



11 February 2015

Australian Securities Exchange Limited

### **COPPER CONCENTRATE ANNUAL PRICE RESET**

Aditya Birla Minerals Limited ("ABML") is pleased to advise that its 100% owned subsidiary Birla Nifty Pty Ltd ("Birla Nifty") has concluded the annual Memorandum of Agreement ("MOA") with Hindalco Industries Limited ("Hindalco") which sets out the pricing mechanisms for the supply and purchase of Copper Concentrate in the current calendar year.

By agreement dated 25 January 2006, Birla Nifty agreed to sell, and Hindalco agreed to purchase, all Copper in Concentrate produced at the Nifty copper mine for the LOM ("Nifty Concentrate Sales Agreement").

The price Hindalco must pay Birla Nifty is governed by the Nifty Concentrate Sales Agreement and yearly MOA. The price payable is the sum of the payments for payable Copper in Concentrate minus TC/RCs (Treatment and Refining Charges). Whereas the Nifty Concentrate Sales Agreement determines the price payable in relation to the components of the Copper in Concentrate; the MOA governs the treatment and refining charges that Hindalco is entitled to recoup.

The TC/RCs agreed in the yearly MOA must be the same as the "annual Japanese benchmark agreed between the major copper mines and the Japanese smelters under calendar year contracts for similar qualities of copper concentrates" ("Annual Japanese Benchmark"). The Annual Japanese Benchmark determines the treatment charge (in US dollars) to be levied per dry metric tonne of Copper in Concentrate and the refining charge (in US dollars) to be levied per pound of payable copper extracted from the Copper in Concentrate. In addition, the Annual Japanese Benchmark prescribes the Quotational Period over which the price determinants set out above are to be averaged.

Delivery of the Concentrate is made on a cost insurance and freight /free over ("CIF FO") basis to the port of Dahej, Gujarat, India as per "Incoterms 2000".

#### *Memorandum of agreement for the period 1 January 2015 to 31 December 2015*

The MOA governing the TC/RCs applicable to the Nifty Concentrate Sales Agreement for the contract year 1 January 2015 to 31 December 2015 inclusive, records the following terms:

TC – US\$107.00 per dmt of Copper Concentrates

RC – US\$0.107 per pound of payable copper.

The Copper Price Participation is nil.

The Quotational Period for all payable copper shall be the third calendar month following the month of vessel's arrival at the discharge port (ie 3MAMA). Hindalco will pay Birla Nifty a provisional payment of 90% of the provisional invoice value three working days after the date of arrival of the vessel at disport. This date is to be reckoned as the due date for payment and any interest accrued to Hindalco on account of advance payment shall be from the date of receiving payment by the Seller to this date as provided in the Concentrate Sales Agreement.

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#### **Aditya Birla Minerals Limited**

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The Second Provisional Payment/Final payment is made per the terms of the Concentrate Sales Agreement.

For further information please contact:

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