



4 November 2014

Australian Securities Exchange Limited

SIGNIFICANT IMPAIRMENT CHARGES IN HALF YEAR FINANCIAL REPORT

Aditya Birla Minerals Limited (“**ABML**” or the “**Company**”) advises that management is in the process of finalising its review and discussions with the Company’s auditors on impairment models for the ABML Group assets and it is highly likely that there will be significant impairment charges in the results for the six months ended 30 September 2014, in the range of approximately \$175m - \$225m in total.

The likely impairment charges primarily relate to the following:

- **Birla Nifty Sulphide Assets:** impairment is mainly attributable to a reduction in Reserves resulting from the sinkhole incident at the Nifty Mine that occurred on 20 March 2014 (“**Sinkhole Incident**”), which has led to access restrictions in relation to certain sections of the ore body and a change in proposed mining method for the South and West limbs (additional details of which matters were set out in the announcement entitled “*Birla Nifty Reserve Update*” that was released by the Company on 2 November 2014);
- **Birla Mt Gordon Assets:** the Company is currently considering a potential divestment of the Mt Gordon project which, based on indicative sale price figures received by the Company, would if consummated result in the assets being materially impaired. As at the date of this announcement, the Company has not reached any legally binding agreement as to the sale of the Mt Gordon assets; and
- **Nifty Heap Leach Inventory:** the Company has recently received preliminary results of recent drill testing on the inventory, which was completed to gather bulk samples for metallurgical work and further evaluation, and is in the process of discussing those results with its independent technical consultants and Competent Person so as to be in a position to properly inform the market about their implications at the earliest possible opportunity. However, the preliminary data received to date indicates that there may be the need to substantially impair this asset.

Each of the above impairment charges relates to work done during the six month period to 30 September 2014 (including assessing the implications of the Sinkhole Incident, which is responsible for a significant percentage of the overall impairment). The results for the six months ended 30 September 2014 are due for release prior to the end of November 2014. Further details of the quantum of the overall impairment charge will be released as soon as possible once it is finalised and agreed with the Company’s auditors.

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