



First Supplementary Target's Statement of
Aditya Birla Minerals Limited
(ACN 103 515 037)

REJECT THE REVISED OFFER

by Metals X Limited (ACN 110 150 055) to acquire
all of your ABML Shares

The Directors of Aditya Birla Minerals Limited
unanimously recommend that you **REJECT** the
Revised Offer and **TAKE NO ACTION** in relation to
the Revised Offer

This is an important document and requires your immediate attention

MOELIS & COMPANY

Financial adviser

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Legal adviser

1. **IMPORTANT INFORMATION**

Nature of this document

This document is the first supplementary target's statement prepared by Aditya Birla Minerals Limited ACN 103 515 037 (**ABML**) under Part 6.5 of the Corporations Act (**First Supplementary Target's Statement**) and is dated 22 December 2015. This document is issued in response to the offer by Metals X Limited ACN 110 150 055 (**Metals X**) to acquire all of your ordinary shares in ABML, and Metals X's first supplementary bidder's statement, dated 7 December 2015 (**First Supplementary Bidder's Statement**).

This document supplements, and should be read together with, the Target's Statement lodged with ASIC on 13 November 2015 (**Original Target's Statement**).

The First Supplementary Target's Statement prevails over the Original Target's Statement to the extent of any inconsistency.

Defined Terms

Capitalised terms used in this First Supplementary Target's Statement have the meaning given in Section 11 of the Original Target's Statement. In addition, unless the contrary intention appears or the context requires otherwise, words and phrases used in the First Supplementary Target's Statement have the same meaning and interpretation as in the Corporations Act.

Foreign Jurisdiction

The release, publication or distribution of this First Supplementary Target's Statement in jurisdictions outside Australia may be restricted by law and any person who comes into possession of it should seek advice and observe any such restrictions. Any failure to comply with such restrictions may constitute a violation of applicable securities laws.

This First Supplementary Target's Statement has been prepared in accordance with Australian law and the information contained in this First Supplementary Target's Statement may not be the same as that which would have been disclosed if this First Supplementary Target's Statement had been prepared in accordance with the laws and regulations outside Australia.

2. **REVISED OFFER FROM METALS X**

On 7 December 2015, Metals X released its Supplementary Bidder's Statement and announced:

- (a) a variation in the Offer Consideration from 1 Metals X Share for every 5 ABML Shares held, to 1 Metals X Share for every 4.75 ABML Shares held;
- (b) the waiver of nine Offer Conditions, being the Offer Conditions set out in section 9.2(c), (d), (e), (f), (g), (h), (i), (j) and (k) of the Bidder's Statement; and
- (c) the extension of the Offer Period until 5.00pm (Sydney time) on 30 December 2015 (unless extended),

being, the **Revised Offer**.

3. **THE DIRECTORS UNANIMOUSLY RECOMMEND THAT YOU REJECT THE OFFER**

The Directors have carefully considered the Revised Offer and its impact on the recommendation given in the Original Target's Statement.

Each Director confirms that his recommendation has not changed in light of all aspects of the Revised Offer (including the revised ratio and those of the Conditions that were waived), and continues to recommend that ABML Shareholders **REJECT** the Revised Offer.

4. **HINDALCO'S INTENTION**

ABML's 51% shareholder, Hindalco, has notified ABML that, after evaluating the Revised Offer, it has been concluded that Hindalco would not accept the Revised Offer in respect of the ABML Shares that it holds.

Hindalco has again reiterated its support for the Strategic Review.

The Revised Offer is still subject to a 90% minimum acceptance condition, which cannot be satisfied if Hindalco does not accept the Revised Offer.

5. **IMPLIED VALUE OF THE REVISED OFFER AND ASSOCIATED PREMIA ANALYSIS**

The Revised Offer varies the Offer ratio in favour of ABML Shareholders. However, despite this, ABML considers that it is important to highlight that the drop in value of a Metals X Share since the announcement of the Offer means that the Revised Offer is actually worth materially less to an ABML Shareholder than the Offer was worth on its announcement.

Following its review of the First Supplementary Bidder's Statement, ABML identified issues relating to disclosure in the First Supplementary Bidder's Statement, particularly in relation to Section 1.2, "Implied Offer Value".

The drop in value of Metals X Shares referred to above was not apparent from information contained in the First Supplementary Bidder's Statement because up to date trading information had been omitted. ABML considered that Metals X's use of pre-announcement trading data instead of more up to date information had the potential to be misleading or at least confusing to ABML Shareholders when assessing the implied value and associated premia of the Revised Offer.

ABML wrote to Metals X raising those issues and requested correction and clarification by Metals X.

Following that request, on 15 December 2015, Metals X made supplementary disclosure correcting the implied value of the Revised Offer and including additional implied value information and premia based on trading data up to 7 December 2015 (being the date of the First Supplementary Bidder's Statement).

6. **DUE DILIGENCE ACCESS AND ENGAGEMENT WITH METALS X**

In Section 1.1 of its First Supplementary Bidder's Statement, Metals X made certain statements about its engagement with ABML to date and its attempts to access due diligence information.

ABML and Metals X (and their respective advisers) have been in dialogue with a view to agreeing a form of confidentiality agreement that would enable Metals X to participate in the Strategic Review alongside other interested parties.

Despite the dialogue between ABML and Metals X that has occurred to date, at the date of this First Supplementary Target's Statement, Metals X has not agreed to execute a confidentiality deed in a form that ABML considers is acceptable to allow Metals X access to

the electronic data room and to facilitate pursuit of the Strategic Review in the interests of all ABML Shareholders. Although the circumstances of the other parties are somewhat different from Metals X (in that none has on foot a takeover bid for ABML), ABML has signed appropriate confidentiality agreements with the relevant parties which has allowed those parties to have access to the electronic data room.

7. **STRATEGIC REVIEW**

As outlined in the Target's Statement, ABML has been undertaking a Strategic Review with a specific focus on maximising value for all ABML Shareholders. The Strategic Review is ongoing, with interested parties who have executed appropriate confidentiality deeds having been given access to an electronic data room.

The Strategic Review is still expected to conclude in the March quarter of 2016, but that will also depend on a number of factors (including, but not limited to, prevailing market conditions and unforeseen circumstances).

ABML will continue to provide updates in relation to the Strategic Review at appropriate intervals in the process.

ABML remains committed to progressing the Strategic Review. As noted above, Hindalco has again reiterated its support for the Strategic Review.

Accepting the Revised Offer will deprive you of the opportunity to accept any potential Superior Proposal, should one emerge as part of the Strategic Review.

8. **OTHER IMPORTANT INFORMATION**

8.1 **Lodgement with ASIC**

A copy of this First Supplementary Target's Statement was lodged with ASIC on 22 December 2015 and provided to ASX on 22 December 2015. Neither ASIC nor ASX, nor any of their respective officers, take any responsibility for the contents of this First Supplementary Target's Statement.

8.2 **No account of personal circumstances**

The First Supplementary Target's Statement does not take into account the individual investment objectives, financial or tax situation or particular needs of any person. It does not contain personal financial advice. You should seek independent financial and taxation advice before making a decision as to whether or not to accept the Offer.

9. **AUTHORISATION**

This Supplementary Target's Statement is dated 22 December 2015 and has been approved by a resolution passed by the Directors of ABML.