



Aditya Birla Minerals Ltd

Investor Presentation

06 February 2015



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All figures are expressed in Australian dollars unless stated otherwise.

Competent Persons 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 2012 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 Maroochydhore 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).

The Measured and Indicated Mineral Resources tabled are inclusive of those Mineral Resources modified to produce the Ore Reserve. In all Resources and Reserves tables, significant figures 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 release that relates to Nifty Copper Operations Ore Reserve is based on information compiled by Bradley Watson an employee of AMC Consultants Pty Ltd who is a Member of the Australasian Institute of Mining and Metallurgy. Mr Watson has sufficient experience to be a Competent Person as defined in the 2012 Edition of the Australasian Code for Reporting of Ore Reserve results. Mr Watson has given his 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 'Birla Nifty Underground Reserve Estimate as at 1st Oct 2014 dated 3rd Nov 2014.

The Information in this release that relates to Mt Gordon Operations Ore Reserve is based on information compiled by Mr Edward Gleeson who is a Member of the Australasian Institute of Mining and Metallurgy and full time employee of AMC Consultants Pty Ltd. Mr Gleeson has sufficient experience to be a Competent Person as defined in the 2004 Edition of the Australasian Code for reporting of Ore Reserve results. Mr Gleeson has given his consent to the inclusion of the material in the form and context in which it appears.

Mt Gordon Ore Reserve information was prepared and first disclosed under the JORC Code 2004. It has not been updated since to comply with the JORC Code 2012 on the basis that the information has not materially changed since it was last reported.

ABY: Company snapshot

Ordinary shares on issue	• 313,372,551
Share Price as at 4 February 2015	• A\$ 0.185 cents
Market Capitalisation as at 4 February 2015	• ~A\$ 58 million
Revenue for H1_FY15	• A\$ 9.37 million
Gross Loss for H1_FY15	• A\$ 14.94 million
Cash and Cash equivalent as of 31 st December 2014	• A\$ 95.2 million, of which A\$ 76.9 million is unencumbered (US\$ 15m is encumbered for Security deposit placed into security against Finance facility)
Resources as on 31 st March 2014	• Total resources 273.86 Mn tonnes with contained copper of 3.53 Mn tonnes



Key Highlights for Current Year FY15

- ❑ Nifty mining operations 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 an unforeseen event of sinkhole developed at the mine on 20th March 2014.
- ❑ 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.
- ❑ Voluntary Redundancy was taken up by 106 employees, representing 26% of Nifty work force.
- ❑ Roster change from 8:6 to 2:1 for EBA staff has been implemented w.e.f. 29th July'14
- ❑ Focussing vigorously on cost optimisation and rationalisation of capex spending
- ❑ 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 has been referred to land court for decision. A court appointed mediation is in progress



Developments since Nifty Sinkhole Incidence

- ❑ Subsequent to an unforeseen event of sinkhole on 20th March 2014, a Prohibition notice was issued by DMP on 21st March'14 suspending all operations to undertake investigation by an experienced independent geotechnical expert to establish the cause of the sinkhole and until all safety related issues identified in the risk assessment were adequately addressed.
- ❑ Probe drilling in two phases was carried out by us to determine the size of sinkhole, water or liquid matter presence in the aquifer, ground condition above chequerboard mining area and the presence of void which may cause new sinkhole.
- ❑ The observations and findings from the probe drilling were as under:
 - Significant reduction in the risk of water and/or mud inrush by the dewatered aquifer conditions above the Nifty Mine and the dewatering of the pit sump.
 - 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.
 - 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 has the highest risk of developing conditions conducive to chimney caving, possible sinkhole formation and air blast. The coalesced void is being backfilled in priority to reduce the risk of development of sinkhole & 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.
 - 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.
 - The condition of the regional hanging wall over areas with known voids is deteriorated above 17-level in the checkerboard area.



Developments since Nifty Sinkhole Incidence cont....

- ❑ An external geotechnical consultant was engaged to determine the cause of the sinkhole
- ❑ Report from external geotechnical expert, our Risk assessment and Hazard Control report were submitted to DMP. Following DMP's review of the reports and meetings with the DMP, the prohibition notice was lifted on 4th July 2014 by the DMP.
- ❑ Most of the employees were stood down during this period. Minimum people were working at site to maintain essential services.
- ❑ Mining activities were re-started in phased manner from 15 July 2014 processing plant was re-started during last week of August 2014
- ❑ The installation / commissioning of 12L Pump station is in advanced stage and is expected to be operational by the end of this financial year
- ❑ The identified critical coalesced voids (OP8230 etc) have been backfilled which reduced the risk of development of sinkhole and airblast
- ❑ Key Challenges to the ramp up plan are
 - Loss of key skilled operators to sustain required high development rates.
 - Deferment of South limb stopes from the short term plan due to deteriorated ground conditions and unplanned remedial rehabilitation support that tightened production flexibility.
 - Availability of adequate contingency plans in the mining schedule.
- ❑ A recent external review of the ground conditions at Nifty underground mine highlights that in the areas that form the abutment to the checkerboard stoping area, conditions have deteriorated in some locations. This is however consistent with expectations due to activation of structures such as shearing on bedding. As expected with recommencement of stoping, prism displacement rates have increased.

Q3 FY15 Operational Highlights

Production gradually improved in Q3 FY15 after recommencement of operations in Q2 (mid July'14) subsequent to lifting of Prohibition Notice by DMP

Ore Mined

- 49% increase in Nifty ore mined Q-o-Q: 360k tonnes of ore mined in Q3 FY2015 as compared to 241k tonnes in Q2 FY2015

Ore processed

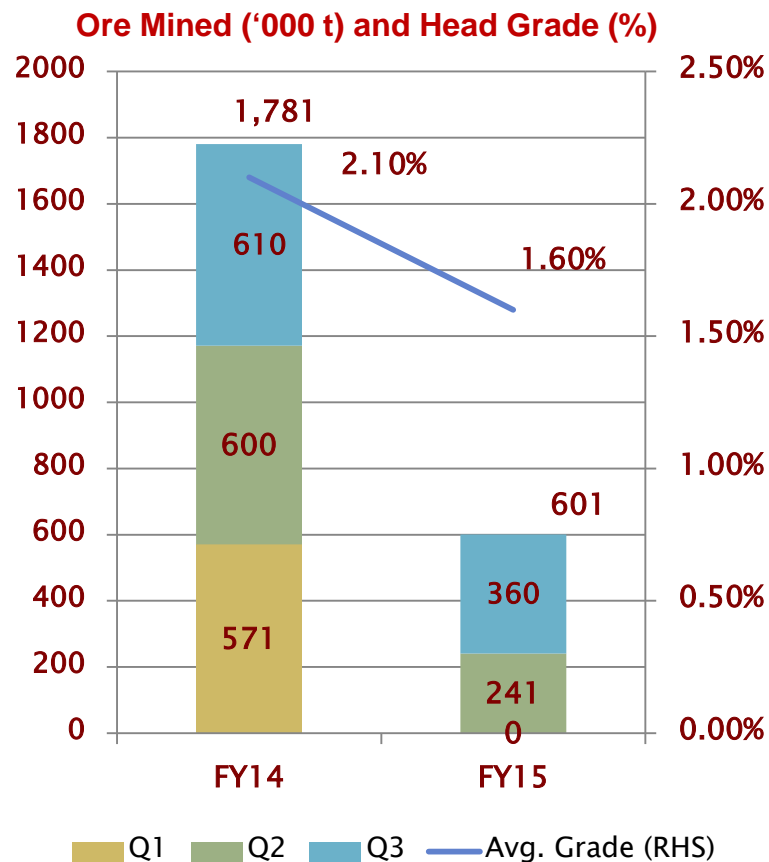
- 102% increase in Nifty Ore processed Q-o-Q: 374k tonnes of ore processed in Q3 FY2015 as compared to 185k tonnes in Q2 FY2015

Copper production

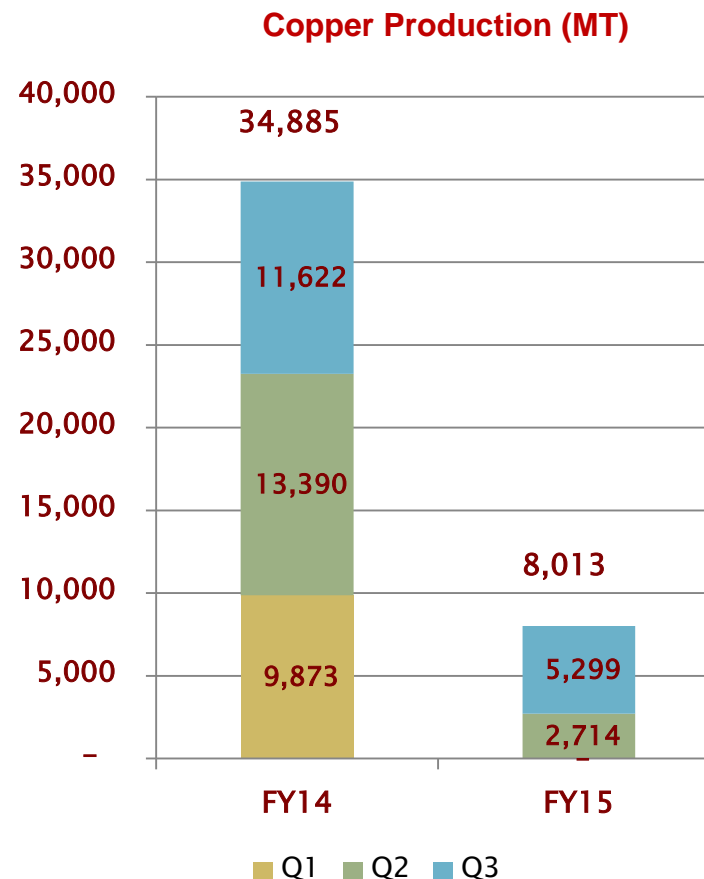
- 95% increase in Nifty Copper production Q-o-Q: 5,299 tonnes in Q3 FY2015 as compared to 2,714 tonnes in Q2 FY2015

Nifty Production

Ore mined decreased by 66% on YoY basis because of suspension of operations till mid July'14 due to sinkhole incident

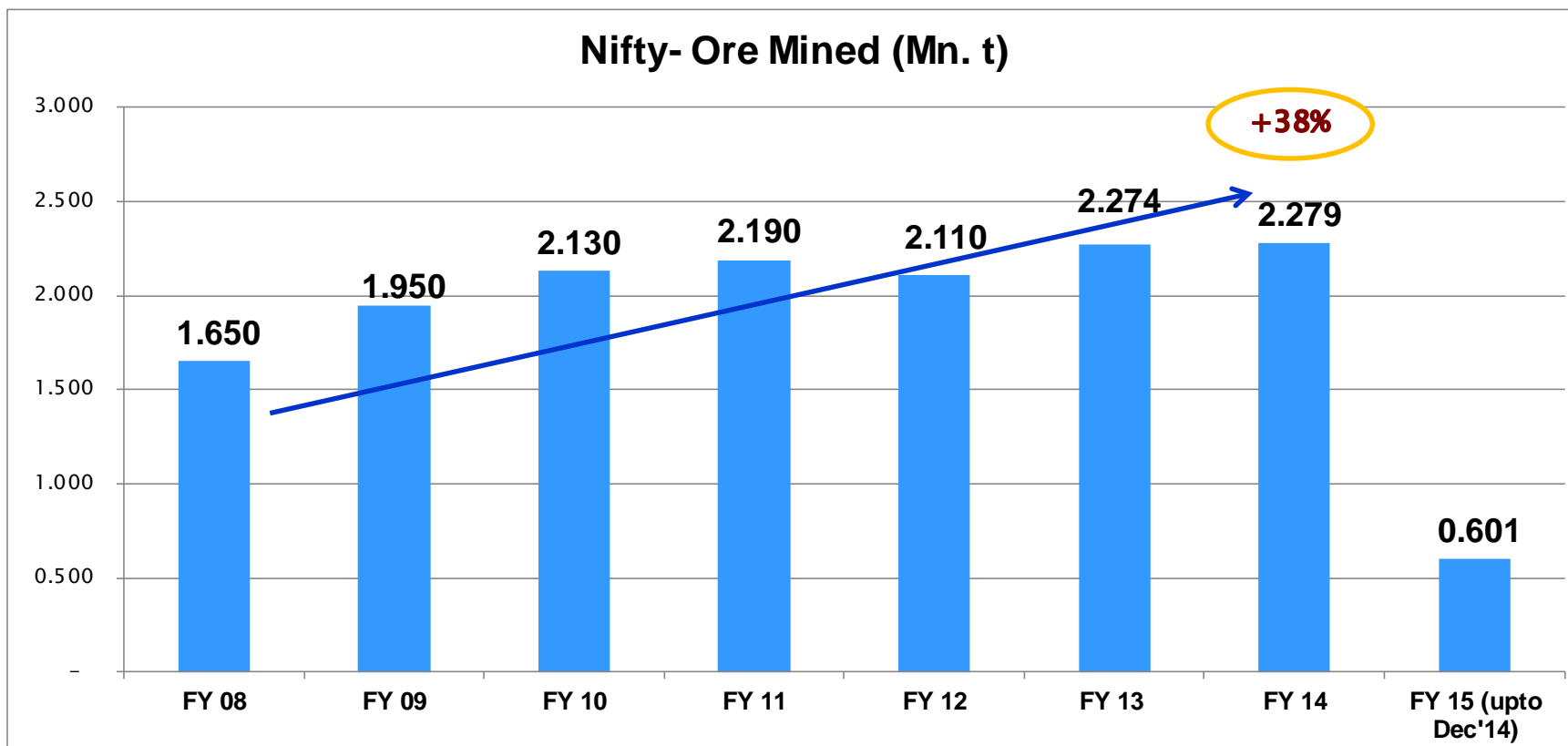


Copper production decreased by 77% (due to sinkhole incident and reduced grade)



Nifty Ore Mined

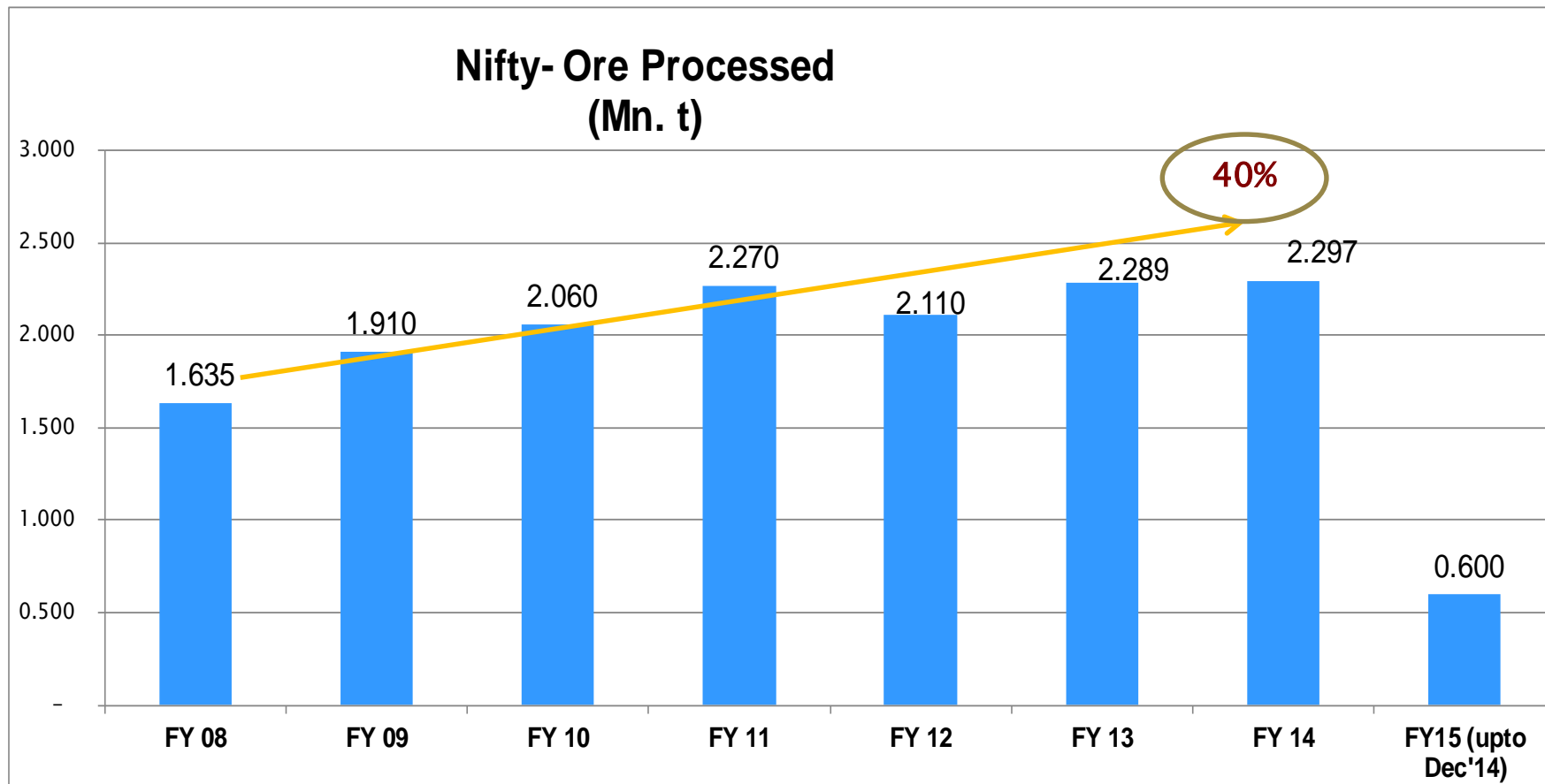
Mine productivity increased by 38% in last 6 years up to sinkhole event



Achieved highest ever Mine productivity in FY14

Nifty Ore Processed

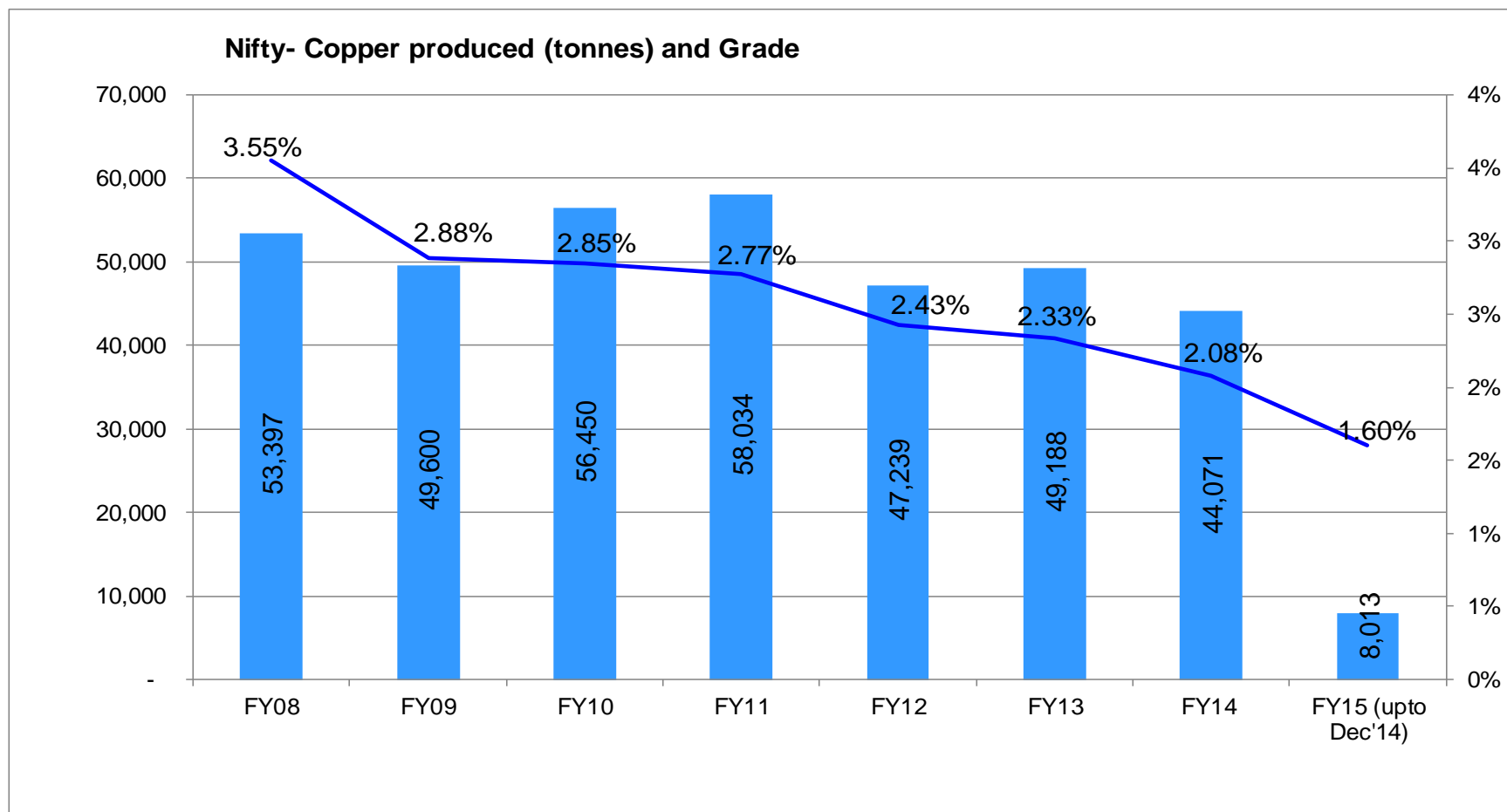
Mill productivity increased by 40% in last 6 years up to sinkhole event



Processing activities in the current year re-started in end week of August 2014 only.



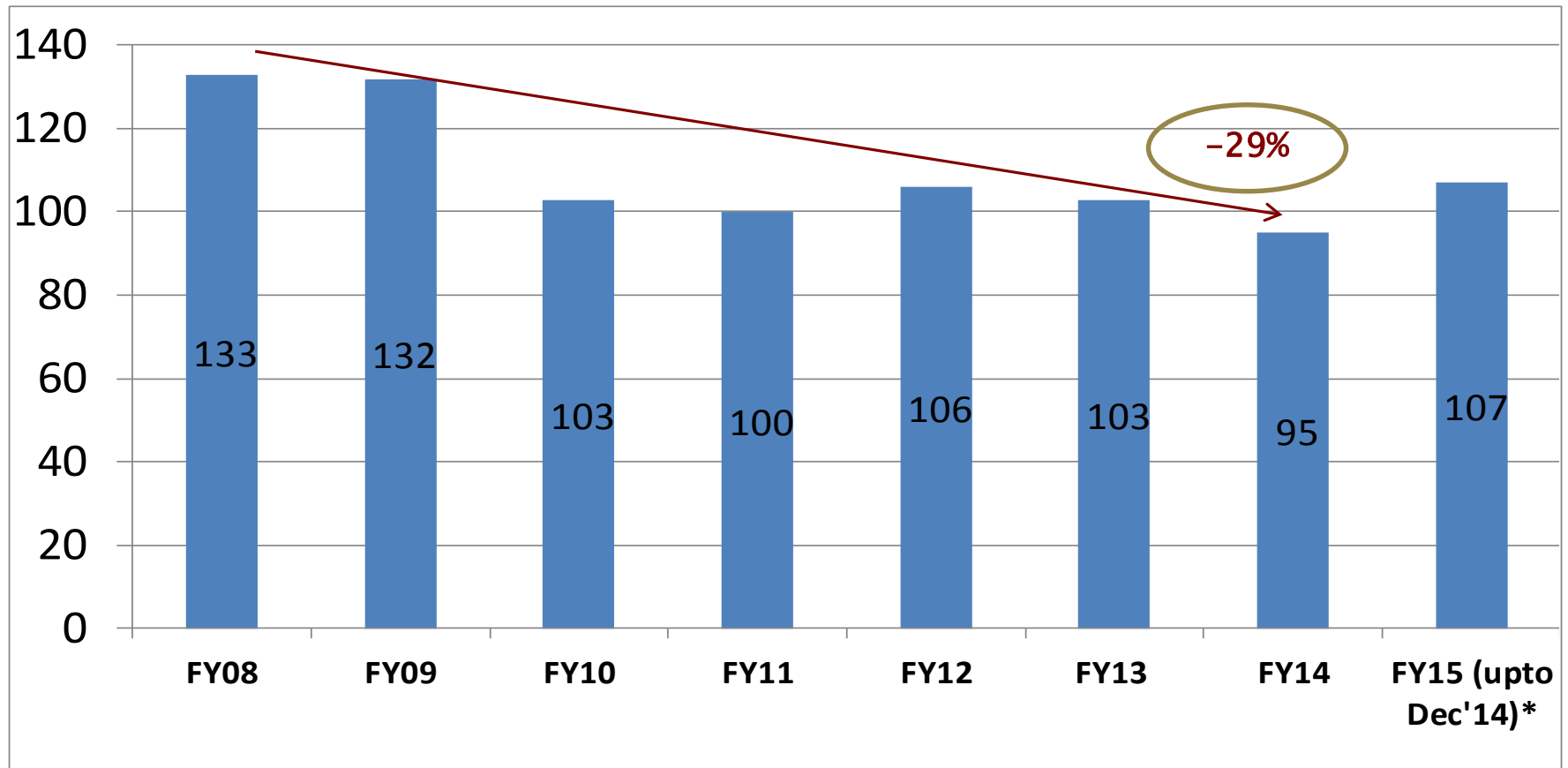
Nifty Copper produced and Average Grade



- Grade has gone down by 55% since 2008
- Copper Production is lower in FY15 due to processing plant re-started in end week of August'14 only following lifting of Prohibition Notice imposed by DMP post sinkhole incident in March'14

Nifty: Unit costs

Site cost \$ per ton of ore mined / processed



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

* On the basis of the Site cost incurred after restart of mining operations post Sinkhole incident. Costs are higher in FY15 due to operations are in ramp-up phase



Nifty C1 Cost

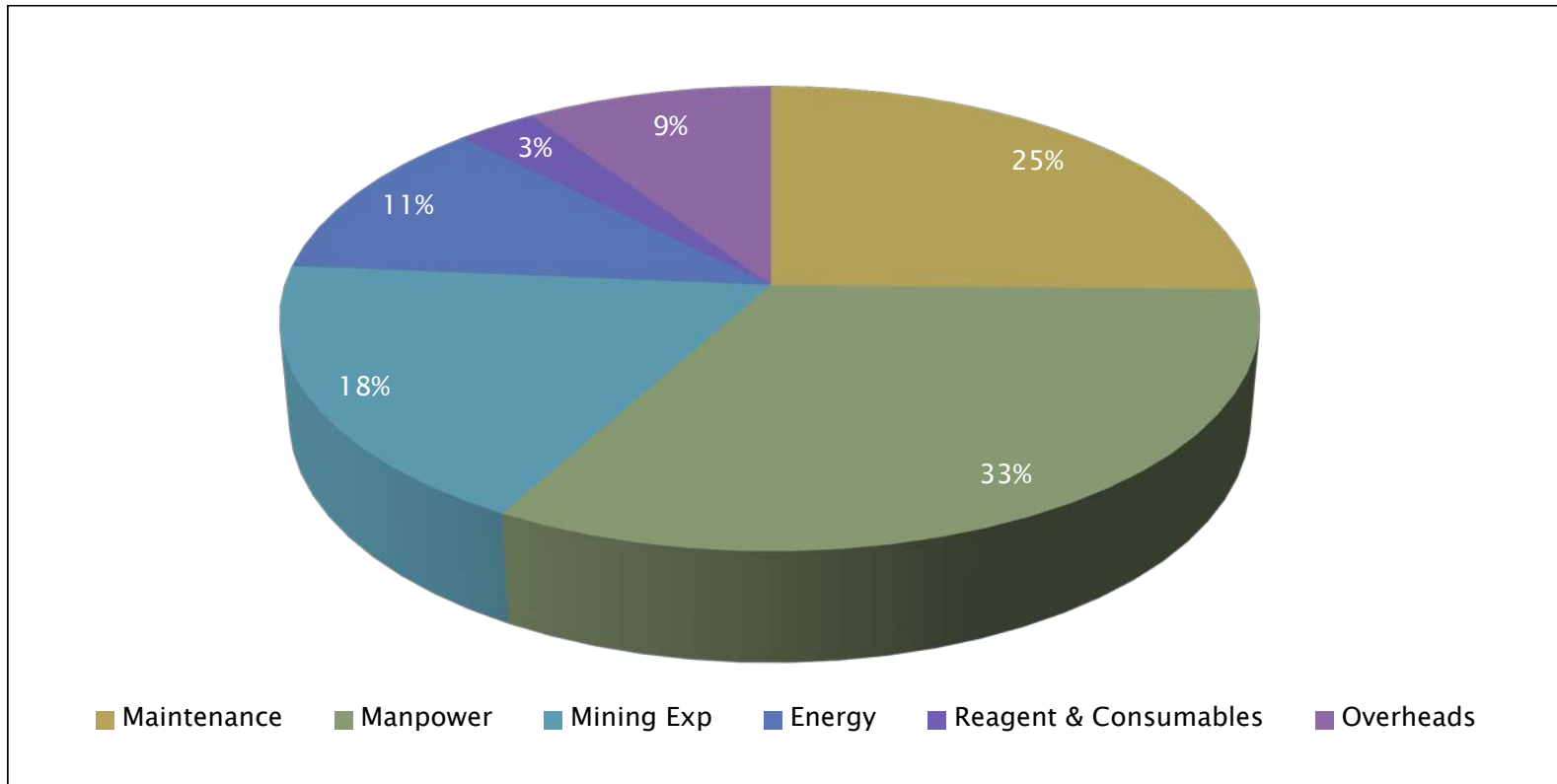
A cents/lb

NIFTY C1 COST	FY15 (upto Dec'14)*	Q3 FY15	FY14
Total Site Cash Cost	356	318	224
Transportation & Logistics Cost	18	16	18
Tc/Rc	32	32	23
C1 cost	406	366	265

* Site cash cost for FY15 does not include cost incurred during the mine shut down period due to sinkhole incident. FY15 Site cash cost is high due to lower copper production after recommencement of operations following sinkhole development

Nifty : Break-up of Site Cash Cost

YTD FY 2015 (Apr-Dec 2014)





Nifty: Key Focus Areas

➤ Safety

- ☐ Reinforce safety awareness.
- ☐ Complete gap analysis on skills; develop training and skills development plans.
- ☐ Complete and commission the key outstanding sinkhole mitigation project at 12 level pump station.

➤ Productivity improvement

- ☐ Sustain the mine output at 1.8 mtpa over the next 12 months.

➤ Cost optimization

- ☐ Further identify and implement new cost optimisation initiatives.

➤ Mine Development

- ☐ Maintain focus on development to access mine areas as per revised production schedule.
- ☐ Analyse and review the economics of isolated mining blocks.

➤ Equipment and Plant

- ☐ Sustain the health of plant and equipment to required levels as per revised production schedule.
- ☐ Replace/rebuild ageing support equipment.
- ☐ Repair/replace fixed infrastructure on a planned basis.



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
- 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 potential acquirer withdrew their offer for 100% of the issued capital of Birla Mt Gordon Pty Ltd, hence the negotiators with the party have ceased.
- Management continues to look for and evaluate other strategic options for Birla Mt Gordon.



Geology & Exploration





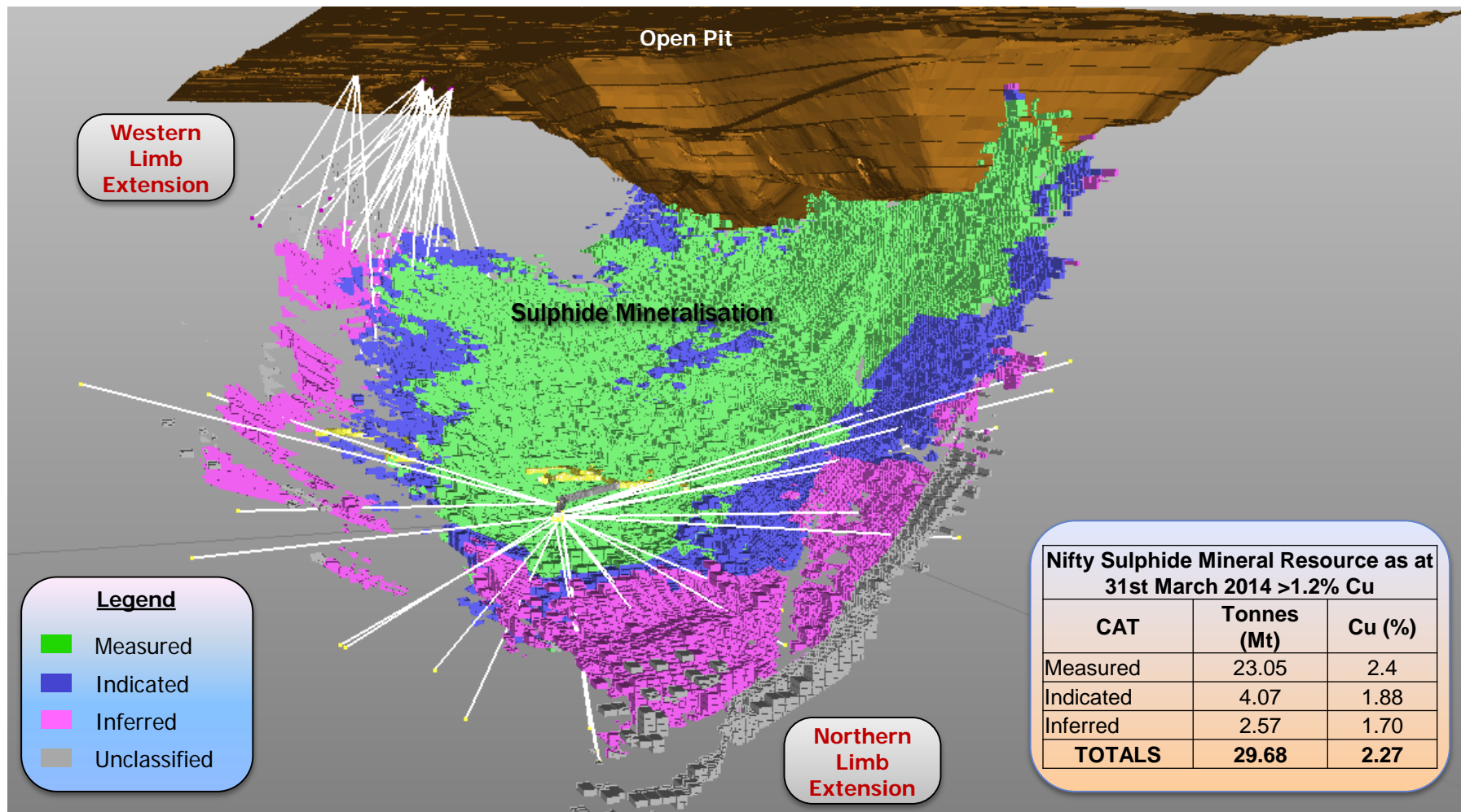
Exploration and Geology Progress –FY15



- DMP co-funding obtained for 600m diamond drillhole testing geophysical anomaly 1km NE of Nifty mine site.
- In-house study illustrates large regional area of copper interest at Rainbow.
- No exploration drilling undertaken post sinkhole development.
- Selected probe holes that intersected mineralisation have been assayed and will be utilised for the next resource update.
- A total of 1466m (109 RC holes) were drilled at Nifty Heap Leach pad.
- Nifty heap leach pad in-situ Mineral Resource of 3.13Mt at 0.74%Cu, for a total of 23,155 tonnes of contained copper applying a cut-off grade of 0.5%Cu, as announced through ASX release on 20 November 2014

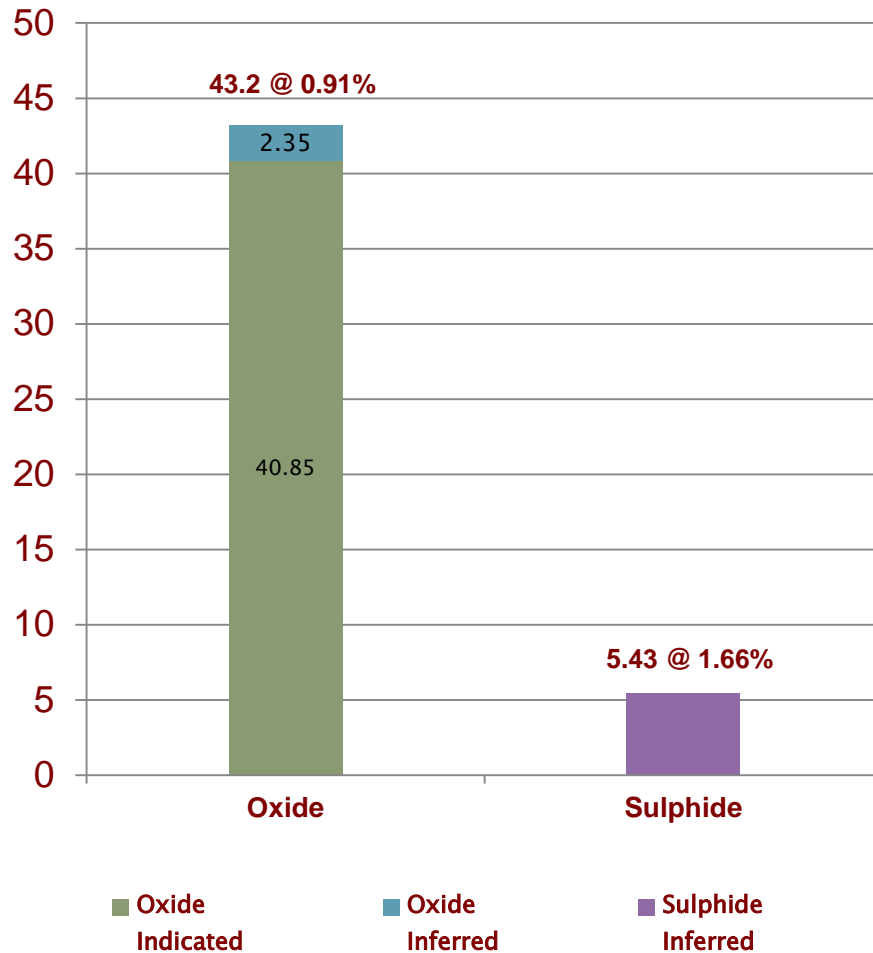


Nifty – Resource



Maroochydore Resources

As at 31st March 2014

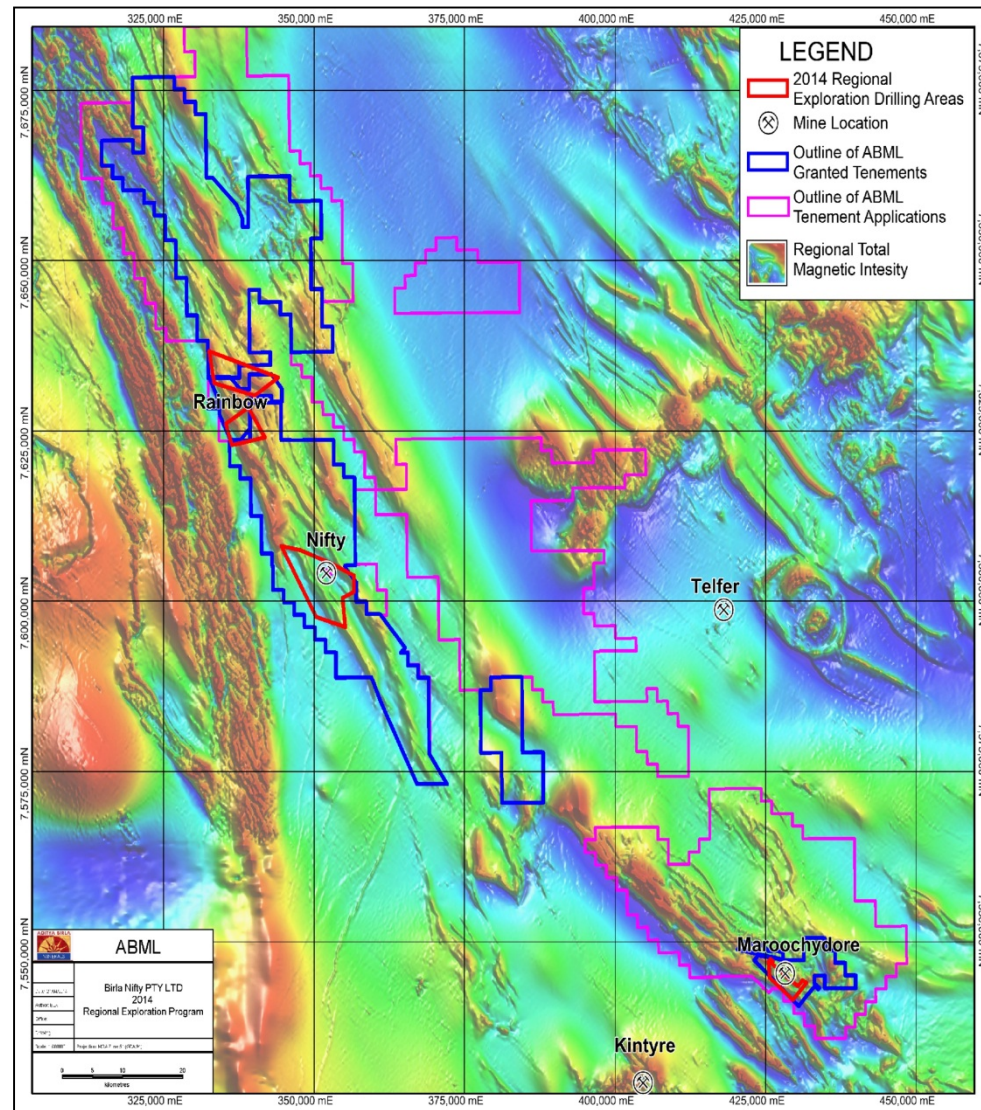


A maiden “in situ Sulphide” Mineral Resource released for the Maroochydore Copper project.

This is the first copper sulphide resource announced in the Great Sandy Desert since the discovery of Nifty.

90,000 tonnes of contained copper.

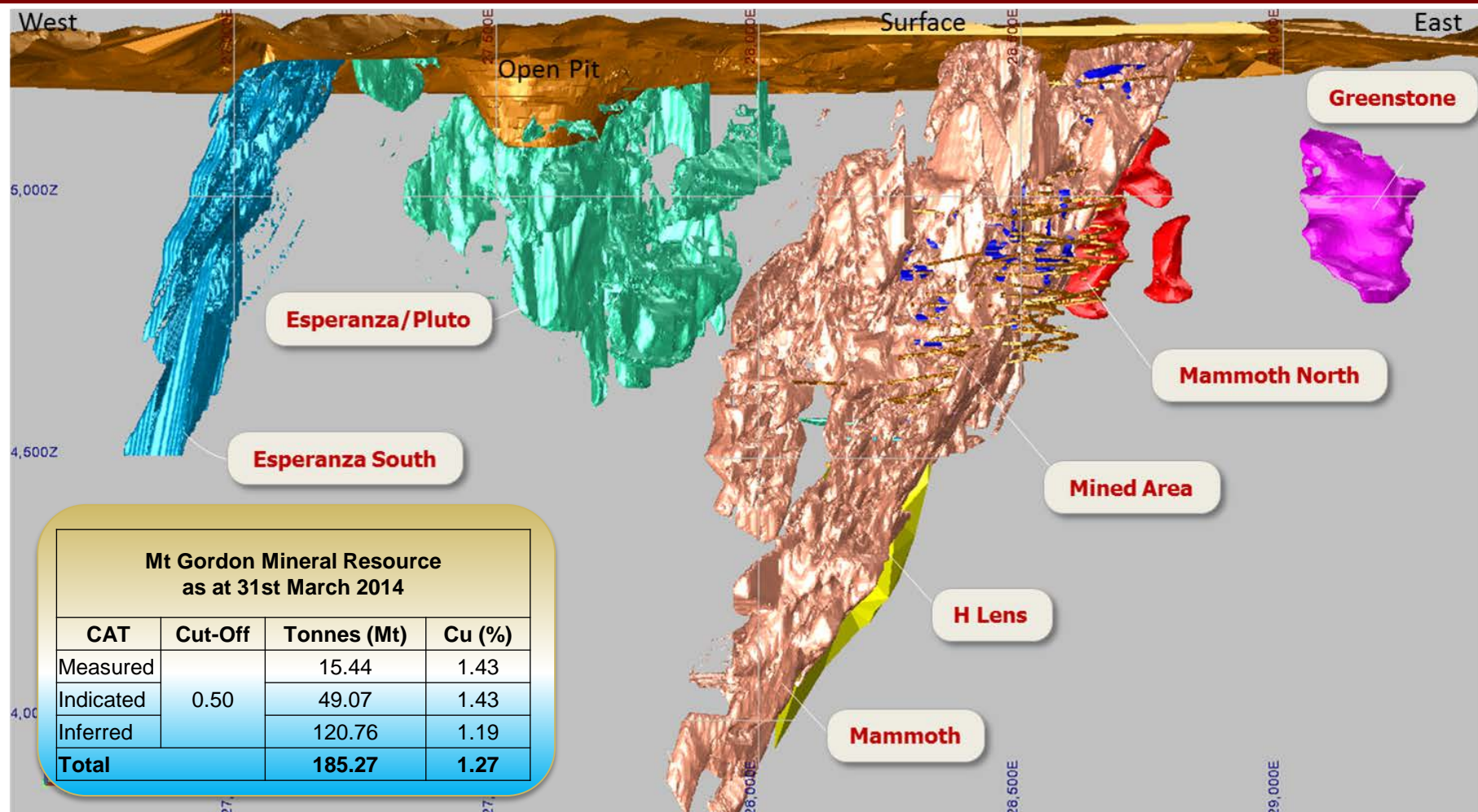
Target Areas Selected for Drilling



- All POW's granted for planned drilling areas.
- Drilling proposed over targets in the near mine Nifty, Maroochydore and Rainbow project areas.
- Regional drilling sites and access tracks prepared for AC/RC drilling on Goosewacker, Dromedary, Rainbow and Waroo North prospects.



Mt Gordon Resource Building



High potential areas identified for future resource building:
H-Lens and Mammoth South



Financials

A\$ millions

	H1 FY 15	H1 FY 14
Sales Revenue	9.37	167.39
EBITDA	(232.73)	25.86
EBIT	(241.41)	(0.46)
EBT	(242.66)	(2.60)
EAT	(170.05)	(1.85)
EPS (A cents)	(54.26)	(0.59)

- The sinkhole incident in March 2014 and Impairment of \$222.93 million had a significant adverse impact on the Company's financials for H1 FY15



Impairment

Particulars	Impairment Amount (A\$ Mn)	Trigger or Reasons for Impairment
Nifty- Sulphide	117.19	Adverse impact due to sinkhole on the quantum of ore reserves by ~34.6kt of contained copper resulting from the geological impact, a change in mining methodology and change in resource to reserve conversion as a result of the sinkhole incident; a change in production profile of the Nifty mine due to constraints resulted from the sinkhole incident having an adverse impact on LOM costs, annual revenues and NPV.
Nifty Oxide- Heap Leach	68.51	Lower ore tonnage and grade as per recent drill hole results and based on selective reclaim of high grade material only and processing it through the existing concentrator plant.
Nifty Oxide- SXEW plant and spares	6.19	As the Company will use existing concentrator plant to process oxide ore inventory, it has impaired the value of the SX/EW plant which has remained idle for last 6 years and its related spares to the extent of A\$ 6.19 million.
Mt Gordon	31.04	Potential divestment of 100% shares of Birla Mt Gordon- change in methodology of impairment from Value in Use to Fair Value less cost of sales based on indicative selling price from a potential acquirer, who has since withdrawn its offer
Total	222.93	

FY 15 Production Guidance

Production: Contained Metal in concentrate

Copper	UOM	Qty
- Nifty Operations	Tonnes	13-15,000
TOTAL		13-15,000

Downward review of copper guidance has been driven by delayed commissioning of new stopes and deferred production of higher grade South limb block due to deteriorating ground conditions.



Metal and Fx Hedges (as on 03 Feb 2015)

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	-	-	-	-	-	-	-	-

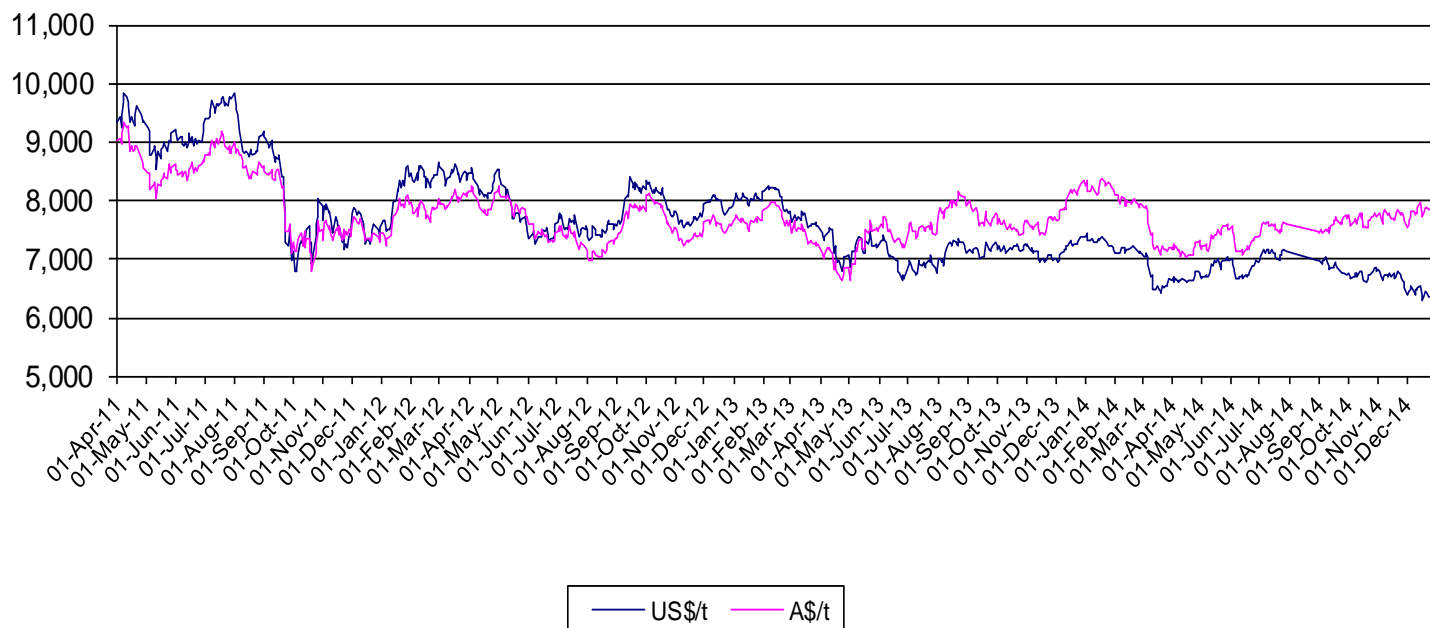
	Forward Sell	Average
FX Hedging	US\$-Mn	FX Rate
Rolling 12 months	62.00*	0.8479

* This is hedge against Cash deposits held in USD

The hedge position is Nil for Copper



Copper Prices



Depreciation of AUD Vs. USD has helped to compensate for the continuous copper price decrease

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. In spite of this, price has fallen drastically to US\$ 5,500 – 5,700 range in recent weeks

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

Strategic Direction and Way Forward

Nifty Operations

- Ramp-up to 1.8mtpa and continue to operate in the safe manner
- Implement the identified cost optimisation initiatives
- Rationalise Capex spending
- Review options of increasing mine throughput in the balance life of mine period

Mt Gordon Operations

- To continue to look for and evaluate strategic options

Exploration

- Convert / Upgrade inferred resources to indicated and measured category
- Increase sulphide resources at Maroochydore

Inorganic growth

- To look at medium-sized economically viable projects



Thank You