



Aditya Birla Minerals Ltd

Presentation at 5th RIU Melbourne Resources Round-up
25 September 2014

Presentation by:

Sunil Kulwal,

CEO & Managing Director



Disclaimer

This presentation has been prepared by Aditya Birla Minerals Limited ("ABML") and consists of written materials/slides for a presentation concerning ABML. By reviewing/attending this presentation, you agree to be bound by the following conditions.

No representation or warranty, express or implied, is made as to the fairness, accuracy, or completeness of the information, contained in the presentation or of the views, opinions and conclusions contained in this material. To the maximum extent permitted by law, ABML and its related bodies corporate and affiliates, and its respective directors, officers, employees, agents and advisers disclaim any liability (including, without limitation any liability arising from fault or negligence) for any loss or damage arising from any use of this material or its contents, including any error or omission there from, or otherwise arising in connection with it.

Some statements in this presentation are forward-looking statements. Such statements include, but are not limited to, statements with regard to capacity, future production and grades, projections for sales growth, estimated revenues and reserves, targets for cost savings, the construction cost of new projects, projected capital expenditures, the timing of new projects, future cash flow and debt levels, the outlook for minerals and metals prices, the outlook for economic recovery and trends in the trading environment and may be (but are not necessarily) identified by the use of phrases such as "will", "expect", "anticipate", "believe" and "envisage". By their nature, forward-looking statements involve risk and uncertainty because they relate to events and depend on circumstances that will occur in the future and may be outside ABML's control. Actual results and developments may differ materially from those expressed or implied in such statements because of a number of factors, including levels of demand and market prices, the ability to produce and transport products profitably, the impact of foreign currency exchange rates on market prices and operating costs, operational problems, political uncertainty and economic conditions in relevant areas of the world, the actions of competitors, activities by governmental authorities such as changes in taxation or regulation.

Given these risks and uncertainties, undue reliance should not be placed on forward-looking statements which speak only as at the date of the presentation. Subject to any continuing obligations under applicable law or any relevant stock exchange listing rules, ABML does not undertake any obligation to publicly release any updates or revisions to any forward looking statements contained in this presentation, whether as a result of any change in ABML's expectations in relation to them, or any change in events, conditions or circumstances on which any such statement is based.

Certain statistical and other information included in this presentation is sourced from publicly available third party sources and has not been independently verified.

All figures are expressed in Australian dollars unless stated otherwise.

Competent Persons Statement

The information in this presentation which relates to Mineral Resources for the Nifty, Mt Gordon and Maroochydore projects is based on and accurately reflects reports prepared by Peter Ball of DataGeo and Sean 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).

The Measured and Indicated Mineral Resources are inclusive of those Mineral Resources modified to produce the Ore Reserve. All significant Resource numbers do not imply precision. Figures are rounded according to JORC Code guidelines.

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.

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.

Company Highlights

Strong balance sheet, sound strategy and operational discipline see us well placed

Part of prestigious Aditya Birla Group and backed up by Hindalco, one of the world's largest metal players, strengthens our position in copper market

Owns two copper mines in Australia



ABY: Company snapshot

Ordinary shares on issue

- 313,372,551

Share Price as at 17 Sep 2014

- A\$ 0.25 cents

Market Capitalisation

- ~A\$ 78 million

Revenue for FY14

- A\$ 315 million

Gross Profit for FY14

- A\$ 5.7 million

**Cash and Cash equivalent
as of 30th June 2014**

- A\$ 109.72 million

Dividend

- 9 cents fully franked dividend paid for FY11
- 5 cents unfranked dividend paid for FY12
- No dividend declared for FY13 & FY14

Resources as on 31st March 2014

- Total resources 273.86 Mn tonnes with contained copper of 3.53 Mn tonnes



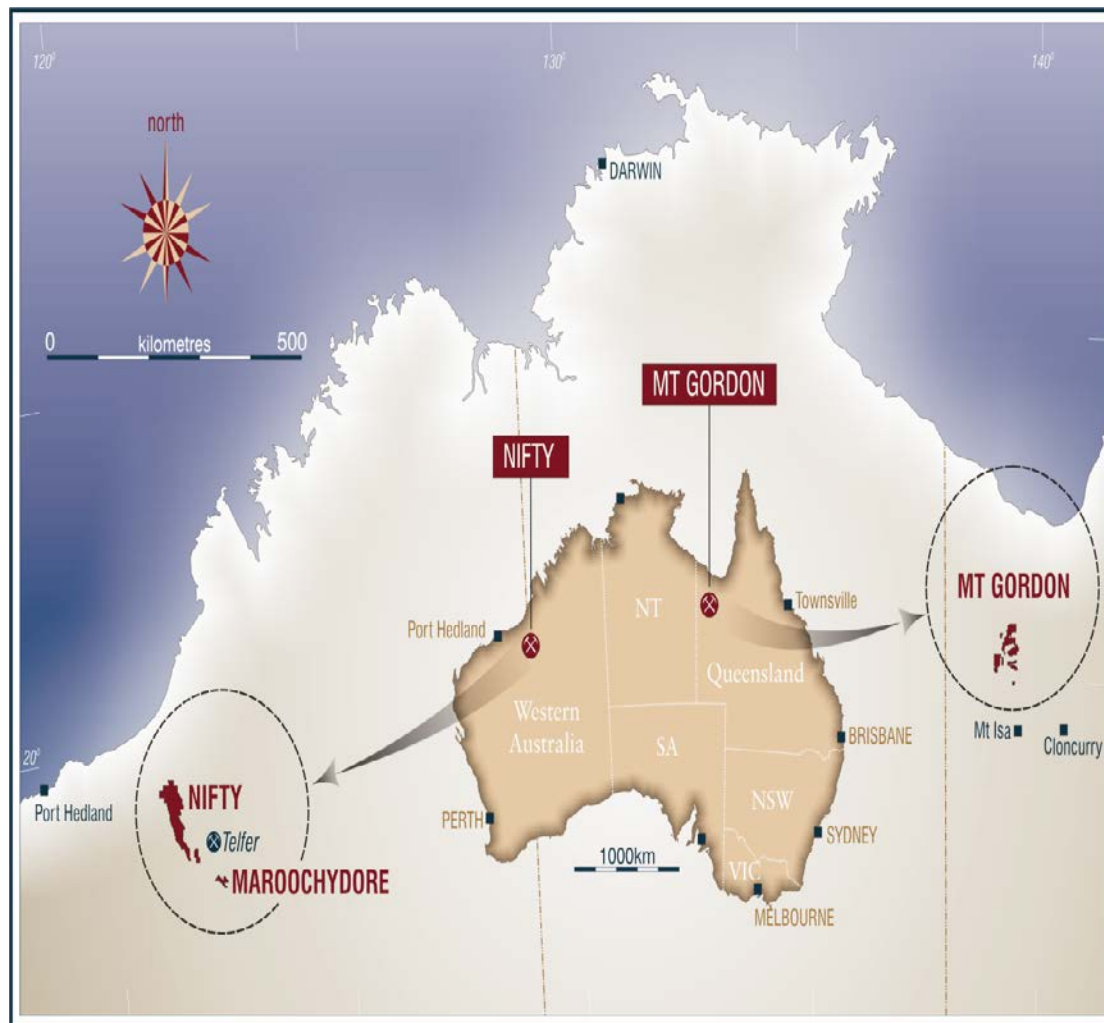
Aditya Birla Minerals

Nifty Operations

- Great Sandy Desert Region of the East Pilbara in Western Australia, approx 1,250 km north of Perth and 350 km east of Port Hedland.
- Acquired the Nifty operation in March 2003 for the large undeveloped sulphide resource.
- Nifty mine has a capacity of 2.3 mtpa and the concentrator plant has a capacity of 2.5 mtpa.

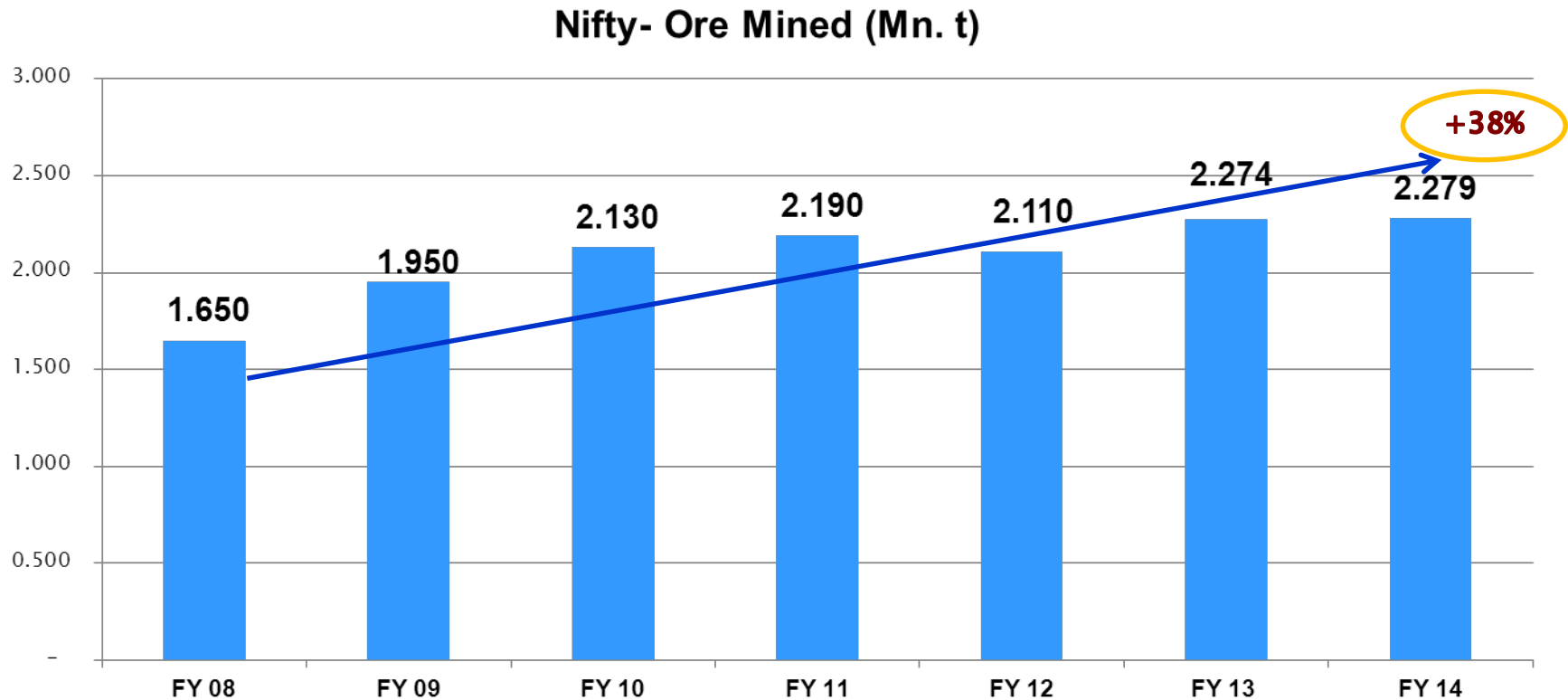
Mt Gordon Operations

- Located in northwest Queensland, approximately 120 km north of Mt Isa
- Purchased the Mt Gordon copper operation in Queensland in November 2003.
- The operation has ability to mine 1.2 mtpa of ore from Mammoth underground decline operation.



Nifty Ore Mined

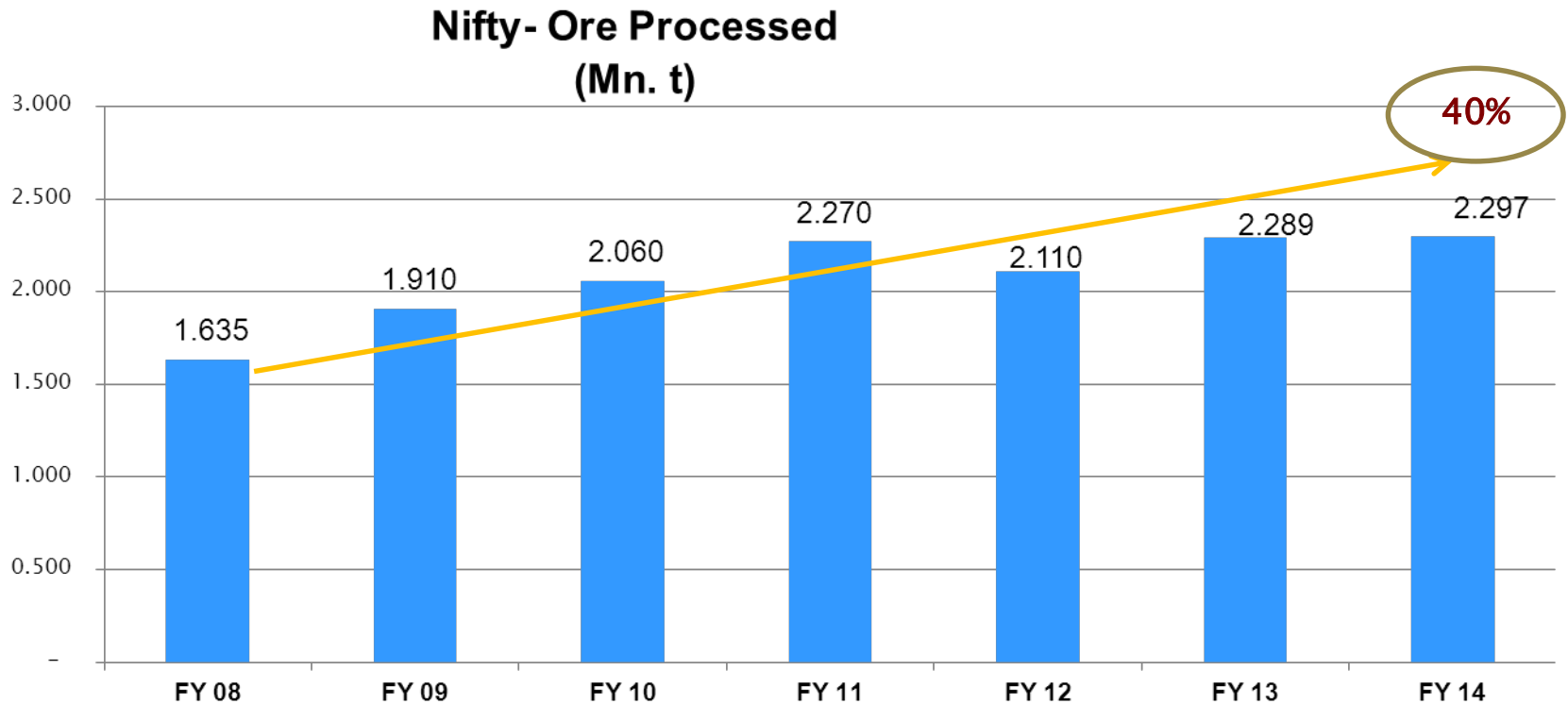
Mine productivity increased by 38% in last 6 years



Achieved highest ever Mine productivity in FY14

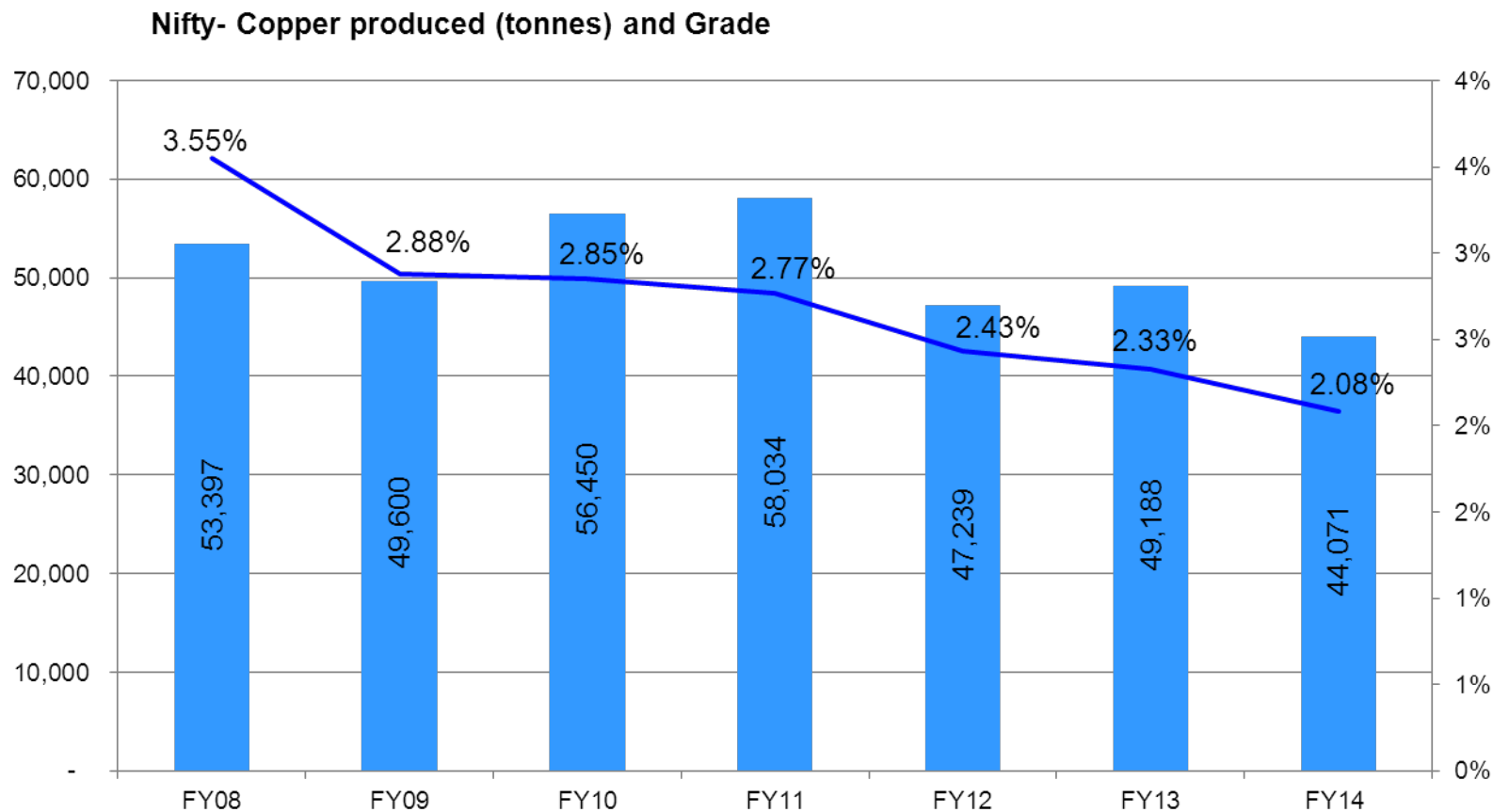
Nifty Ore Processed

Mill productivity increased by 40% in last 6 years



Continued to increase Mill productivity in the current year.

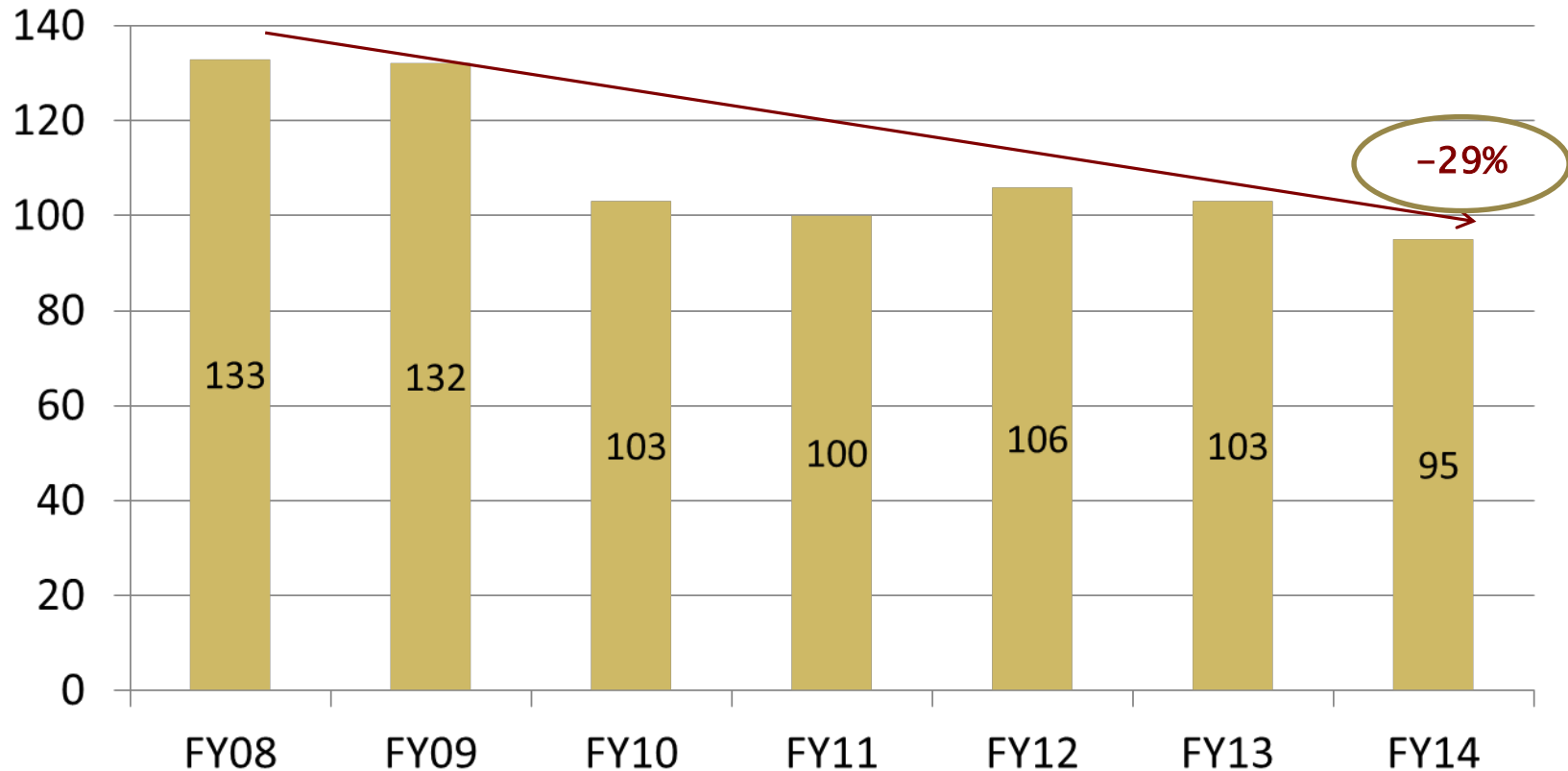
Nifty Copper produced and Average Grade



- Grade has gone down by 41% since 2008
- In spite of 41% reduction in grade, impact on Copper production was mitigated substantially by consistent improvements in operational efficiencies

Nifty: Unit costs

Site cost \$ per ton of ore mined / processed



Cost inflation pressure has been countered by increase in mine output consistently



Nifty C1 Cost per Lb of Copper

AU Cents/lb

NIFTY C1 COST	FY14	FY13
Total Site Cash Cost	223	217
Transportation & Logistics Cost	18	16
Tc/Rc	24	17
Total CI cost	265	250

Site cost per lb of copper was higher in FY14 than previous year due to lower copper grade.



Key Highlights for Current Year FY15

- ❑ Nifty mining operations have re-commenced from mid July 2014 in a gradual manner and processing plant has re-started on 26th August 2014 following a prolonged shutdown of operations due to a Prohibition Notice received from the DMP subsequent to a sinkhole developed at the mine on 20th March 2014.
- ❑ Voluntary Redundancy was taken up by 106 employees, representing 26% of Nifty work force.
- ❑ Prohibition notice was lifted by the Department of Mines and Petroleum (DMP) on 4th July 2014 subsequent to submission of Probe drilling results, Risk assessment and Hazard control reports and completion of investigative activities carried out during the quarter to the satisfaction of the DMP.
- ❑ Roster change from 8:6 to 2:1 for EBA staff has been implemented w.e.f. 29th July'14
- ❑ The amendment application for Environment Authority (EA) made by Birla Mt Gordon on 20th March 2013 to increase the MRL in the Esperanza Pit from 183RL to 217.2 RL was approved by administering authority on 25/6/2014 and a draft Environment Authority has been issued. As there are objection to draft EA by stakeholder, the matter will be referred to land court for decision.



Nifty Operations Update

- ❑ A positive milestone was achievement of 1 year LTI free for the mining department up to the end of August 2014. Vigilance and awareness is being maintained as work crews adjust to roster changes.
- ❑ Several new headings have been commissioned and operating development has picked up to address short term requirements. Capital development into the west and north limbs of the underground mine commenced in the second half of August 2014.
- ❑ Production drilling is progressing well inline with the 12 months schedule.
- ❑ Pastefilling of the coalesced void OPQ230 has been adversely interrupted by paste leaking into the S230 stope which is at remote bogging stage. It has become necessary to first fill S230 sequentially to OPQ230 to be able to contain the interaction.
- ❑ Alternative stopes are being setup in S220 and V240 stopes to resume pastefilling on dry tails during the off week of the milling campaign.
- ❑ Work has commenced into how to safely mine remnant and isolated stopes in the South East quadrant of the checkerboard with assistance from AMC consulting.
- ❑ The operations are currently running at a lower rate of ~120kt per month of ore mining and processing, which is planned to be ramped up gradually to ~150-160kt per month in the next few months.
- ❑ The New Seismic system has been picking up very small activity in the footwall on the north. Such activity is in the range as expected and has no deleterious impact on mining. Underground extensometers are not showing any displacements. The final stage of the seismic system also been commissioned, increasing the seismic systems capacity to monitor and locate rock movement throughout the mine and surrounding areas.
- ❑ Crack monitoring is showing dilation and deepening of existing cracks as expected which was a predicted outcome of the continuing mine wide subsidence monitored by crack monitors on the surface. Stope CMS (Cavity Monitoring Surveys) have not shown any rock mass behaviour of concern.
- ❑ Work on life of mine plan and reserve updating to assess the impact of sinkhole has commenced

Nifty: Key Focus Areas

➤ **Productivity improvement**

- ☐ Implement the mining strategy where some parts of the checker board area are deferred on resumption until mining studies into alternative mining method have been completed.
- ☐ Balance new areas with the checker board to support the resumption of operations and the life of mine plan.
- ☐ Plan to ramp up the mine output to 1.8 mtpa over the next 12 months.

➤ **Cost optimization**

- ☐ Review procurement strategy for major items and services
- ☐ Further implement cost optimisation initiatives

➤ **Mine Development**

- ☐ Focus on development to access mine areas outside the checkerboard

➤ **Mobile Fleet**

- ☐ Sustain midlife rebuild of mobile fleet to avoid future production issues
- ☐ Replace ageing support equipment

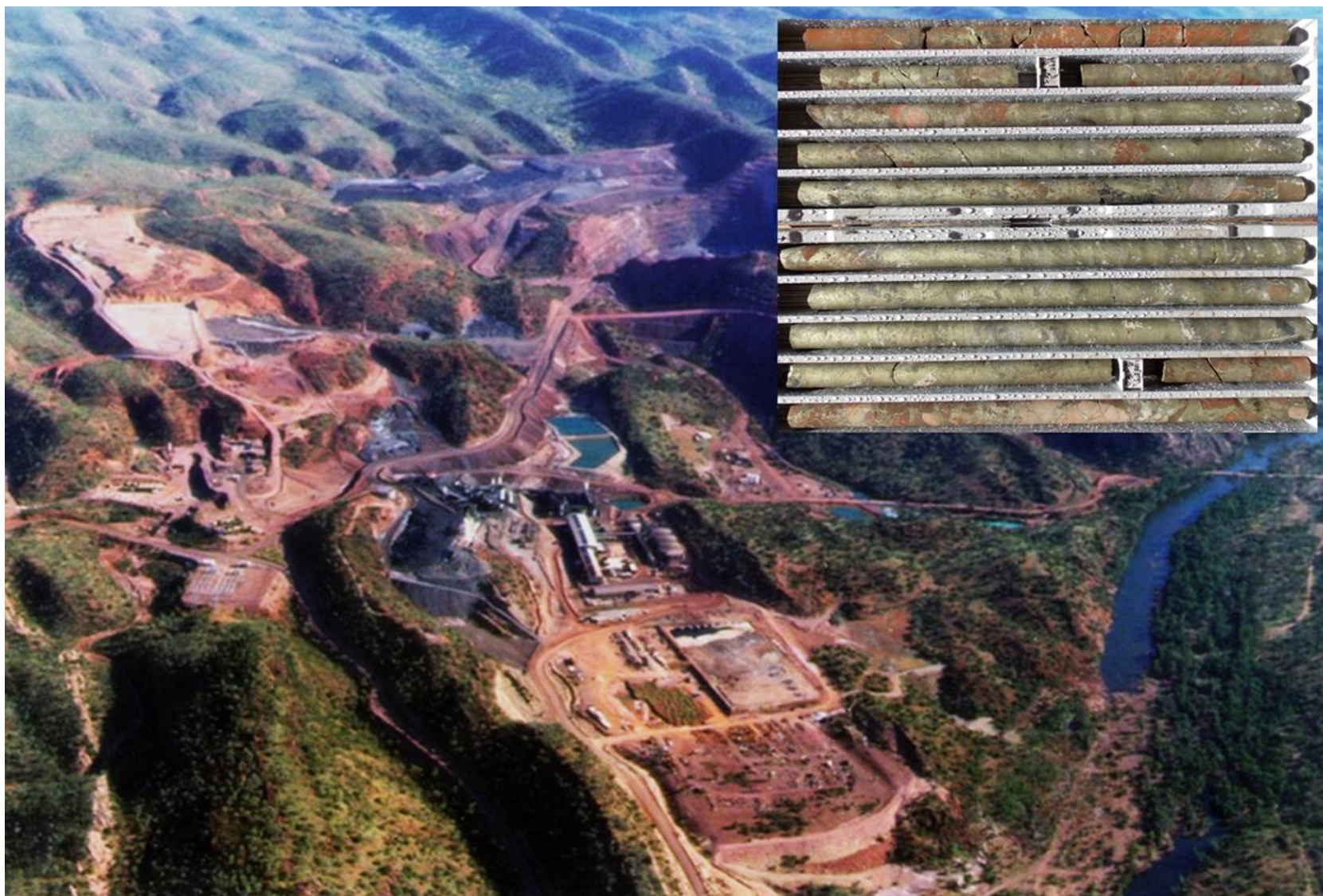


Mt Gordon: Strategic Review by ANZ Bank

- Mt Gordon was put under care & maintenance in April 2013 subsequent to a Scoping study conducted by AMC Consultants suggesting potential for reducing the operating cost through sub level cave mining methodology with hoist shaft haulage
- Scoping study highlights possibility of cost effective ~4 million tonnes per annum operations for 15 years with potential of total operating mine life of 20 years, total production target of 70mn tonnes at average copper grade of 1.3%, as published in the ASX release dated 19 December 2013. The Company confirms that all material assumptions underpinning the production targets, and forecast financial information derived from the production targets, in the relevant market announcement on 19 December 2013 continue to apply and have not materially changed.
- Corporate Advisory Division of ANZ Bank was appointed as a sole financial advisor to carry out strategic review of Mt Gordon operations and advise on all strategic options
- The strategic review process has taken a considerable amount of time in order to fully evaluate each alternative available to the Company.
- The ANZ has submitted their recommendations which are being studied by the management
- Based on this assessment, Board will take an appropriate decision and pursue an appropriate course of action in the coming months.



Geology & Exploration





Exploration Achievements FY14

- Discovered new ore lenses at Mt Gordon Copper Operation (H lens and Mammoth South).
- Mineral Resource updated for the Mt Gordon Copper Operation; 185.27Mt @ 1.27% Cu above a reporting cut-off of 0.5% Cu for 2.33Mt of contained copper. This represents a 13% increase in contained copper over that of 31st March 2013.
- Mineral Resource updated for the Nifty Sulphide Copper Operations; 29.68Mt @ 2.27% Cu above a reporting cut-off of 1.2% Cu.
- A total of 36,904 metres were drilled to end March 2014:
 - Nifty –18,211m (Surface exploration near mine 8,920m, Regional 2,852m, Surface Resource 3,833m, and Underground 2,616m)
 - Mt Gordon – 13,000m (Surface 5,550m, Underground 7,450m)
 - Maroochydore—5,693m
- Completed specialist targeting studies on Nifty near mine, Nifty Regional and Maroochydore areas to generate drilling targets.



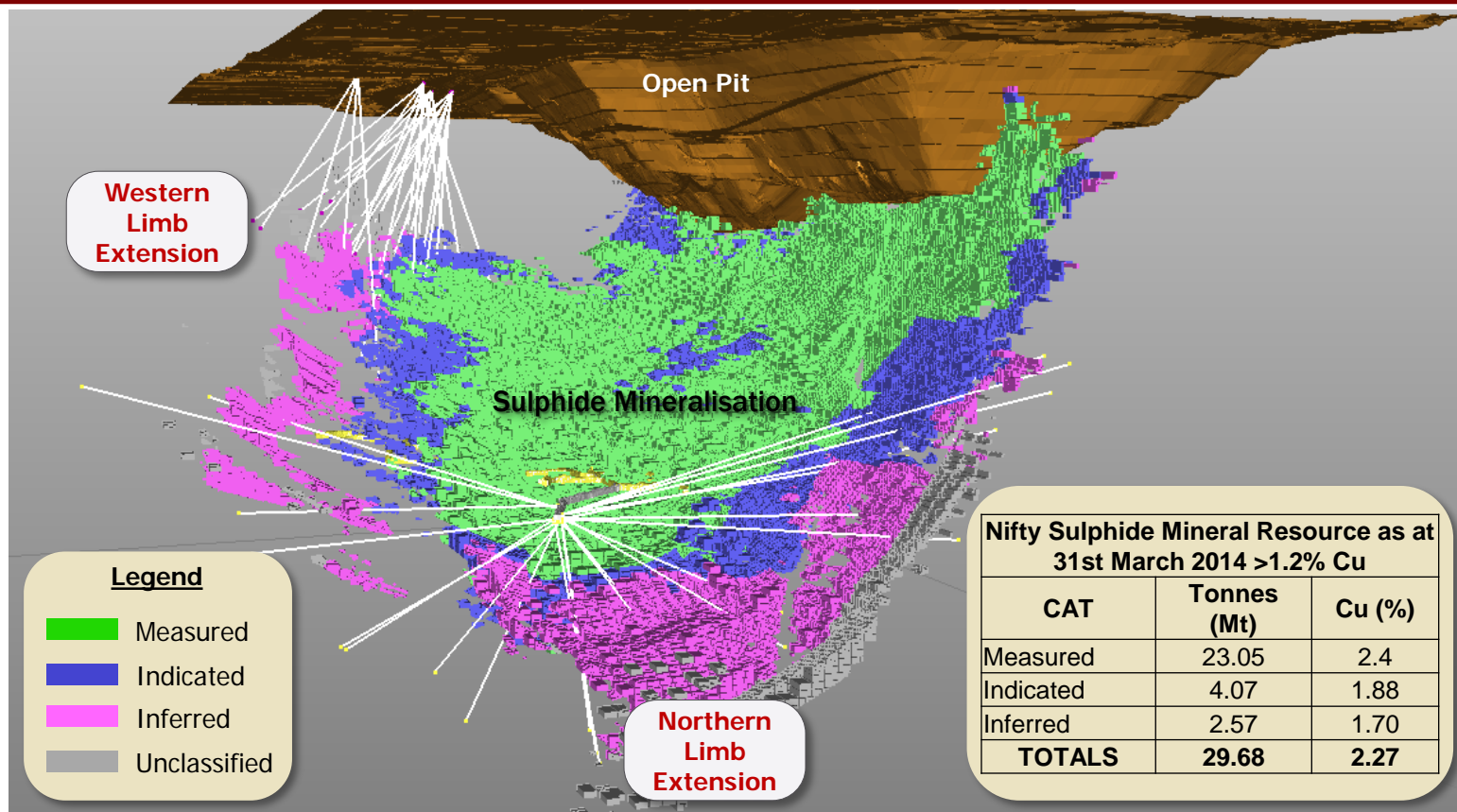
Exploration and Geology Progress –FY15



- No exploration drilling undertaken during mine closure. All POW's granted for planned drilling programmes.
- In-house study illustrates large regional area of copper interest at Rainbow.
- A total of 6,519m Probe drilling meters was drilled in two phases for aquifer and void testing in fulfilment of safety and technical requirements subsequent to development of sinkhole at Nifty
- Leach pad drilling program (1,900m RC) completed recently and assay results are awaited.
- Western Resource (3,500m RC/DD) delineation drilling planned for Q2.



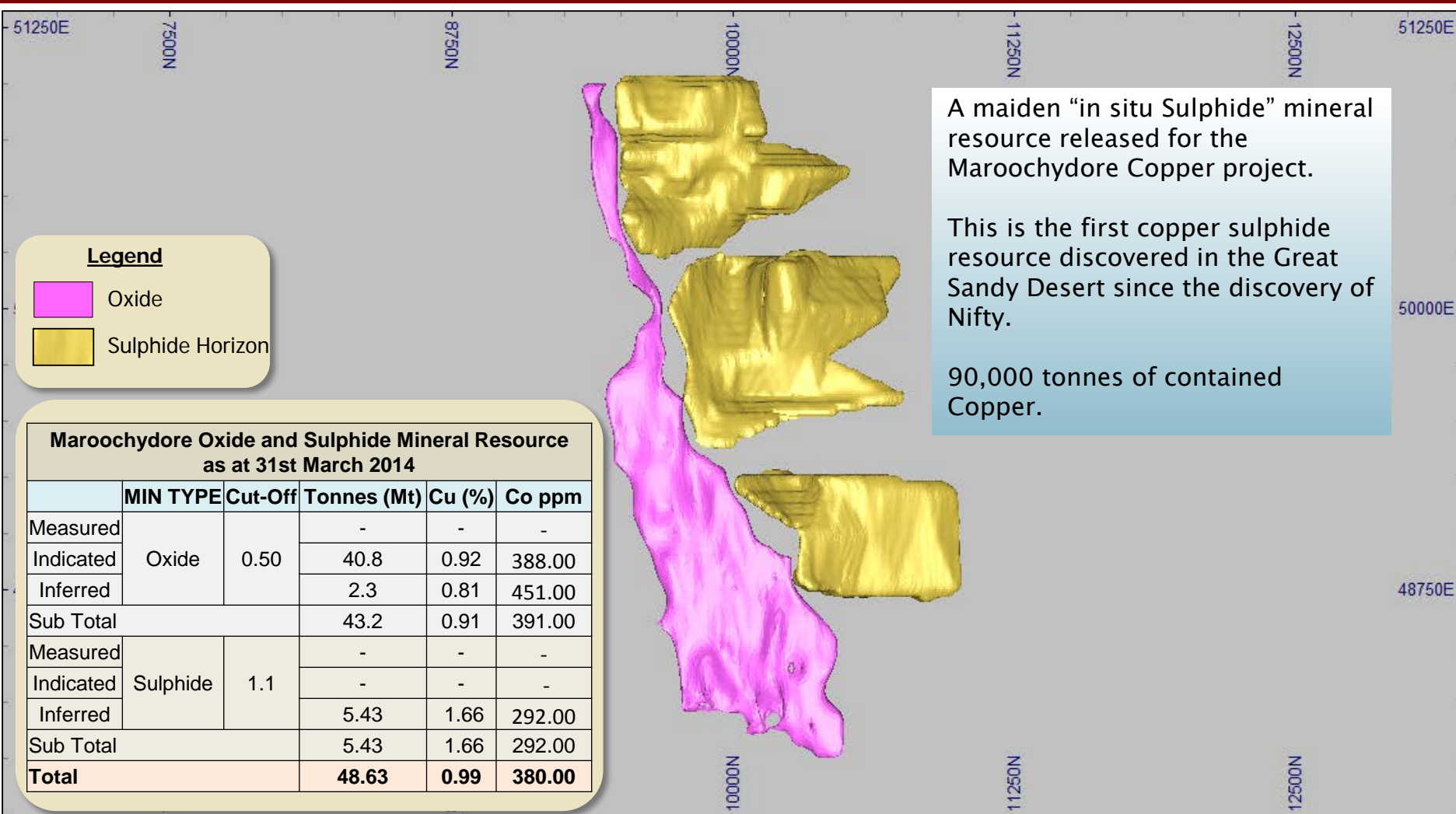
Nifty – Resource Conversion Drilling



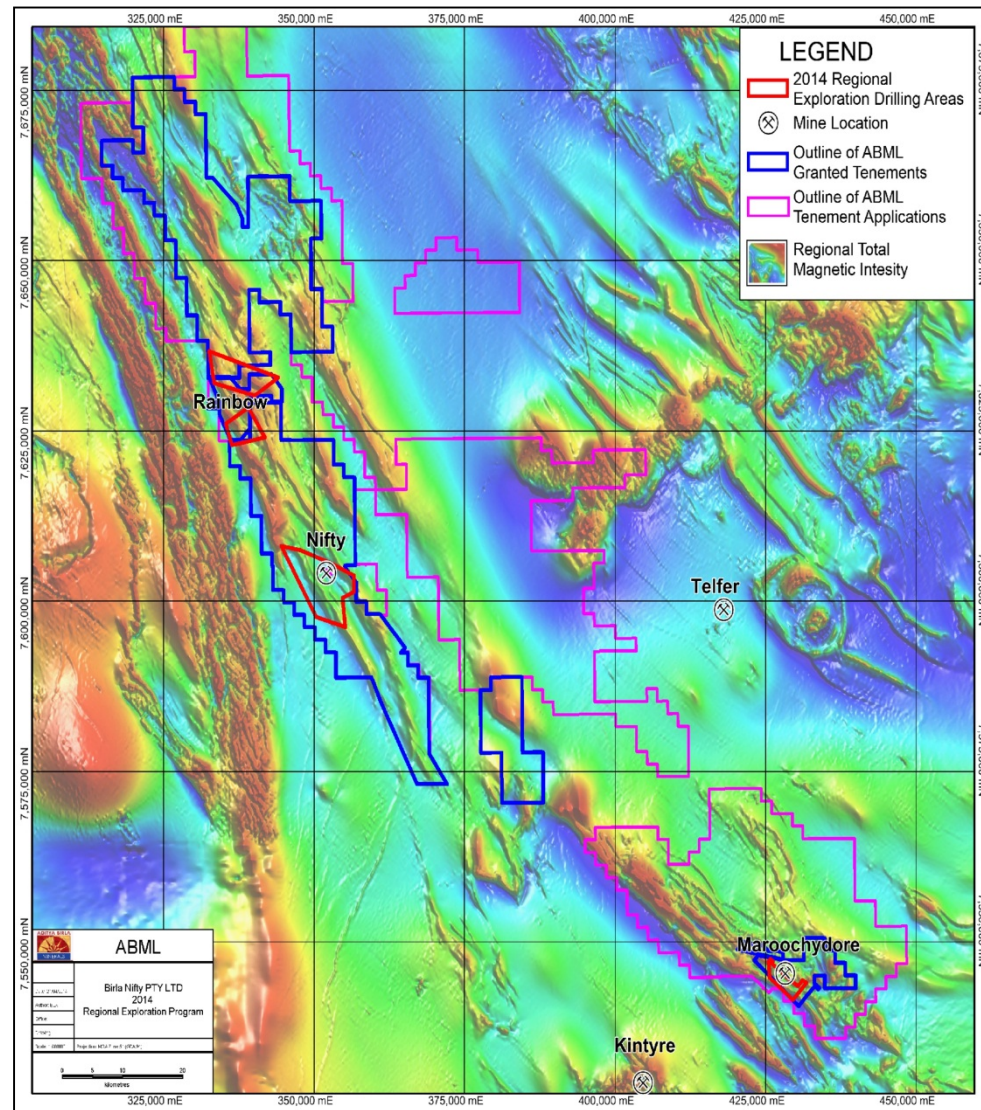
- The surface and underground resource conversion drilling programme was put on hold due to the development of sinkhole.



Maroochydore – Oxide & Sulphide Resource



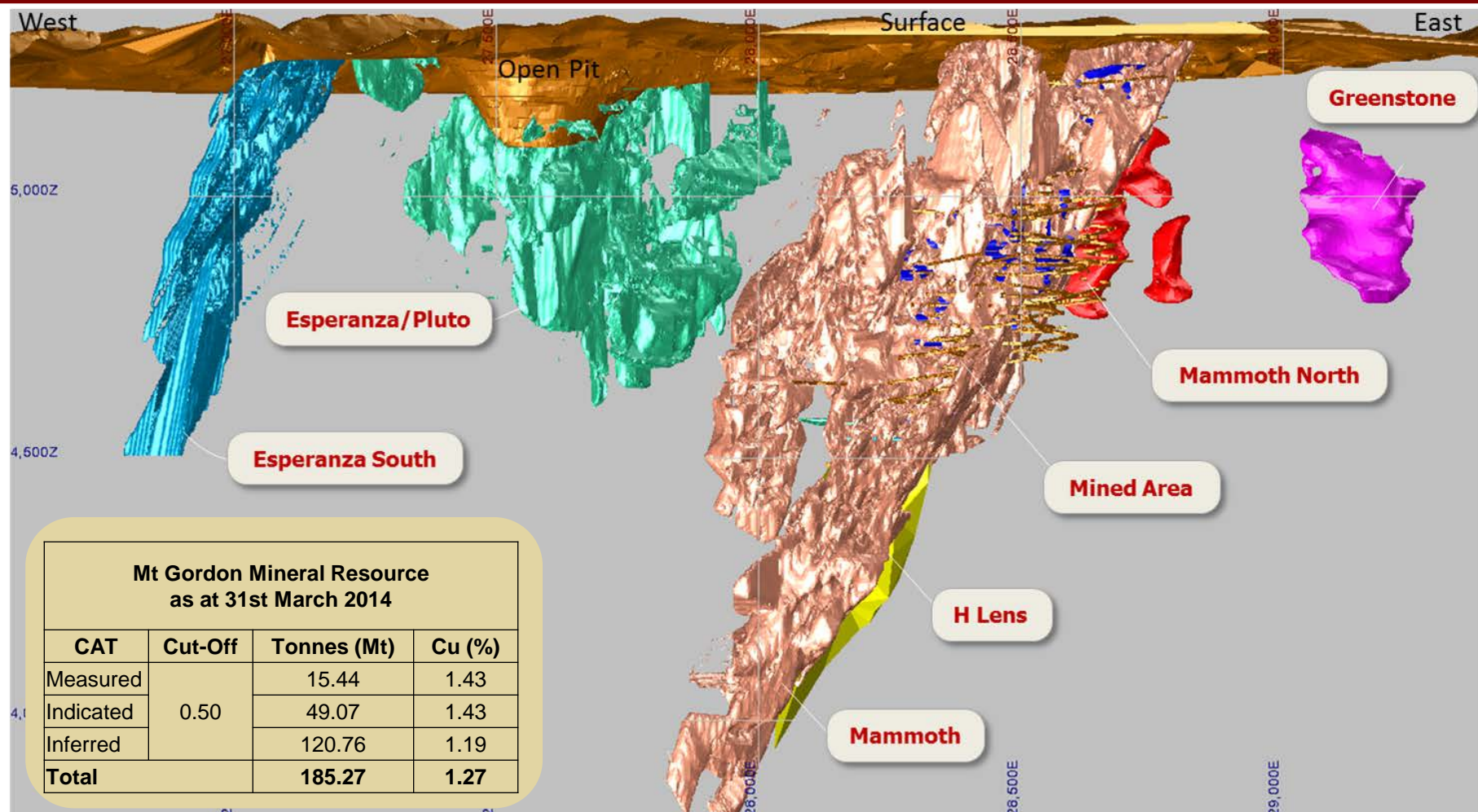
Principal Target Areas identified for Drilling



- 3 principle areas have been selected for future drilling programs within the Nifty syncline, Rainbow prospect (approximately 30km to the north west) and the Maroochydore area
- A number of less advance regional prospects are planned to be tested with shallow RC drilling



Mt Gordon Resource Building



- Exciting discovery of high grade copper mineralisation in a new lens ('H Lens') of Mammoth style mineralisation at Mt Gordon copper project.



FY 15 Production Guidance

Production: Contained Metal in concentrate

Copper	UOM	Qty
- Nifty Operations	Tonnes	16-18,000
TOTAL		16-18,000



Metal and Fx Hedges

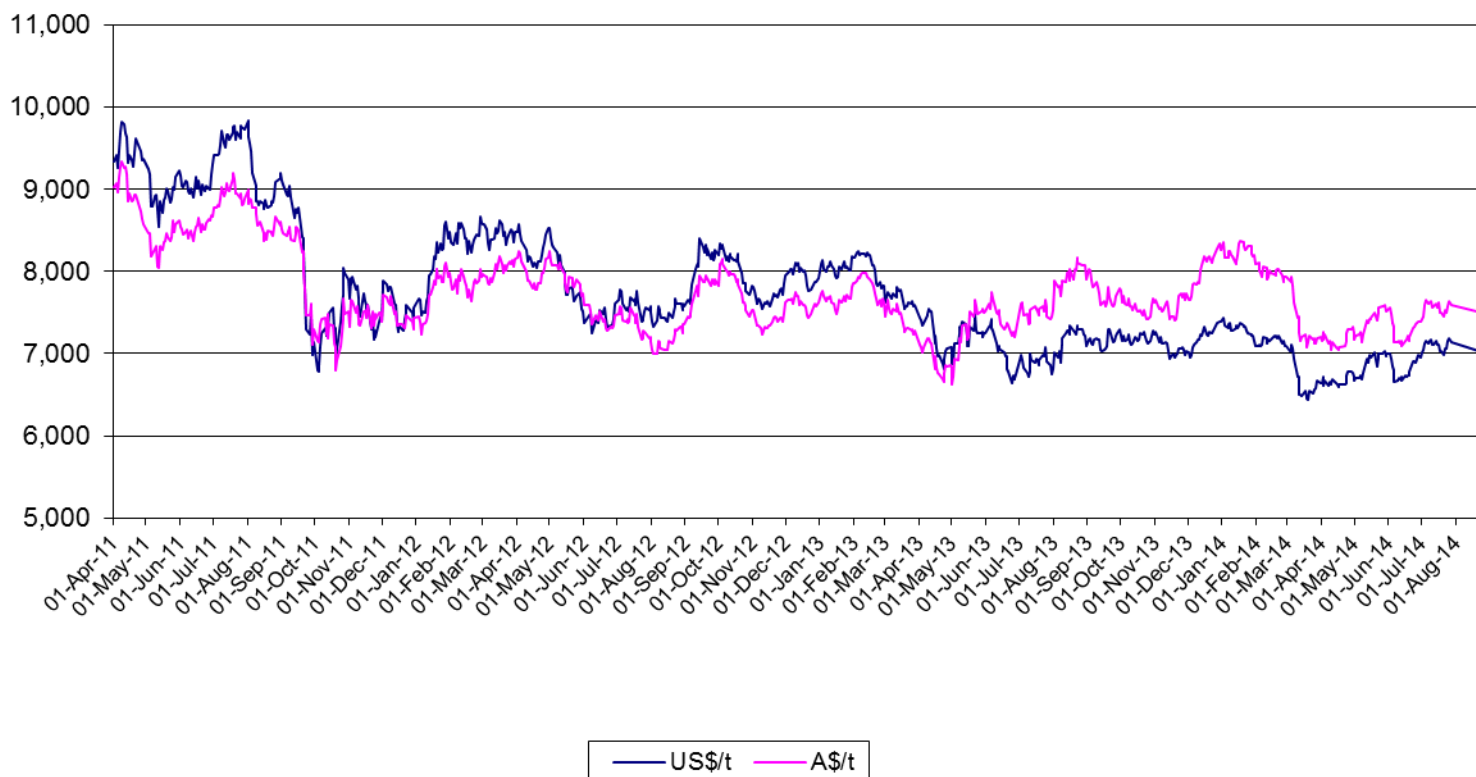
Metal hedging	Buy Put		Sell Call		Swap			
QP month	Qty	USD	Qty	USD	Qty	USD	Total Qty Hedged	Average Rate
Delivered Qty	-	-	-	-	-	-	-	-
Rolling 12 months	-	-	-	-	-	-	-	-
Total Qty Hedged	-	-	-	-	-	-	-	-

	Forward Sell	Average
FX Hedging	US\$-Mn	FX Rate
Rolling 12 months	-	-

The hedge position is Nil for Copper and Forex



Copper Prices



LME price of Copper in US\$ terms dropped by ~10% in FY14 compared to FY13 average, but due to depreciation of AUD Vs. USD, it remained almost same in AUD terms



Macro Economic Overview

Copper market sentiment low due to slow recovery in Europe and concerns of slow growth rate in China

The copper inventories are at historically low levels, which helped to provide price support in recent months

While supply continues to exceed demand in the short term, the recovery in US economy augurs well for Copper demand. However, downside risks from the macro economic factors persist



Hindalco Industries Ltd - A Major shareholder



- ❖ Metals flagship Company of Aditya Birla Group
- ❖ An industry leader in aluminium and copper
 - Largest vertically integrated aluminium producer in India
 - Owns one of the world's largest single location copper smelter
- ❖ 51 units in 13 countries and 34000 employees of 15+ nationalities
- ❖ Acquired Novelis Inc. in 2007 and is the largest producer of Aluminium Flat Roll Products in the world.



ABML is proud of being continuously backed by one of the world's largest metals player



Thank You