, ABML advises that its cash position at 30 September 2015 is as follows:

Cash and cash equivalent as at 30 September 2015	A\$33.4 million
Security deposits with a bank relating to environment and performance bonds (A\$49.8 million) and an escrow deposit for the sale of Mt Gordon (A\$1.0 million) accounted as 'trade and other receivable'	A\$50.8 million

The cash balance of ABML fluctuates due to operating expenditure and the sale of copper concentrate cycle. As at 22 October 2015, ABML's unaudited unencumbered cash and cash equivalent balance is approximately A\$25.0 million. Including the security and escrow deposits of A\$50.8 million (as noted above), the total cash and cash equivalent and security and escrow deposits is approximately A\$75.8 million as at 22 October 2015.

Upon completion of the Mt Gordon sale, ABML will receive cash of A\$5.0 million. In addition, security deposit and escrow amounts of A\$42.7 million relating to the sale of Mt Gordon are to be released. This will significantly increase the unencumbered cash balance to approximately A\$72.7 million, and the total of cash and cash equivalent, and security and escrow deposits would be approximately

¹ Hindalco's intention was provided in writing on 23 October 2015 and it has given its consent for ABML to release it publicly.

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A\$80.8 million (on the assumption, for the sake of comparison, that the sale of Mt Gordon would have completed on 22 October 2015).

A Target's Statement containing the formal recommendation and full details of the reasons to reject the Offer will be sent to ABML shareholders in early to mid-November. In the meantime, the Directors of ABML recommend shareholders **TAKE NO ACTION** in relation to the Offer.

On 7 October 2015 ABML announced the appointment of Moelis Australia Advisory Limited as exclusive financial advisor to assist with a strategic review with the specific focus on maximising value for ABML shareholders (**Strategic Review**).

The Strategic Review has commenced and interested parties will be approached shortly to take part in the process. Metals X is welcome to participate in this Strategic Review process, alongside other interested parties.

Hindalco has reiterated its support for the Strategic Review.

The Strategic Review (including consideration of capital management initiatives) is currently expected to conclude in the March Quarter 2016.

Until this time, ABML intends to operate its business including the Nifty Copper Operations as usual. The Directors of ABML will keep shareholders fully informed of further developments.

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