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# Aditya Birla Minerals Limited

## ASX RELEASE

**For the Quarter ended 30th June 2014**

### For Further Information

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## Highlights

- No production activity was undertaken at the Nifty mine during the quarter due to a Prohibition Notice issued by the Department of Mines & Petroleum (DMP), subsequent to the development of a sinkhole in March 2014.
- 1,108 tonnes of copper was sold during the quarter.
- Birla Mt Gordon Operations (BMGO) continued to remain under Care and Maintenance since April 2013.
- BMGO's Request for MRL (Mandatory Reporting Level) revision was accepted by the Department of Environment and Heritage protection (DEHP) towards the end of this quarter. The revised MRL has now been incorporated in the revised Environmental Authority (EA).
- The Company had a balance of cash and cash equivalents of \$109.72 million as at 30 June 2014.
- The operations at the Nifty mine were suspended on 21<sup>st</sup> March 2014 as a safety measure subsequent to the unforeseen event of a sinkhole development on 20<sup>th</sup> March 2014. This was followed by a Prohibition Notice issued by the Department of Mines and Petroleum (DMP). Probe drilling in two phases was undertaken and its results have been studied to assess the extent and status of the sinkhole and aquifer and to identify voids near or above open stopes. Risk assessments of the associated risks were also carried out simultaneously. Post completion of the full assessment, the Company submitted its findings to the DMP and continued the limited activities, including paste-filling, approved by the DMP during the quarter.
- The Company received notification in July 2014 from the DMP confirming the lifting of the Prohibition Notice. The DMP also requested initial monthly meetings with Inspector of Mines to discuss the mining schedule, recommencement of underground activities, geotechnical monitoring & analysis.
- Subsequent to the lifting of Prohibition Notice by the DMP, the Company has re-commenced the mining activities which will be ramped up gradually and all other functions including processing activities are likely to re-commence in August 2014.

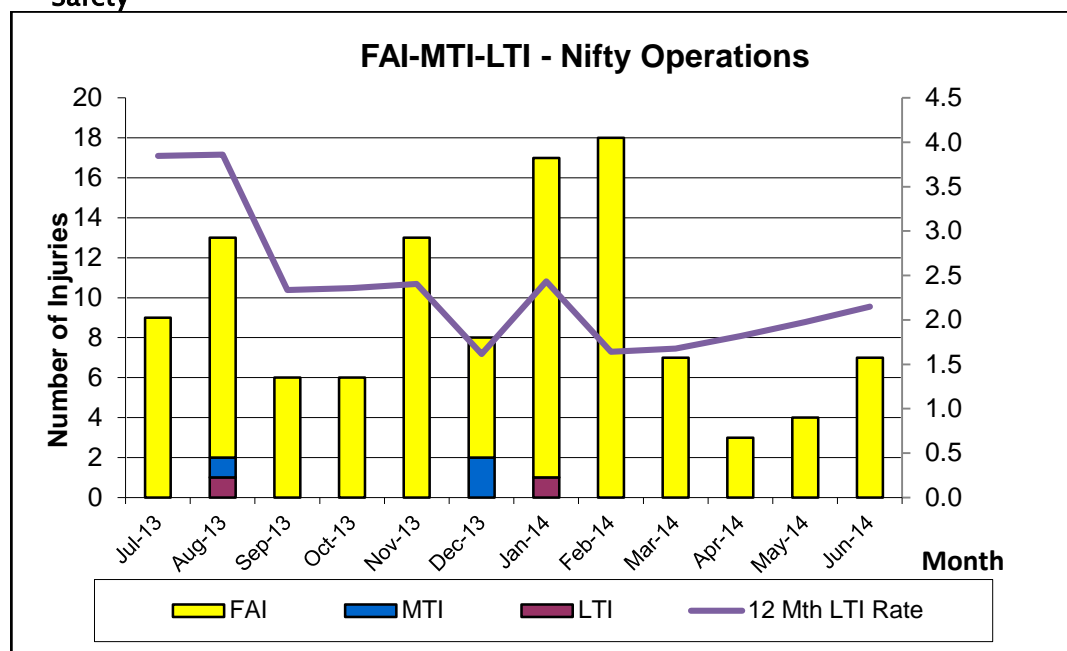
## Production Overview

Production Summary Of ABML		Quarter Ended 30 June'14	Quarter Ended 31 March'14	Quarter Ended 30 June'13	Year to Date Ended 30 June'14	Year to Date Ended 30 June'13
Ore mined	tonnes	–	497,830	591,375	–	591,375
Grade	%	–	1.98%	1.98%	–	1.98%
Cu contained	tonnes	–	9,878	11,727	–	11,727
Ore Processed	tonnes	–	497,815	585,774	–	585,774
Cu contained	tonnes	–	9,975	11,427	–	11,427
Total Copper Produced	tonnes	–	9,186	10,367	–	10,367
Total Copper Sold	tonnes	1,108	13,009	9,843	1,108	9,843

Compared to the corresponding quarter last year, Copper sales decreased by 89% due to no Copper production as a result of the suspension of mining operations at Nifty and of continuation of C&M at MGO.

## Nifty Copper Operation

### Safety



During the quarter, Nifty operations recorded a Lost Time Injury (LTI) frequency rate of 2.1, an increase due to a significant reduction of man hours worked while mining operations remain suspended.

## Environment

All environmental obligations have been complied with.

## Mining and Production

Particulars		Quarter Ended 30 June'14	Quarter Ended 31 March'14	Quarter Ended 30 June'13	Year to Date Ended 30 June'14	Year to Date Ended 30 June'13
<b>Nifty Sulphide</b>						
- Ore mined	tonnes	-	497,830	571,100	-	571,100
- <i>Grade</i>	%	-	1.98%	1.97%	-	1.97%
- Cu contained	tonnes	-	9,878	11,235	-	11,235
- Ore Processed	tonnes	-	497,815	564,731	-	564,731
- Cu contained	tonnes	-	9,975	10,916	-	10,916
- <i>Recovery</i>	%	-	92.09%	90.44%	-	90.44%
- Cu in Concentrate Produced	tonnes	-	9,186	9,873	-	9,873
Total Copper Sold	tonnes	1,108	12,874	8,060	1,108	8,060

## Nifty Sulphide Operation

No production during the quarter, following prohibition notice issued by the DMP.

## Nifty Oxide Operation

The Nifty Oxide operations continued to be under care and maintenance. Work continued to evaluate the status of the current infrastructure and suitable alternative treatment options for oxide ore.

## Costs

The total site cash cost at Nifty for Q1 FY15 was A\$ 19.70 M. This does not include Tc/Rc, transportation or royalty costs.

## Mt Gordon Copper Operation

### Safety

During the quarter, there was no lost time injury incident at BMGO. The emphasis on site was to facilitate risk assessment and to modify the mine site safety management plan during Care & Maintenance phase.

### Environment

During the quarter all the requirements of the Court Order were complied with. The net reduction to the water balance during the quarter, was 186ML. High Capacity Evaporators were refurbished during the quarter to improve the overall usage rate.

BMGO's Request for MRL (Mandatory Reporting Level) revision was submitted to DEHP based on a seepage analysis at site, which has been accepted by DEHP towards the end of this quarter. The MRL has been revised from earlier 183 mRL to 217.5 mRL, which is a positive outcome of the request. This has now been incorporated in the revised EA.

### Production

Particulars		Quarter Ended 30 June'14	Quarter Ended 31 March'14	Quarter Ended 30 June'13	Year to Date Ended 30 June'14	Year to Date Ended 30 June'13
<b>Mt Gordon Sulphide</b>						
- Ore mined	tonnes	-	-	20,275	-	20,275
- <i>Grade</i>	%	-	-	2.43%	-	2.43%
- Cu contained	tonnes	-	-	493	-	493
- Ore Processed	tonnes	-	-	21,043	-	21,043
- Cu contained	tonnes	-	-	510	-	510
- Cu in Concentrate Produced	tonnes	-	-	494	-	494
- Cu in Concentrate Sold	tonnes	-	135	1,783	-	1,783

The Mt Gordon operations continued to remain under care & maintenance during the quarter.

### Costs

The total care & maintenance cost at Mt. Gordon for Q1 FY15 was A\$1.90 M.

### ANZ Strategic Review

As previously reported, the Company engaged the Corporate Advisory Division of the ANZ bank to undertake a strategic review of the Mt Gordon Operations. ANZ have submitted their recommendations which are being studied by the Management. Based on this assessment, the Board will pursue the appropriate course of action in the coming months.

## Exploration Activities

### **Nifty Copper Project**

The Nifty and Maroochydore Copper Projects, lie approximately 300km and 400km respectively south-east of Port Hedland.

No surface or underground resource conversion drilling was undertaken during the quarter following the imposition of the DMP Notice of Prohibition on the site.

The Nifty Oxide operations continued to be under care and maintenance. Work continued to evaluate the status of the current infrastructure and suitable alternative treatment options for oxide ore.

A 146 hole, 1,900m RC drilling programme is planned to test the entire surface area of the heap leach pad on 50m x 50m grid spacing. The drill programme is designed to provide bulk samples for metallurgical testing and evaluation.

Muttabarty EL45/2771 located adjacent to the Dromedary zinc prospect in the Northern tenements was granted during the quarter.

### **Nifty Near Mine Exploration Drilling**

No exploration drilling was undertaken during the quarter. Approvals of Programmes of Work (POW's) for all drilling planned at near mine Nifty were received.

### **Nifty Southwest**

A 50% pro-rata refund of drilling costs totalling approximately \$47,500 was received from the DMP for the first co-funded hole. The outstanding 50% becomes available upon completion of further work on the core which the exploration team will commence upon re-establishment of site activities.

It is intended to apply for co-funding for further drill holes during the next round of funding. A second co-funded hole, proposed for drilling a site only 1km northeast of the Nifty pit, will form part of this application.

### **FY15 Exploration Drilling Programmes**

Responses to all requests seeking tenders for air core, reverse circulation and diamond drilling contracts were received and will be evaluated early in Q2.

### **Nifty Regional Exploration**

#### **Rainbow Prospect**

The Rainbow copper prospect is located approximately 30km northwest of Nifty Mine and occurs as stratabound copper mineralisation near the interface of the Proterozoic Basal Broadhurst Formation and Coolbro Formation metasediments within an anticlinal structure adjacent to the major Vines Fault.

POW's were approved during the quarter for planned drilling programmes.



The two northern areas shown on Figure 1 are proposed bedrock air core programmes testing for shallow copper anomalism. The two southern areas are planned to undergo reverse circulation drilling to test down dip and along strike of prior intercepts of shallow oxide copper mineralisation on the southwest and northeast flanks of a basement dome of Coolbro Sandstone.

**Figure 1 Plan of Maximum Copper Values in Drill Hole on VTEM Image**

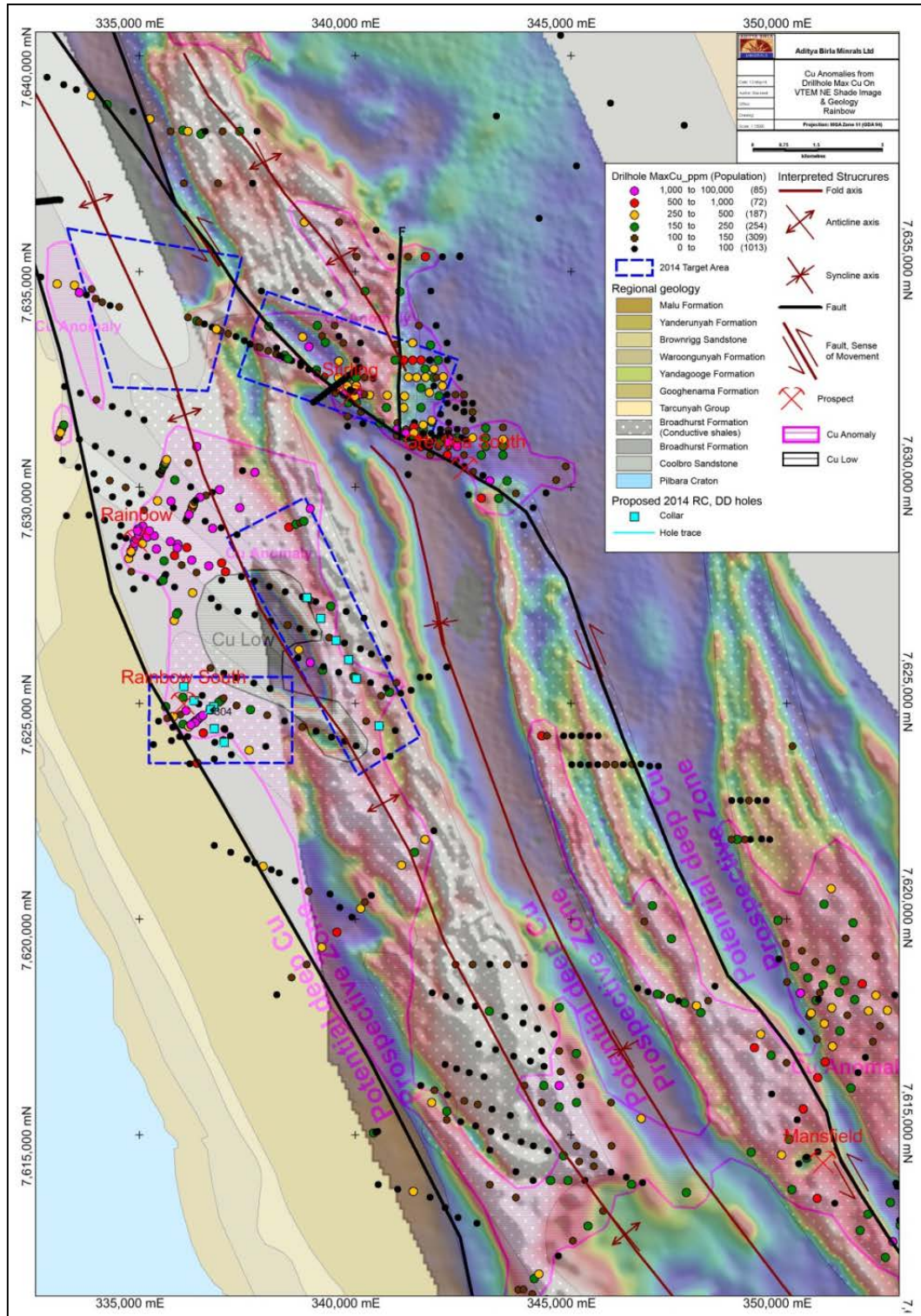


Figure 1 shows these areas form part of a broader area, of at least 25km strike length and 10km across strike in this region, in which plots of maximum copper values in all prior drilling show weakly to strongly anomalous copper levels over this region. Anomalous values of >150ppm Cu mostly fall within conductive Broadhurst metasediments distributed within doubly-plunging, tightly folded synclinal troughs similar in style to the Nifty syncline. These are interpreted to have potential to host Rainbow and Nifty stratabound style copper mineralisation and warrant follow-up exploration.

A notable focus of good copper anomalism lies in the north/central area at the confluence of interpreted flexured major faulting and splay faulting. The historic Stirling and Grevillea prospects are located here.

### **Regional Aeromagnetic Survey**

The planned flying of a low-level aeromagnetic/radiometric survey over the northern Nifty tenements was deferred to a later date.

### **Maroochydhore Copper Project**

No field exploration was undertaken during the quarter.

Density measurements were completed on core samples from 5 historic drill holes that intersected the Maroochydhore copper sulphide horizon in the 2010 and 2011 drilling programmes.

Maroochydhore Exploration Licences E45/1840, 1841 and 3011 were granted.

### **Drilling**

The Maroochydhore in-situ maiden copper sulphide resource, released last quarter, comprises an Inferred Resource of 5.43Mt @ 1.66% Cu above a cut-off grade of 1.10% Cu and contains approximately 90,000 tonnes of copper.

It is the first copper sulphide resource to be identified in the Yeneena Basin since the discovery of Nifty and remains open along strike and down dip. Regionally it appears to be a stratabound deposit of low to medium grade copper that exhibits both grade and apparent thickness enhancement associated with structural deformation.

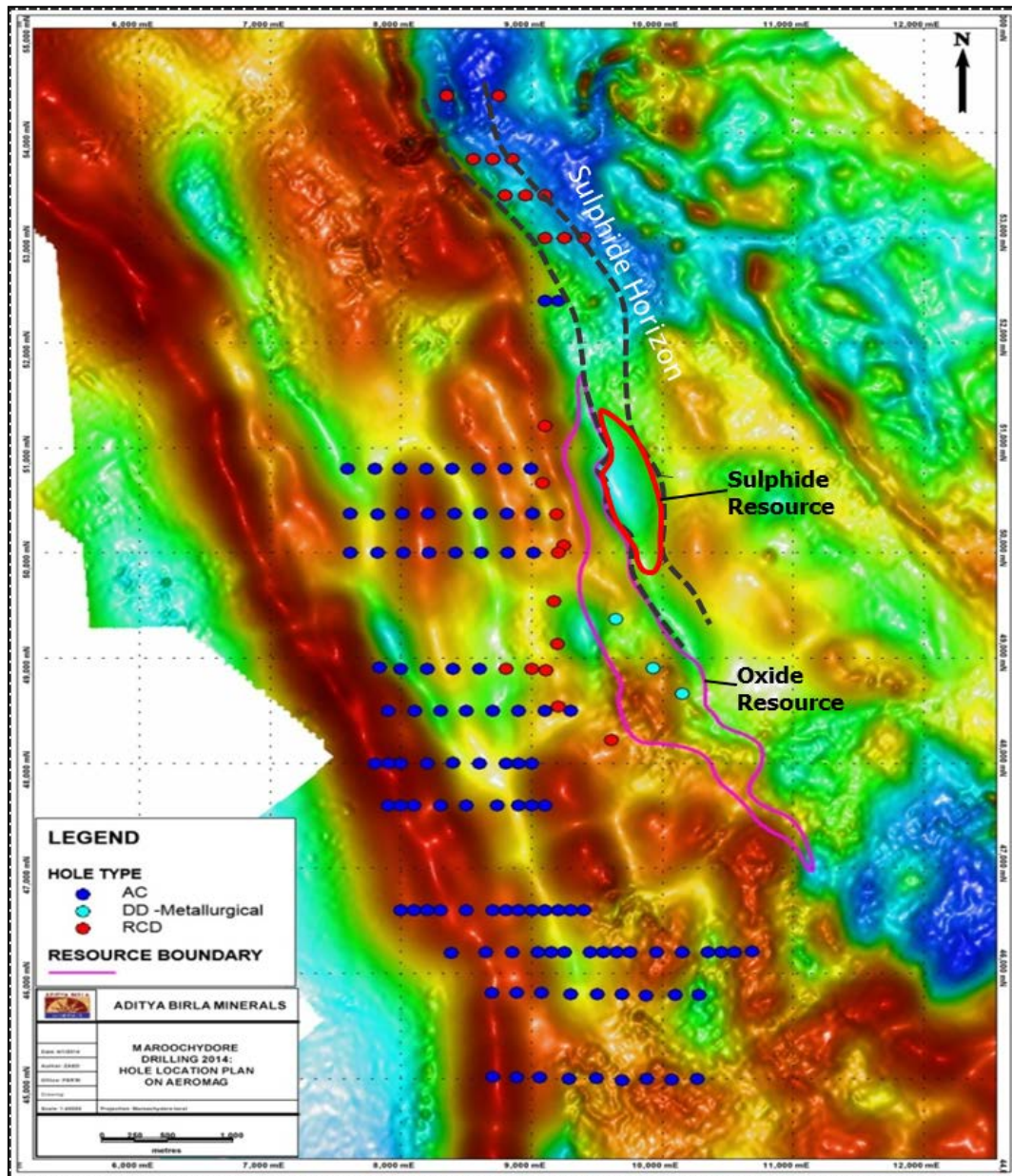
Drill hole 13MAD009 exhibited structural complexity beneath the western margin of the supergene oxide deposit. Geophysical modelling of high resolution aeromagnetic data here suggests the presence of a synformal structure to the west of the deposit. Drilling programs are planned and directed at testing west of the oxide deposit for possible down-faulted or down-folded mineralisation and along strike to the northwest.

Three large diameter (PQ) diamond drill holes have also been planned to drill the full profile of the supergene oxide and sulphide mineralisation to provide samples for metallurgical testwork.

The planned drilling and oxide and sulphide mineralisation trends are shown on the TMI image on Figure 2.



Figure 2: Planned Drilling and Oxide and Sulphide Resource Boundaries.



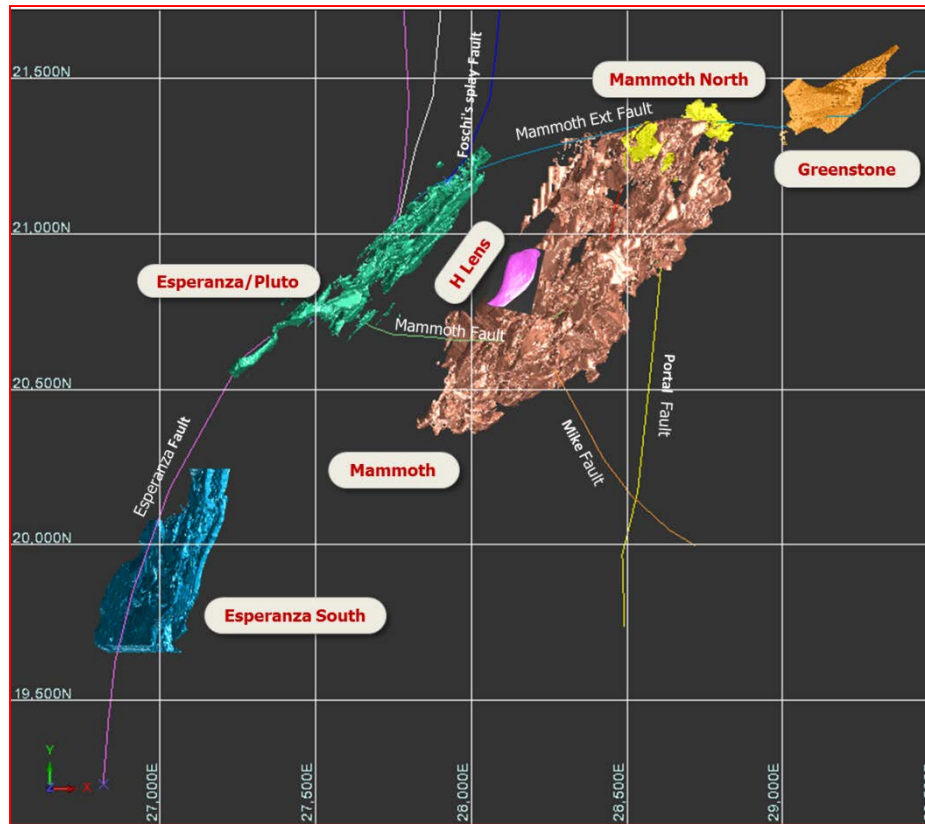
## Mt Gordon Copper Project

### Near Mine

The Mt Gordon Copper Project is located in northwest Queensland approximately 120 km north of Mt Isa.

The Mt Gordon copper deposit locations, including the location of the new high grade H Lens and Mammoth South mineralisation, are shown in Figure 3.

**Figure 3: Mt Gordon copper deposit Locations –Plan View**



The in-situ Mineral Resource for the Mt Gordon Copper Operations at 31 March 2014 totals 185.27Mt @ 1.27% Cu, above a reporting cut-off of 0.5% Cu.

Three Mining leases, ML's90180, 90181 and 90182, were granted during the quarter.

No field geological activity was undertaken.

#### **Mt Gordon Regional Exploration**

A new exploration model for the Mt Osprey tenement was generated. A programme of dipole-dipole Induced Polarisation (IP) survey and diamond drilling was planned to test an undrilled Questem conductor which lies within the convergence zone of two major faults and has a geological and structural setting interpreted to be similar to that at Esperanza.

No field exploration was undertaken during the quarter.

## Market Outlook

Copper prices are currently range bound between US\$ 7000–7100/MT. It has increased from a bottom of ~US\$ 6600 touched in March–April 2014 on the concerns of slowdown in Chinese growth, which accounts for ~ 40% of world's total copper consumption, and slow recovery in Europe.

LME copper inventories have been falling recently, which has supported the price in the last few months. There are some signs of improvement in US economy. Copper fundamentals appear to be supportive of range bound LME in the short term, downside risks from the macro economic factors persist.

## Company profile

Aditya Birla Minerals (ASX: ABY) is a copper mining company in Australia with operations in Western Australia and Queensland. ABY conducts copper mining and exploration activities at the Nifty Copper Operations located in the Great Sandy Desert, Western Australia and the Mt Gordon Copper Operations near Mt Isa, Queensland.

Copper concentrates produced from its copper mines are shipped to Hindalco Industries Limited's (Hindalco) copper smelter in India. Hindalco is a member of the Aditya Birla Group, one of India's largest industrial conglomerates.

Hindalco has a 51% shareholding in ABY and is Asia's largest integrated aluminium producer and growing copper producer.

Since listing on the Australian Stock Exchange in 2006, ABY management has turned around the performance of these projects resulting in substantial increases and improvements in operational efficiency and production.

Both Aditya Birla Minerals and Hindalco have a reputation for efficient copper operations, providing copper investment opportunities that exceed and extend mining capabilities.

Aditya Birla Minerals has a team of highly skilled mining and copper exploration industry professionals, each adhering to the Company's values: commitment, integrity, speed, seamlessness and passion.

## Competent Person's Statement

The Information in this report that relates to exploration results is based on information compiled by Maurice Hoyle, a Fellow of the Australasian Institute of Mining and Metallurgy and Sean Sivasamy, a Member of the Australasian Institute of Mining and Metallurgy, both of whom are full time employees of the Company. Mr Hoyle and Mr Sivasamy have sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which they are undertaking to qualify as Competent Persons as defined in the 2004 Edition of the Australasian Code for Reporting of Exploration results. Mr Hoyle and

Mr Sivasamy have given their consent to the inclusion of this information in the form and context in which it appears.

The information in this report which relates to Mineral Resources for the Nifty, Mt Gordon and Maroochydore projects is based on and accurately reflects reports prepared by DataGeo and Sivasamy in 2013/14. Mr Ball and Mr Sivasamy have the necessary experience relevant to the style of mineralisation, the type of deposit and the activity undertaken to qualify as a 'Competent Person' under the JORC Code for Reporting of Mineral Resources and Ore Reserves (2012 Edition). Mr Ball and Mr Sivasamy have given their consent to the inclusion of the material in the form and context in which it appears. Mr Ball is Principal of DataGeo Geological Consultant (an independent geological consultancy). Mr Sivasamy is a full time employee of Aditya Birla Minerals Limited (ABML).

ABML has had preliminary studies carried out for the Deposits currently reporting to the Mineral Resource at Mt Gordon to establish if it is economic to mine at a lower head grade and hence cut-off. This work has suggested that material within the mineral resource above a cut-off of 0.5% has the potential to be mined by bulk underground mining methods.

The depletion of the Mineral Resources for the Nifty and Mt Gordon operations for the 2014 reporting period is based on and accurately reflects information prepared by Mr Ball and Mr Sivasamy. Mr Ball is a member of the AusIMM (CP-Geo) and Mr Sivasamy is a Member of the AusIMM. Mr Ball and Mr Sivasamy have the qualifications and necessary experience with this style of mineralisation to qualify as a competent person as described by the 2012 JORC Code for reporting of Mineral Resources and Ore Reserves. Mr Ball and Mr Sivasamy have given their consent to the inclusion of the material in the form and context in which it appears.

The information in this release was previously reported to ASX in the release titled 'Resource Update as at 31 March 2014 dated 30 April 2014.

#### **Disclaimer:**

This announcement includes certain "Forward-Looking Statements". All statements, other than statements of historical fact, included herein, including without limitation, statements regarding financial, production and cost performances, potential mineralisation, exploration results and future expansion plans and development objectives of Aditya Birla Minerals Limited are forward-looking statements that involve various risks and uncertainties.

Forward-looking statements inherently involve known and unknown risks, uncertainties and other factors that may cause the company's actual results, performance and achievements to differ materially from any future results, performance or achievements stated in these forward looking statements. Relevant factors may include, but are not limited to, changes in commodity prices, foreign exchange fluctuations and general economic conditions, increased costs, speculative nature of exploration and project development, including the risks of obtaining necessary licenses and permits and diminishing quantities or grades of reserves, political and social risks, the actions of competitors, changes to

regulatory framework, within which the company operates or may in future operate, environmental conditions including extreme weather conditions, recruitment and retention of personnel, industrial relations issues and litigation.

Forward-looking statements are based on the company management's good faith assumptions relating to the financial, market, regulatory and other relevant environments that will exist and affect the company's business and operations in the future. The company does not give any assurance that the assumptions on which such forward looking statements are based will prove to be correct, or that the company's business or operations will not be affected in any material manner by these or other factors not foreseen or foreseeable by the company or management or beyond the company's control. There can be no assurance that such forward looking statements will prove to be accurate and actual results and future events could differ materially from those anticipated in such statements. Given these risks and uncertainties, the readers are cautioned not to place undue reliance on forward looking statements.

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