



27 October 2014

Australian Securities Exchange
Company Announcement Platform

BRISBANE

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Dear Sir/Madam

**MetroCoal Limited – off-market takeover bid for Cape Alumina Limited
– third supplementary Bidder's Statement**

In accordance with section 647(3) of the *Corporations Act 2001* (Cth), we **attach** a copy of MetroCoal's third supplementary bidder's statement dated 27 October 2014 (**Supplementary Bidder's Statement**) to its bidder's statement dated 19 August 2014 (**Bidder's Statement**), as supplemented by its first supplementary Bidder's Statement dated 27 August 2014 and second supplementary Bidder's Statement dated 30 September 2014 and varied by its notice of extension dated 26 September 2014 and notice of extension dated 27 October 2014.

A copy of the Supplementary Bidder's Statement will today be lodged with ASIC and served on Cape Alumina Limited.

Yours faithfully

HopgoodGanim

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Supplementary Bidder's Statement

**by MetroCoal Limited ACN 117 763 443
in relation to its Off-Market Takeover Offers for Cape Alumina Limited
ACN 107 817 694**

1. Introduction

This document is a supplementary bidder's statement under section 643 of the Corporations Act 2001 (Cth) dated 27 October 2014 (**Supplementary Bidder's Statement**). It is the third Supplementary Bidder's Statement issued by MetroCoal Limited ACN 117 763 443 (**MetroCoal or Bidder**), in relation to its off-market takeover offers (**Offer**) for all of the fully paid ordinary shares in Cape Alumina Limited ACN 107 817 694 (**Cape or Target**).

Under the MetroCoal Offer, Cape Shareholders are being offered 1 MetroCoal share for every 1.3 Cape Shares held.

This document supplements, and should be read together with, the Bidder's Statement lodged with the Australian Securities and Investments Commission (**ASIC**) on 19 August 2014 (**Bidder's Statement**), as supplemented by MetroCoal's first supplementary bidder's statement dated 27 August 2014 (**First Supplementary Bidder's Statement**) and second supplementary bidder's statement dated 30 September 2014.

This is an important document and requires your immediate attention. If you are in any doubt as to how to deal with this document you should consult your financial or legal adviser as soon as possible.

Capitalised terms which are not defined in this Supplementary Bidder's Statement have the meaning given to those terms in the Bidder's Statement and the definitions and interpretation set out in Section 14 of the Bidder's Statement also applies to this document, unless the context otherwise requires.

2. Variation of Loan Agreement with Cape Alumina Limited

On 27 August 2014 MetroCoal and Cape entered into an agreement for a loan of funds from MetroCoal to Cape (**Loan Agreement**). The material terms of the Loan Agreement are set out in Section 2 of the First Supplementary Bidder's Statement.

On 27 October 2014, MetroCoal and Cape entered into a letter of variation to increase the amount of the loan from MetroCoal to Cape under the Loan Agreement from \$250,000 to \$500,000 (an increase of \$250,000).

The material terms of the Loan Agreement are unchanged apart from the increase in the size of the loan from MetroCoal to Cape.

The purpose of this Supplementary Bidder's Statement is to update the terms of the Loan Agreement as set out in Section 2 of the First Supplementary Bidder's Statement.

The increase in the amount loaned by MetroCoal to Cape will enable Cape to continue with its development of the Bauxite Hills Project and will not affect the ability of MetroCoal to pursue its own operations.

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3. Key Offer Terms

On 27 October 2014 MetroCoal extended the Offer period so that it will remain open for acceptance until 7:00pm (Brisbane time) **10 November 2014** (unless extended or withdrawn in accordance with the Corporations Act).

On 10 October 2014, MetroCoal declared that the Offer was free of Defeating Conditions.

Details about how to accept the Offer are set out in Section 1 of the Bidder's Statement.

For further details about the Offer, see in particular Sections 3 and 4 of the Bidder's Statement.

4. Lodgement with ASIC

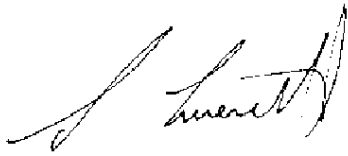
A copy of this document was lodged with ASIC on 27 October 2014. This document will prevail to the extent of any inconsistency with the Bidder's Statement. Neither ASIC nor any of its officers takes any responsibility for the contents of this document.

5. Authorisation

This document has been approved by a unanimous resolution passed by the directors of the Bidder.

Dated 27 October 2014

Signed for and on behalf of MetroCoal Limited ACN 117 763 443

A handwritten signature in black ink, appearing to read 'Stephen Everett', is written over a horizontal line.

Stephen Everett
Director