

SECOND SUPPLEMENTARY BIDDER'S STATEMENT

Issued by



METALS X LIMITED

ACN 110 150 055

to acquire all of your fully paid shares in

ADITYA BIRLA MINERALS LIMITED

ACN 103 515 037

**FOR 1 METALS X SHARE FOR EVERY 4.75 OF YOUR
ADITYA BIRLA SHARES**

**WITH CONDITIONAL INTENTION TO INCREASE THE OFFER
TO 1 METALS X SHARE
FOR EVERY 4.5 OF YOUR ADITYA BIRLA SHARES PLUS \$0.08
IN CASH FOR EVERY ADITYA BIRLA SHARE.**

ACCEPT THE OFFER

Corporate Advisor

XAVIER GROUP

Legal Advisor

 **HopgoodGanim**
LAWYERS

This document contains important information and requires your immediate attention. If you have any questions about the Offer or this document or about how to accept the Offer you should consult your legal, financial or other professional adviser immediately or please call the Metals X information line on 1300 659 000 (for callers within Australia) or +61 8 9215 6061 (for callers outside Australia).

This Offer will close on 29 July 2016, unless extended.

Important Notices

Second Supplementary Bidder's Statement

This document is the second supplementary bidder's statement dated 5 May 2016 (**Second Supplementary Bidder's Statement**) to the bidder's statement dated 15 October 2015 (**Original Bidder's Statement**) and the first supplementary bidder's statement dated 7 December 2015 (**First Supplementary Bidder's Statement**) issued by Metals X Limited (**Metals X**) to Aditya Birla Minerals Limited (**Aditya Birla**) under Part 6.5 of Chapter 6 of the Corporations Act and in compliance with the requirements of Sections 636 and 637 of the Corporations Act, in relation to the Offer.

This Second Supplementary Bidder's Statement supplements, and should be read together with Metals X's Original Bidder's Statement and First Supplementary Bidder's Statement. Unless the context requires otherwise, terms in this Second Supplementary Bidder's Statement have the same meaning given in the Original Bidder's Statement. This Second Supplementary Bidder's Statement will prevail to the extent of any inconsistency with the Original Bidder's Statement and First Supplementary Bidder's Statement.

A copy of this Second Supplementary Bidder's Statement was lodged with the Australian Securities and Investments Commission (**ASIC**) on 5 May 2016. Neither ASIC nor any of its officers takes any responsibility for the content of this Second Supplementary Bidder's Statement.

Aditya Birla security holders outside Australia

This Second Supplementary Bidder's Statement and the Offer do not constitute an offer of securities in any jurisdiction in which it would be unlawful. The distribution of this Second Supplementary Bidder's Statement may, in some countries, be restricted by law or regulation. Accordingly, persons who come into possession of this Second Supplementary Bidder's Statement should inform themselves of, and observe, those restrictions particularly those below.

India

This Second Supplementary Bidder's Statement is neither a document offering shares to the public nor a prospectus under the Companies Act, 2013 (India), as amended or an advertisement, and should not be circulated to any person other than to whom the Offer is made. This Second Supplementary Bidder's Statement has not been and will not be registered as a prospectus with the Registrar of Companies in India. This Second Supplementary Bidder's Statement shall not be issued, circulated or distributed, directly or indirectly, in India. Further, the Metals X Shares may not be offered, directly or indirectly, in India, to, or for the account or benefit of, any resident of India except as permitted by applicable Indian laws and regulations, under which an offer is being made strictly on a private and confidential basis and is limited to existing shareholders of Aditya Birla and is not an offer to the public in India. This issue is a private placement in India and the Second Supplementary Bidder's Statement is not intended to be circulated to more than 200 existing shareholders of Aditya Birla in India on an aggregate basis (including all other private placements of Metals X Shares made in this financial year; a financial year being the 12 month period commencing on April 1 and ending on March 31 of the following year) and each copy of this Second Supplementary Bidder's Statement is individually and serially numbered. It does not constitute and shall not be deemed to constitute an offer or an invitation to subscribe to the aforesaid securities to the public in general. This Second Supplementary Bidder's Statement has been prepared solely to provide general information about Metals X to identified and eligible Aditya Birla shareholders investors to whom it is addressed and who are willing and eligible to subscribe to the aforesaid securities. This Second Supplementary Bidder's Statement does not purport to contain all the information that any eligible Aditya Birla shareholder investor may require. Further, this Second Supplementary Bidder's Statement has been prepared for informational purposes relating to this transaction only and upon the express understanding that it will be used only for the purposes set forth herein. Apart from the Original Bidder's Statement, the First Supplementary Bidder's Statement and this Second Supplementary Bidder's Statement, no offer document or prospectus has been prepared in connection with this offer or in relation to Metals X nor is such offer document or prospectus required to be registered under applicable laws or regulations in India. Accordingly, this Second Supplementary Bidder's Statement has neither been delivered for registration nor is it intended to be registered with any authority in India. Metals X accepts no responsibility for statements made other than in this Second Supplementary Bidder's Statement or any other material expressly stated to be issued by or at the instance of Metals X in connection with the issue of the said securities and that anyone placing reliance on any other source of information would be doing so at their own risk. This Second Supplementary Bidder's Statement and the contents hereof are restricted only for the intended recipient(s) who have been addressed directly and specifically through a communication by Metals X and only such recipients are eligible to apply for the aforesaid securities. All investors are required to comply with the relevant regulations/guidelines applicable to them for investing in this offer. The contents of this Second Supplementary Bidder's Statement is intended to be used only by those investors to whom it is distributed. It is not intended for distribution to any other person and should not be reproduced by the recipient. No invitation is being made to any persons other than those to whom application forms along with the Original Bidders Statement, the First Supplementary Bidder's Statement and this Second Supplementary Bidder's Statement being issued have been sent. Any application by a person to whom the Original Bidder's Statement, the First Supplementary Bidder's Statement and the Second Supplementary Bidder's Statement has not been sent by Metals X shall be rejected without assigning any reason. Neither this Second Supplementary Bidder's Statement nor the Offer constitutes, nor may it be used for or in connection with, an offer or solicitation by anyone in any jurisdiction in which such offer or solicitation is not authorized or to any person to whom it is unlawful to make such an offer or solicitation. No action is being taken to permit an offering of the aforesaid securities or the distribution of this Second Supplementary Bidder's Statement in any jurisdiction where such action is required. Persons into whose possession this Second Supplementary Bidder's Statement comes are required to inform themselves about and to observe any such restrictions. The Second Supplementary Bidder's Statement is made available to investors in India on the strict understanding that it is confidential.

SECTION 1 DETAILS OF CONDITIONAL INTENTION TO INCREASE THE OFFER

1.1 Increased Offer and Recommendation from Aditya Birla Board

As previously announced, Metals X held discussions with the directors of Aditya Birla which resulted in Metals X signing an appropriate confidentiality deed and gaining access to the dataroom established by Aditya Birla in connection with its strategic review process. Following a review of the information in the dataroom and the conduct of a site visit, Metals X proceeded to enter into negotiations as regards to a possible increase to its Offer consideration.

On 26 April 2016 Metals X announced that it conditionally intends to increase the Offer Consideration by increasing the ratio of Metals X Shares offered for every share in Aditya Birla and adding a cash component.

Provided Hindalco Industries Limited (**Hindalco**) confirms that it is capable of accepting the conditionally increased Offer, Metals X will formally increase the Offer so that Aditya Birla shareholders will receive 1 Metals X Share for every 4.5 Aditya Birla Shares plus \$0.08 in cash for every Aditya Birla Share held (**Increased Offer**).

On 26 April 2016, Aditya Birla announced that Hindalco has stated its intention to accept the Increased Offer subject to receipt of required regulatory approval from the Reserve Bank of India (**RBI Approval**). Once Hindalco confirms that it has obtained RBI Approval to accept the Offer (and that it will therefore accept the Increased Offer), Metals X will increase the Offer on the basis outlined above. If the Offer is increased, any Aditya Birla Shareholders who have already accepted, or do accept, the Offer, will receive the increased Offer Consideration. For the avoidance of doubt, Metals X notes that if the RBI Approval is not received by Hindalco, then Metals X will not make this increase to the Offer.

As announced by Aditya Birla and Metals X on 26 April 2016, Hindalco has stated its intention to accept the Increased Offer (presently subject only to RBI Approval and Metals X formally varying its Offer as above).

The board of Aditya Birla also announced on 26 April 2016 that its strategic review process is complete and that it recommends that ABY Shareholders accept the Increased Offer. Metals X and Aditya Birla signed an implementation agreement to confirm this recommended position and to manage the change in control of ABY.

The implementation agreement includes “no shop” and “no talk” exclusivity provisions, restrictions on the conduct of ABY’s operations outside the ordinary course of business and provisions for the transition of directors and change of ABY’s (and its subsidiaries’) company names once Metals X acquires a relevant interest in more than 50% of ABY shares. The implementation agreement may be terminated by either party in the event of a material breach by the other party, or by Metals X if another person acquires a relevant interest in more than 30% of ABY shares.

Metals X has agreed that, subject to the RBI Approval being received prior to the end of the Offer Period, it will formally vary the Offer to the Increased Offer as above by no later than the second Business Day after Metals X receives notice from Aditya Birla that the RBI Approval has been received (and Hindalco’s intention to accept therefore conditional only on Metals X’s variation).

As at the date of this Second Supplementary Bidder’s Statement, Metals X’s voting power in Aditya Birla was 30.02% (comprising 94,080,319 shares out of a total 313,372,551 shares currently on issue in Aditya Birla. Upon acceptance by Hindalco of the Increased Offer, Metals X’s voting power in Aditya Birla will be 81.02%.

1.2 Increased Offer – Implied Value

Metals X has stated its conditional intention to increase its Offer based on its review of the Aditya Birla data room and site visit to Nifty, and following discussions with Aditya Birla and its advisors has secured the recommendation of the Aditya Birla board to the Increased Offer. Based on the prevailing market prices as at 20 April 2016 (being the last trading day immediately prior to Metals X's announcement of its conditional intention to increase the Offer consideration) and as at 4 May 2016 (being the trading day prior to the date of this Second Supplementary Bidder's Statement), the implied value of the Increased Offer is equivalent to:

BENCHMARK	TRADING DATA AS AT 20 APRIL 2016		TRADING DATA AS AT 4 MAY 2016	
	Implied value per Aditya Birla Share	Implied premium	Implied value per Aditya Birla Share	Implied premium
Closing share price ¹	\$0.329	31.6%	\$0.318	5.9%
1-month VWAP	\$0.295	39.9%	\$0.305	12%
2-month VWAP	\$0.294	41.7%	\$0.30	15.7%
3-month VWAP	\$0.295	47.7%	\$0.299	26.3%

As Metals X Shares are listed on the ASX, the market price of Metals X Shares can fall as well as rise and may be subject to varied and unpredictable influences. Accordingly, there is no guarantee that the Metals X Shares offered will trade at or above pre Offer or prevailing market prices.

1.3 Extension of Offer Period to 29 July 2016

On 26 April 2016, Metals X extended the Offer Period to 29 July 2016 so as to change the close of the Offer Period from 5.00pm (AWST) on 28 April 2016 to 5.00pm (AWST) on 29 July 2016, unless extended.

The Offer Period was extended to provide Hindalco with sufficient time to obtain RBI Approval and allow Aditya Birla Shareholders time to assess the Offer and the intention to vary to the Increased Offer. If RBI Approval is obtained prior to the end of the Offer Period, Metals X will formally vary its Offer to give the Increased Offer. Should Metals X and Aditya Birla anticipate that RBI Approval will not be received prior to the end of the Offer Period, the parties will consult in good faith regarding a further extension to the Offer Period.

1.4 Offer is unconditional

On 16 March 2016, Metals X gave notice that it has freed the Offer from all of the remaining conditions in the Original Bidder's Statement and that, accordingly, the Offer is now unconditional.

1.5 How to accept

You may accept the Offer in respect of all (but not less than all) of your Aditya Birla Shares.

Full details of how to accept the Offer are set out in section 9.5 of the Original Bidder's Statement.

Issuer sponsored shareholders

If your Aditya Birla Shares are Issuer Sponsored Holdings on Aditya Birla's issuer sponsored sub register, you must complete, sign and return the Acceptance Form in accordance with the instructions in the Original Bidder's Statement, so that it is received before the end of the Offer Period.

CHESS sponsored shareholders

If your Aditya Birla Shares are held in a CHESS Holding, ensure your acceptance is received before the end of the Offer period by either instructing your Controlling participant (normally your stockbroker) to initiate acceptance of the Offer on your behalf or completing, signing and returning the Acceptance Form in accordance with the instructions in the Original Bidder's Statement.

¹ On 20 April 2016 the closing price was \$1.12 per Metals X Share and \$0.25 per Aditya Birla Share and on 4 May 2016 the closing price was \$1.07 per Metals X Share and \$0.30 per Aditya Birla Share.

If you accept the Offer you will receive 1 Metals X Share for every 4.75 Aditya Birla Shares held. If Metals X formally varies its Offer to the Increased Offer you will receive 1 Metals X Share for every 4.5 of your Aditya Birla Shares plus \$0.08 in cash for every 1 Aditya Birla Share held.

In accordance with section 650B(2) of the Corporations Act, Aditya Birla Shareholders who have already accepted the Offer will be entitled to receive the Increased Offer consideration under the revised Offer if and when Metals X increases the Offer.

1.6 Provision of consideration

Consideration is payable in accordance with and the timing provided in the Original Bidder's Statement, being on or before the earlier of:

- (a) twenty-one (21) days after the expiry of the Offer Period; or
- (b) one (1) month after the later of your acceptance and the date the Offer became unconditional.

If the Offer is increased as outlined above, Metals X will pay to you the cash component of the Offer Consideration by cheque in Australian currency. The cheque will be sent to you at your risk by pre-paid ordinary mail or, in the case of addresses outside Australia, by pre-paid airmail, to your address as shown on the copy of the Aditya Birla register maintained by Metals X. Under no circumstances will interest be paid on the cash component of the Offer Consideration, regardless of any delay in remitting the amount to you or any extension of the Offer.

You will not receive the Increased Offer consideration until a formal variation to the Offer is made. If a formal variation to the Offer is made, Metals X will provide the cash component of the Increased Offer consideration at the same time as the scrip component. Metals X also confirms that Aditya Birla Shareholders who have already accepted the Offer at the time the Offer is varied to provide the Increased Offer, will receive the increased Offer Consideration (comprising the cash component and the additional share component of the Increased Offer) as soon as practicable after the variation is made.

1.7 Source of funds for cash component of consideration under the Increased Offer

If the proposed Increased Offer is made and is accepted by all Aditya Birla Shareholders, the maximum amount which will be required by Metals X to fund the cash component of the Offer Consideration will be \$25,069,804.08 (**Maximum Cash Amount**). Metals X will fund this amount through its existing cash reserves and a bank loan facility.

As announced to ASX on 26 April 2016 and disclosed in Metals X's adjusted financial statements as at 31 December 2015 (an extract of which appears in section 2.2 below) Metals X held cash and cash equivalents of approximately \$50.4 million.

As at the date of this Second Supplementary Bidder's Statement, Westgold Resources Pty Ltd (**Westgold**), a wholly owned subsidiary of Metals X, has entered into a loan facility agreement (**Facility Agreement**) with Citibank, N.A., Sydney Branch as lender (**Lender**) and Citibank, N.A. acting as hedge counterparty (**Citi Facility**). The Citi Facility is guaranteed by Metals X and each of Westgold's subsidiaries (**Guarantors**).

The Citi Facility is a 364 day bridge loan of \$25,000,000. The Facility Agreement provides that all amounts borrowed under the Citi Facility are to be applied toward the Increased Offer and to pay related fees and other expenses in connection with the Increased Offer. Accordingly, the Citi Facility may be used to fund the Maximum Cash Amount.

All conditions precedent under Citi Facility have been fulfilled and the availability of funds only remains subject to normal drawdown procedures.

Metals X is not aware of any reason why the drawdown procedures will not be satisfied in time to allow the proceeds to be drawn down to fund the Maximum Cash Amount as required. Metals X will use its best endeavours to ensure that all procedures are satisfied as at the time the drawdown is required.

Westgold and the Guarantors (other than Metals X) have given a number of standard undertakings including restrictions regarding the creation of security interests over their assets, use of proceeds, disposal of assets (above a minimum threshold) and the incurring of specified financial indebtedness, in each case, subject to certain agreed exceptions.

Westgold and the Guarantors have also given representations and warranties under the Facility Agreement that Metals X considers are customary for facilities of this nature. Metals X is not aware of any event or circumstance related to itself that would give rise to a breach of any of the representations or warranties under the Facility Agreement.

The Facility Agreement includes various triggers of the Lenders' rights under "events of default" provisions which Metals X considers customary for a facility of this nature. Such events include failure to pay amounts due under a facility document, a representation or warranty is materially incorrect or misleading, a cross default or insolvency event occurs and violation of the facility documents (in each case, subject to certain agreed thresholds and carve outs).

As noted above, the obligations of Westgold are guaranteed by the Guarantors.

Unless cancelled earlier by Metals X or in accordance with the Facility Agreement, the Citi Facility will be available for drawdown for a period of one month from financial close, being the date on which the Lender notifies Westgold that it has received the necessary documents and other evidence required in connection with the conditions precedent in a form acceptable to the Lender.

Accordingly, Metals X is of the opinion that it has a reasonable basis for forming the view, and holds the view, that it would be able to pay the Maximum Cash Amount of the Offer Consideration.

1.8 Australian tax considerations

Section 11 of the Original Bidder's Statement provides a general description of the Australian income and capital gains tax consequences to Aditya Birla Shareholders of the acceptance of the Offer.

As a result of the proposed introduction of the cash component of the Offer pursuant to the Increased Offer, the following additional Australian taxation implications should be taken into account by Australian resident Aditya Birla Shareholders:

- (a) The cash component will be assessable to Australian tax on the disposal of Aditya Birla Shares held as trading stock.
- (b) The cash component will form part of the calculation of an assessable gain or deductible loss on the disposal of Aditya Birla Shares held on revenue account but not as trading stock.
- (c) For the purposes of calculating any capital gain or loss on the disposal of Aditya Birla Shares, the cash component will form part of the capital proceeds of disposal.
- (d) If an Aditya Birla Shareholder is able to claim scrip for scrip rollover relief under the capital gains tax rules on the disposal of Aditya Birla Shares, the rollover relief (if chosen) will only apply to the portion of the capital gain that relates to the non-cash component of the Offer Consideration.
- (e) The capital gain that relates to the cash component of the Offer Consideration (if scrip for scrip rollover relief for the remainder of the gain is available and chosen) will be the cash component of the Offer Consideration less the cost base of the Aditya Birla Shares attributable to the cash component. This may be reduced under the capital gains discount rules if the Aditya Birla Shares were held for at least 12 months by an individual or trustee shareholder.

The same additional tax considerations (above) should be taken into account by Foreign Shareholders and Unmarketable Parcel Shareholders, subject to the matters discussed in section 11.4 of the Original Bidder's Statement.

Metals X reiterates that the summaries of potential Australian income and capital gains tax consequences in the Original Bidder's Statement and this Second Supplementary Bidder's Statement are not intended to be an authoritative or complete statement of the law applicable to the particular circumstances of every Aditya Birla Shareholder. Aditya Birla Shareholders should seek independent professional advice in relation to their own particular circumstances.

SECTION 2 FURTHER INFORMATION ON METALS X AND MERGED GROUP

2.1 Further Information

Pursuant to section 712 of the Corporations Act, this Second Supplementary Bidder's Statement incorporates by reference all continuous disclosure notices given by Metals X to the ASX since the date of the First Supplementary Bidder's Statement. Since 7 December 2015, the following continuous disclosure notices have been given to the ASX in relation to Metals X:

DATE	HEADLINE
04/05/2016	Change of Substantial Shareholder of ABY
04/05/2016	Appendix 3B – ABY Takeover 4 th Acceptance
03/05/2016	ABY Takeover Update
29/04/2016	Quarterly Activities Report
26/04/2016	Metals X Extends ABY Takeover Offer
26/04/2016	MLX: ABML Directors to Recommend Proposed Increase Offer
26/04/2016	Conditional Intention to Increase ABY Takeover Offer
21/04/2016	Trading Halt
20/04/2016	Response to ASX Price Query
20/04/2016	Becoming a substantial holder
08/04/2016	Change of Interest of Substantial Holder for ABY
08/04/2016	Appendix 3B – ABY Takeover Third Acceptance
31/03/2016	Metals X acquires Gunga gold deposit
31/03/2016	KDR: Kidman sells Gunga West gold project for up to \$2.5M
24/03/2016	Metals X Extends ABY Takeover Offer
24/03/2016	Notice of Change of Interest of Substantial Holder for ABY
23/03/2016	Final Director's Interest Notice
23/03/2016	Director Resignation – Andrew Ferguson
22/03/2016	Change of Interest of Substantial Holder of ABY
10/03/2016	Change of Interest of Substantial Holder for ABY
10/03/2016	Appendix 3B - ABY Takeover Second Acceptance
01/03/2016	Ceasing to be a substantial holder
26/02/2016	Update on Strategic Review
25/02/2016	Metals X Extends ABY Takeover Offer
24/02/2016	Change of Interest of Substantial Holder in ABY
24/02/2016	Presentation - RIU Explorers Conference
19/02/2016	MLX Takeover of ABY
18/02/2016	Notice of Change of Interest of Substantial Holder for ABY
18/02/2016	Appendix 4D and Half Yearly Report and Accounts
17/02/2016	Appendix 3B - ABY Takeover First Acceptance

DATE	HEADLINE
17/02/2016	Confirmation of Freeing of Defeating Conditions-Takeover ABY
16/02/2016	ABY Takeover Offer Unconditional
11/02/2016	SAU: Cannon 2nd Processing Campaign Results
04/02/2016	Metals X Completes Acquisition of Comet Assets
04/02/2016	SLR: Completion Of Comet Asset Sale
19/01/2016	SAU: Cannon Mine Second Tranche Gold Price Fix
28/01/2016	Quarterly Activities Report
19/01/2016	Notice of Change of Interest of Substantial Holder for ABY
15/01/2016	ABY: Metals X Extends ABY Takeover Offer
14/01/2016	Notice of Change of interest of Substantial Holder for ABY
13/01/2016	Metals X Waives 90% Acceptance Condition in ABY Takeover
13/01/2016	Change in Substantial Holding for ABY
12/01/2016	Amended - Notice of Change of Interest of Substantial Holder for ABY
12/01/2016	Notice of Change of Interest of Substantial Holder for ABY
30/12/2015	Notice of Change of Interest of Substantial Holder for ABY
30/12/2015	ABY: Response to Metals X, Update on Strategic Review Process
29/12/2015	Notice of Change of Interest of Substantial Holder for ABY
24/12/2015	Appendix 3B - Performance Rights
23/12/2015	ABY Takeover - Extension of Offer Period
22/12/2015	ABY: First Supplementary Target's Statement of ABY
18/12/2015	Becoming a substantial holder
18/12/2015	MLX: Maiden Processing Campaign Results
15/12/2015	ABY Takeover - Offer Consideration
10/12/2015	Appendix 3B
09/12/2015	ABY: Response to Revised Off-Market Takeover Offer from MLX
09/12/2015	SAU: Cannon Mine Improved Economics

2.2 Pro forma Financial Information

The Original Bidder's Statement contained:

- (a) audited historical financial information for Metals X, extracted from Metals X's full year financial statements as at 30 June 2015 and 30 June 2014;
- (b) audited historical financial information for Aditya Birla, extracted from Aditya Birla's full year financial statements as at 31 March 2015 and 31 March 2014; and
- (c) pro-forma balance sheets for the Merged Group based on the financial information for Metals X as at 30 June 2015 and Aditya Birla as at 31 March 2015.

On 18 February 2016, Metals X released its consolidated financial statements for the half year ended 31 December 2015, and on 16 November 2015 Aditya Birla released its consolidated financial statements for the half year ended 30 September 2015. As a result of the release of updated accounts, and the proposed Increased Offer, Metals X has updated (below) the pro forma financial information for Metals X set out in section 5.12 of the Original Bidder's Statement and the pro forma balance sheet for the Merged Group set out in section 7.3 of the Original Bidder's Statement.

(a) **Basis of preparation**

The pro-forma financial information of the Metals X Group set out below is provided for illustrative purposes only. The Metals X Group is Metals X and each of its Subsidiaries. This includes the transactions described below but excludes Aditya Birla.

In addition, the pro-forma financial information of the Metals X Group has been presented in an abbreviated form insofar as it does not contain all disclosures required by the Australian Accounting Standards applicable to financial reports prepared in accordance with the Corporations Act.

(b) **Pro forma Adjustments**

The following pro forma adjustments have been made in relation to material transactions that have taken place since the preparation of the Metals X Group consolidated statement of financial position as at 31 December 2015.

(1) **Gold Prepayment Extension**

On 29 January 2015, Metals X extended its gold pre-pay facility with Citibank N.A by \$23.25 million. The loan is repayable in gold ounces in 12 equal instalments of 1,250 ounces per month between October 2016 and September 2017 inclusive and is classified as unearned revenue. Metals X has a legal obligation to deliver gold ounces, and will subsequently recognise revenue as and when it makes the repayment in gold ounces.

A pro forma adjustment to include an increase in cash and cash equivalents of \$23.25 million together with a corresponding increase in unearned income representing the loan repayable in gold ounces, has been made in preparing the Metals X Group pro forma consolidated statement of financial position as at 31 December 2015.

(2) **Comet Mine Asset Acquisition**

On 4 February 2016, Metals X announced that it had completed the acquisition of the Comet mine assets from Silver Lake Resources Limited for a cash consideration of \$3.0 million.

The following pro forma adjustments have been made in preparing the Metals X Group pro forma consolidated statement of financial position as at 31 December 2015:

- i. A decrease cash and cash equivalents of \$3.0 million, together with a corresponding increase in mine properties and development, representing the purchase price and fair value of the Comet mine assets.
- ii. A decrease in cash and cash equivalents of \$0.15 million together with a corresponding increase in accumulated losses, representing an estimation of Metals X's costs associated with the Comet mine assets (including an estimate for stamp duty payable).

(3) **Cue Village Asset Acquisition**

On 5 February 2016, Metals completed the acquisition of a 260 person Village at Cue from NT Link under a master asset financing facility for \$4.55 million.

A pro forma adjustment to include an increase to interest bearing loans and borrowings of \$4.55 million, together with a corresponding increase in property, plant and equipment, representing the purchase price and fair value of the Cue Village assets has been made in preparing the Metals X Group pro forma consolidated statement of financial position as at 31 December 2015.

Pro forma Balance Sheet - Metals X

Pro forma financial position	Metals X 31 December 2015	Gold Prepayment Extension ¹	Comet Mine Acquisition ²	Cue Village Asset Acquisition ³	Metals X 31 December 2015 (Adjusted)
	\$'000				
CURRENT ASSETS					
Cash and cash equivalents	30,318	23,250	(3,150)	-	50,418
Trade and other receivables	23,312	-	-	-	23,312
Inventories	52,606	-	-	-	52,606
Prepayments	894	-	-	-	894
Other financial assets	4,652	-	-	-	4,652
Total current assets	111,782	23,250	(3,150)	-	131,882
NON-CURRENT ASSETS					
Available-for-sale financial assets	13,782	-	-	-	13,782
Property, plant and equipment	67,267	-	-	4,550	71,817
Mine properties and development costs	186,567	-	3,000	-	189,567
Exploration and evaluation expenditure	174,682	-	-	-	174,682
Total non-current assets	442,298	-	3,000	4,550	449,848
TOTAL ASSETS	554,080	23,250	(150)	4,550	581,730
CURRENT LIABILITIES					
Trade and other payables	55,287	-	-	-	55,287
Provisions	5,180	-	-	-	5,180
Interest bearing loans and borrowings	1,708	-	-	1,517	3,225
Unearned income	15,167	5,813	-	-	20,980
Total current liabilities	77,342	5,813	-	1,517	84,672
NON-CURRENT LIABILITIES					
Provisions	82,078	-	-	-	82,078
Interest bearing loans and borrowings	2,597	-	-	3,033	5,630
Unearned income	-	17,437	-	-	17,437
Total non-current liabilities	84,675	17,437	-	3,033	105,145
TOTAL LIABILITIES	162,017	23,250	-	4,550	189,817
NET ASSETS	392,063	-	(150)	-	391,913
EQUITY					
Issued capital	385,612	-	-	-	385,612
Accumulated losses	(21,229)	-	(150)	-	(21,379)
Share based payments reserve	20,270	-	-	-	20,270
Fair value reserve	7,410	-	-	-	7,410
TOTAL EQUITY	392,063	-	(150)	-	391,913

Pro forma Balance Sheet - Merged Group

Provided Metals X varies the Offer to reflect the Increased Offer, then using the 31 December 2015 consolidated financial statements of Metals X (including the adjustments as shown above) and the 30 September 2015 audit reviewed financial statements of Aditya Birla and the total value of the Offer, on a pro-forma basis the Merged Group is estimated to hold total assets of \$763M, total liabilities of \$304M and net assets of \$459M. The Merged Group will hold a cash balance of approximately \$81M. The balance sheet of the Merged Group will depend on the outcome of the Offer.

Pro forma financial position	Metals X 31 December 2015 (adjusted)	Aditya Birla 30 September 2015	Sale of Mt Gordon Adjustments **	Acquisition Adjustments *	Notes	Merged Group
	\$'000	\$'000	\$'000	\$'000		\$'000
CURRENT ASSETS						
Cash and cash equivalents	50,418	33,426	4,686	(7,086)	d	81,444
Trade and other receivables	23,312	73,786	-	-		97,098
Inventories	52,606	31,483	-	-		84,089
Prepayments	894	1,042	-	-		1,936
Derivative financial instruments	-	-	-	-		-
Other financial assets	4,652	-	-	-		4,652
	131,882	139,737	4,686	(7,086)		269,219
Disposal group held for sale	-	42,859	(42,859)	-		-
Total current assets	131,882	182,596	(38,173)	(7,086)		269,219
NON-CURRENT ASSETS						
Inventories	-	-	-	-		-
Available-for-sale financial assets	13,782	-	-	-		13,782
Property, plant and equipment	71,817	45,995	-	(1,733)	c	116,079
Mine properties and development costs	189,567	69,071	-	(69,071)	c	189,567
Exploration and evaluation expenditure	174,682	13,390	-	(13,390)	c	174,682
Deferred tax assets	-	-	-	-		-
Prepayments	-	274	-	-		274
Total non-current assets	449,848	128,730	-	(84,194)		494,384
TOTAL ASSETS	581,730	311,326	(38,173)	(91,280)		763,603
CURRENT LIABILITIES						
Trade and other payables	55,287	20,700	-	-		75,987
Provisions	5,180	4,086	-	-		9,266
Interest bearing loans and borrowings	3,225	25,063	-	25,000	e	53,288
Unearned income	20,980	-	-	-		20,980
Derivative financial instruments	-	-	-	-		-
	84,672	49,849	-	25,000		159,521
Disposal group held for sale	-	38,173	(38,173)	-		-
Total current liabilities	84,672	88,022	(38,173)	25,000		159,521
NON-CURRENT LIABILITIES						
Provisions	82,078	39,527	-	-		121,605
Interest bearing loans and borrowings	5,630	-	-	-		5,630
Unearned income	17,437	-	-	-		17,437
Total non-current liabilities	105,145	39,527	-	-		144,672
TOTAL LIABILITIES	189,817	127,549	(38,173)	25,000.00		304,193
NET ASSETS	391,913	183,777	-	(116,280)		459,410

Pro forma financial position	Metals X 31 December 2015 (adjusted)	Aditya Birla 30 September 2015	Sale of Mt Gordon Adjustments **	Acquisition Adjustments *	Notes	Merged Group
	\$'000	\$'000	\$'000	\$'000		\$'000
EQUITY						
Issued capital	385,612	450,663	-	74,513	a	460,070
				(450,663)	b	
				(55)	d	
Accumulated losses	(21,379)	(266,886)	-	266,886	b	(28,340)
				(6,961)	d	
Share based payments reserve	20,270	-	-	-		20,270
Fair value reserve	7,410	-	-	-		7,410
TOTAL EQUITY	391,913	183,777	-	(116,280)		459,410

On 15 October 2015, Metals X announced its intention to make an off-market takeover of Aditya Birla. Under the terms of the original Offer, Metals X Shares were to be exchanged for Aditya Birla shares at a ratio of 1 Metals X Share for every 5 Aditya Birla Shares. On 7 December 2015, Metals X increased the Offer. Under the increased Offer, Metals X Shares were to be exchanged for Aditya Birla shares at a ratio of 1 Metals X Share for every 4.75 Aditya Birla Shares. On 26 April 2016, Metals X announced its conditional intention to increase the Offer to \$0.08 cash consideration for each Aditya Birla Share and 1 Metals X Share for every 4.5 Aditya Birla Shares. The total purchase consideration for the acquisition will be allocated to the assets acquired and liabilities assumed based on their respective values at the date of acquisition. The purchase consideration reflected in the Merged Group pro forma financial position has been calculated using a price of \$1.07 per Metals X Share being the Metals X Shares closing price on 4 May 2016 being the day prior to the date of this Second Supplementary Bidder's Statement.

Purchase consideration	\$'000	\$'000	\$'000
Shares issued			74,513
Cash paid			25,070
Total consideration			99,583
Net assets acquired	Book Value	Adjustment	
Cash and cash equivalents	38,112		38,112
Trade and other receivables	73,786		73,786
Inventories	31,483		31,483
Prepayments	1,042		1,042
Derivative financial instruments	-		-
Inventories	-	-	-
Property, plant and equipment	45,995	(1,733)	44,262
Mine properties and development costs	69,071	(69,071)	-
Exploration and evaluation expenditure	13,390	(13,390)	-
Deferred tax assets	-	-	-
Prepayments	274		274
Trade and other payables	(20,700)		(20,700)
Provisions	(4,086)		(4,086)
Interest bearing loans and borrowings	(25,063)		(25,063)
Derivative financial instruments	-		-
Provisions	(39,527)		(39,527)
	183,777	(84,194)	99,583

The fair value of the net assets of Aditya Birla to be acquired will ultimately be determined at the date of closing of the transaction. Therefore, it is likely that the fair values of the assets and liabilities acquired will vary from those shown above and the differences may be material.

* The notes below assume the success of the acquisition of 100% of the Aditya Birla Shares by Metals X and record the purchase accounting adjustments are as follows:

- (a) To record the purchase consideration for the Aditya Birla net assets.
- (b) To eliminate the historical Aditya Birla equity accounts.
- (c) To record the fair value adjustments to assets acquired and liabilities assumed.
- (d) To record the estimated transaction costs (including an estimate for stamp duty payable).
- (e) To record the loan under the Citi Facility.

** The following adjustments have been made to take into account the sale of Mt Gordon by Aditya Birla as disclosed in Section 6.2(b) of the Original Bidder's Statement and announced by Aditya Birla on 28 October 2015 to have completed on 27 October 2015:

- (a) An increase in cash and cash equivalents of \$4.69 million representing the \$5.0 million cash consideration payable upon settlement of the transaction less costs to sell Mt Gordon.
- (b) A decrease in the following arising from the sale of Mt Gordon:
 1. Assets of Mt Gordon classified as held for sale of \$42.86 million; and
 2. Liabilities of Mt Gordon classified as held for sale of \$38.17 million.

2.3 Pro forma Capital Structure – Merged Group

Since the date of the Offer, Metals X has processed acceptances of the Offer in respect of 94,080,319 Aditya Birla Shares and, accordingly, has issued a total of 19,806,111 Metals X Shares to accepting Aditya Birla Shareholders. Those Aditya Birla Shareholders who have accepted the Offer will be entitled to receive the increased consideration under the Increased Offer, if made.

As foreshadowed in Section 7.5 of the Original Bidder's Statement, Metals X also issued 1,751,135 Performance Rights on 24 December 2015 under the terms of the Metals X LTIP.

Assuming that Metals X acquires 100% of the Aditya Birla Shares, the following table shows the issued and fully paid share capital and performance rights of Metals X as at the date of this Second Supplementary Bidder's Statement and as it will be immediately following completion of the Offer, taking into account the conditional Increased Offer consideration.

Pro forma Capital Structure	# of securities
Metals X (current)	
Shares on issue	477,987,149
Performance Rights	3,388,155
Fully Diluted	481,375,304
Aditya Birla	
Shares on issue	313,372,551
Fully Diluted	313,372,551
Metals X (post-Offer)	
Shares on issue	527,819,382 ¹
Performance Rights	3,388,155
Fully Diluted	531,207,537
Ownership Composition (post-Merger, excluding performance rights)	
Metals X Shareholders	86.81%
Aditya Birla Shareholders	13.19%

¹ Assumes 100% acceptance of the Increased Offer by those Aditya Birla shareholders who have not accepted the Offer as at the date of this Second Supplementary Bidder's Statement, and includes the issue of the increased consideration to those Aditya Birla shareholders who have already accepted the Offer (remains subject to rounding)

2.4 Major shareholders of Merged Group

Assuming that Metals X acquires 100 percent of the Aditya Birla Shares and the Increased Offer is made, the substantial holders of Metals X Shares will be as follows, based on the substantial holders of Metals X Shares and Aditya Birla Shares, based on the most recent annual report of Aditya Birla and substantial shareholders' notices provided to Metals X:

Shareholder in Merged Group	Approximate voting power	Approximate percentage Holding
APAC Resources Limited	99,407,571	18.83%
Jinchuan Group Limited	44,000,000	8.34%
BlackRock Group	43,523,388	8.25%
Hindalco Industries Limited	31,964,000	6.06%

2.5 Recent share price performance

The latest recorded sale price of Metals X Shares on ASX before the Announcement Date of the Offer, also being the date before the Original Bidder's Statement was lodged with ASIC, was A\$1.365 as at close of trading on ASX on 14 October 2015. The closing sale price of Metals X Shares on 4 May 2016 being the trading day prior to this Second Supplementary Bidder's Statement being lodged with ASIC, was A\$1.07.

The latest recorded sale price of Aditya Birla Shares on ASX before the Announcement Date of the Offer, also being the date before the Original Bidder's Statement was lodged with ASIC, was A\$0.17 as at close of trading on ASX on 14 October 2015. The closing sale price of Aditya Birla Shares on 4 May 2016 being the trading day prior to this Second Supplementary Bidder's Statement being lodged with ASIC, was A\$0.30.

2.6 Consents

This Second Supplementary Bidder's Statement contains statements made by or statements based on statements made by Metals X and its directors. Metals X and its directors have consented to the inclusion of:

- (a) each statement made by Metals X or its Directors; and
- (b) each statement which is based on a statement made by Metals X or its directors, in the form and context in which the statement appears, and have not withdrawn their consent.

HopgoodGanim Lawyers has given, and has not withdrawn, its written consent to be named as the Australian Legal Adviser of Metals X in the form and context in which it is named. To the maximum extent permitted by law, HopgoodGanim Lawyers expressly disclaims and takes no responsibility for any part of this Second Supplementary Bidder's Statement, other than a reference to its name and the tax summary included in section 1.8 of this Second Supplementary Bidder's Statement.

Xavier Group has given, and has not withdrawn, its written consent to be named as the Corporate Advisor for Metals X in the form and context in which it is named. To the maximum extent permitted by law, Xavier Group expressly disclaims and takes no responsibility for any part of this Second Supplementary Bidder's Statement, other than a reference to its name.

Citibank, N.A has given, and has not withdrawn, its written consent to be named as the Lender and Hedge Counterparty under the Facility Agreement in the form and context in which it is named. Citibank, N.A has not authorised or caused the issue of this Second Supplementary Bidder's Statement and does not make or purport to make any statement in this Second Supplementary Bidder's Statement. To the maximum extent permitted by law, Citibank, N.A expressly disclaims and takes no responsibility for any part of this Second Supplementary Bidder's Statement, other than references to its name.

SECTION 3 APPROVAL OF SECOND SUPPLEMENTARY BIDDER'S STATEMENT

This Second Supplementary Bidder's Statement has been approved by a unanimous resolution passed by the Directors of Metals X.

Dated this 5th day of May 2016

For and on behalf of
Metals X Limited


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Peter Cook, CEO & Executive Director