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Australian Securities Exchange Limited

Birla Nifty Underground Sinkhole Update

Aditya Birla Minerals Limited (ABML) advises that Phase 2 Probe Drilling at the Nifty Underground Copper Mine has been completed and the results have been reviewed and presented to the Department of Mines and Petroleum (DMP).

The observations and findings from the probe drilling highlight an environment where:

- a) The risk of water and/or mud inrush as identified by probe drilling has been significantly reduced by the dewatered aquifer conditions above the Nifty reserve and the dewatering of the pit sump. Furthermore, future emerging risks of water and/or mud inrush are being mitigated by the implementation of the 12 level pump station, the flattening and higher elevation of the aquifer to the east and the installation of standpipes and valves for controlled aquifer drainage.
- b) The voids intercepted during the Phase 2 drilling indicate that there are stopes voids that may continue to self-propagate. There are indications that the OPQ230 and Q238/R240 stope voids may have also coalesced. This could be due to the presence of persistent geological structures intersecting the stope blocks. This void (Q238/R240 & OPQ230 blocks) has the highest risk of developing conditions conducive to chimney caving, possible sinkhole formation and air blast. The risk of air blast from open voids in the sinkhole is minimal as it has been established that it has no voids. Blast proof walls have been planned for the potential escape routes from those stopes where voids have been identified.
- c) The risk of creation of new sinkholes has been mitigated by the identification of potential mobilisation points and plans to pastefill as soon as approval to resume mining activities is given by the DMP.
- d) The condition of the regional hanging wall over areas with known voids is noted to have deteriorated above 17-level in the checkerboard area.

Combining the results of Phase 2 Probe Drilling, geotechnical mapping and inspections enabled the Company to objectively domain the reserve into mining blocks capable of safe independent mining.

As indicated, the Company has reviewed and presented the findings of Phase 2 Probe drilling to the DMP and will interact with DMP to progress the lifting of the Prohibition Notice. In the interim, a detailed mining schedule is being prepared to establish start up requirements. Critical start up constraints are being reviewed and addressed.

Pastefilling has continued in-line with the limited activities as approved by the DMP.

Coffey International, an independent external geotechnical expert appointed by the Insurers Loss Adjuster, has visited site and the documents required by them are being compiled.

Whilst the Company is proceeding with all necessary work to ensure that the Nifty Operations are reinstated in the earliest possible timeframe subject to the DMP's approval, and the results of the testing and analysis to date report positive signs for such resumption, the exact timing is still unknown. Further ongoing testing and observation work is being undertaken. The Company sought expressions of interest for Voluntary Redundancies (VR) from its employees. Acceptance of these VR's would not seriously undermine the mine resumption when it becomes a reality. Consequently, the Company is proceeding to reduce up to 109 persons, representing approximately 26% of the current Nifty Workforce, at a cost of approximately \$2.5m.

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