



Australian Government

Takeovers Panel

MEDIA RELEASE

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Gulf Alumina Limited – Panel Receives Application

The Panel has received an application from Metro Mining Limited in relation to the affairs of Gulf Alumina Limited. Gulf Alumina is an unlisted public company with more than 50 members and is currently subject to an off-market takeover offer from Metro Mining.

Details of the application, as submitted by the applicant, are below.

A sitting Panel has not been appointed at this stage and no decision has been made whether to conduct proceedings. The Panel makes no comment on the merits of the application.

Details

On 2 December 2015, Metro Mining announced an off-market scrip takeover offer for all the shares in Gulf Alumina at 3.3 Metro Mining shares for every 1 Gulf Alumina share. If 100% of Gulf Alumina shareholders accept the offer, they will own 44% of the combined group.

On 3 December 2015, Gulf Alumina sent a letter to its shareholders which stated, among other things, that the Metro Mining offer “*materially undervalues* [the Skardon River Bauxite Project] *as well as the prospective value of* [Gulf Alumina’s other tenements]” (**undervalue statements**).

On 10 December 2015, Metro Mining lodged its bidder’s statement. On 24 December 2015, Metro Mining announced the dispatch of its bidder’s statement to target shareholders.

On 6 January 2016, Gulf Alumina issued its target's statement, recommending that shareholders reject the Metro Mining bid.

Metro Mining submits that Gulf Alumina has not provided a reasonable basis for the undervalue statements and further that the target’s statement:

- does not provide an independent expert's report, despite relying on the undervalue statements in the letter sent to shareholders

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- includes an unclear shareholder intention statement which states that the “*current intention*” of Gulf Alumina’s shareholders holding 70.6% is not to accept the bid
 - does not provide adequate information regarding ongoing funding of Gulf Alumina’s projects and
 - contains deficient or misleading statements, including in relation to the value of the bid, regulatory approvals, its infrastructure, renewal of mining leases, the prospects of one of its tenements and the status of its definitive feasibility study and an off-take agreement.

Metro Mining has not sought interim orders. Metro Mining seeks the following final orders:

- Gulf Alumina prepare and lodge a supplementary target's statement correcting the alleged disclosure deficiencies in a form approved by the Panel
- Gulf Alumina appoint an independent expert (to be determined by the Panel) to prepare a report which provides an opinion on whether the offer is fair and reasonable and
- Gulf Alumina prepare and lodge a supplementary target's statement annexing the independent expert report and addressing the directors’ recommendations disclosure in light of the findings in the expert’s report.

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