

27 OCTOBER 2015

RESPONSE TO ADITYA BIRLA ANNOUNCEMENT

By announcement of 26 October 2015, the Aditya Birla Minerals Limited (**ABML**) Directors have recommended that ABML shareholders reject Metals X's offer. At the same time the announcement refers to a process the company is planning to commence that clearly contemplates a sale of the Nifty mine.

In rejecting the Metals X bid price the ABML Directors have pointed to what they describe as the cash balance of ABML. However, no explanation is provided by the ABML Directors about the net cash position or the cash needs of the company. It is hoped the ABML Directors will provide full disclosure on this significant issue to their shareholders in the Target's Statement, particularly:

- Identifying cash that is required to fund the working capital requirements of the Nifty Mine;
- Identifying cash that is required to fund the capital investment requirements of the Nifty Mine to establish a safe working environment and maintain the current ~4.5 year life of mine plan at existing copper prices; and
- Explaining to ABML shareholders the link between a failure to invest and the ongoing value deterioration of the Nifty Mine.

The ABML Directors have announced that they intend to soon commence approaching parties in a strategic review process that they expect only to conclude in the March Quarter 2016. It is to be hoped that the ABML Directors explain to their shareholders in the Target's Statement how this significant delay and uncertainty of outcome is in the interests of all ABML shareholders.

Metals X's view is that without the investment of significant additional capital the Nifty mine will continue to be an underperforming asset and a protracted sale process is not the best outcome for all the shareholders.

Metals X designed its offer to provide ABML shareholders with the opportunity to receive near-term value by exchanging their ABML shares for shares in Metals X, a company that prides itself on treating shareholders with respect.

Metals X's CEO, Peter Cook said:

"Metals X's offer was made on the basis that Metals X is ready to commence the significant effort of turning around the underperforming Nifty Mine. We believe that the ABML board's recommendation against the MLX offer and commencement of a much slower process is unfortunate and ultimately will continue the deterioration of value in ABML's Nifty assets."

ENQUIRIES

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