



# Aditya Birla Minerals Limited

## Investor Presentation

20 May 2015



# 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 therefrom, 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.

The Information contained in this presentation 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 contained in this presentation that relates to Mineral Resources for the Nifty, Mt Gordon and Maroochydore deposits is based on and accurately reflects reports prepared by Mr Peter Ball and Mr Sean Sivasamy from 2013 to 2015.

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 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 shown in the presentation are inclusive of those Mineral Resources modified to produce the Ore Reserve. In all Resources tables, significant figures do not imply precision. Figures are rounded according to JORC Code guidelines.

The depletion of the Mineral Resource for the Nifty operation for the 2015 reporting is based on and accurately reflects information prepared by Mr Sivasamy. Mr Sivasamy is a Member of the AusIMM. Mr Sivasamy has 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 Sivasamy has given his consent to the inclusion of the material in the form and context in which it appears. Mr Sivasamy is a full time employee of Aditya Birla Minerals Limited (ABML).

The information contained in this presentation was previously reported to ASX in the release titled 'Resource Update as at 31 March 2015' dated 28 April 2015.

The Information contained in this presentation that relates to Nifty Copper Operations Ore Reserve is based on information compiled by David Lee, an employee of AMC Consultants Pty Ltd who is a Fellow of the Australasian Institute of Mining and Metallurgy. Mr Lee 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 Lee has given his consent to the inclusion of the material in the form and context in which it appears.

The information contained in this presentation was previously reported to ASX in the release titled 'Birla Nifty Underground Reserve Estimate as at 31<sup>st</sup> March 2015' dated 29<sup>th</sup> April 2015.

The Information contained in this presentation 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 18 May 2015

• A\$ 0.21 cents

Market Capitalisation as at 19<sup>th</sup> May 2015

• ~A\$ 66 million

Revenue for FY15

• A\$ 57.2 million

Gross Profit / (Loss) for FY15

• A\$ (46.5) million

Cash and Cash equivalent as at 31 March 2015

• A\$55.23 million.

Security deposit with bank (other receivable) as at 31 March 2015

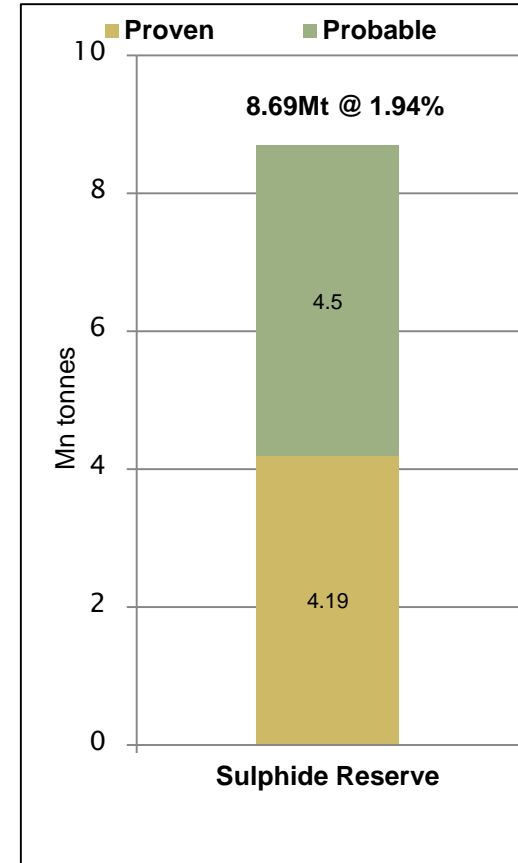
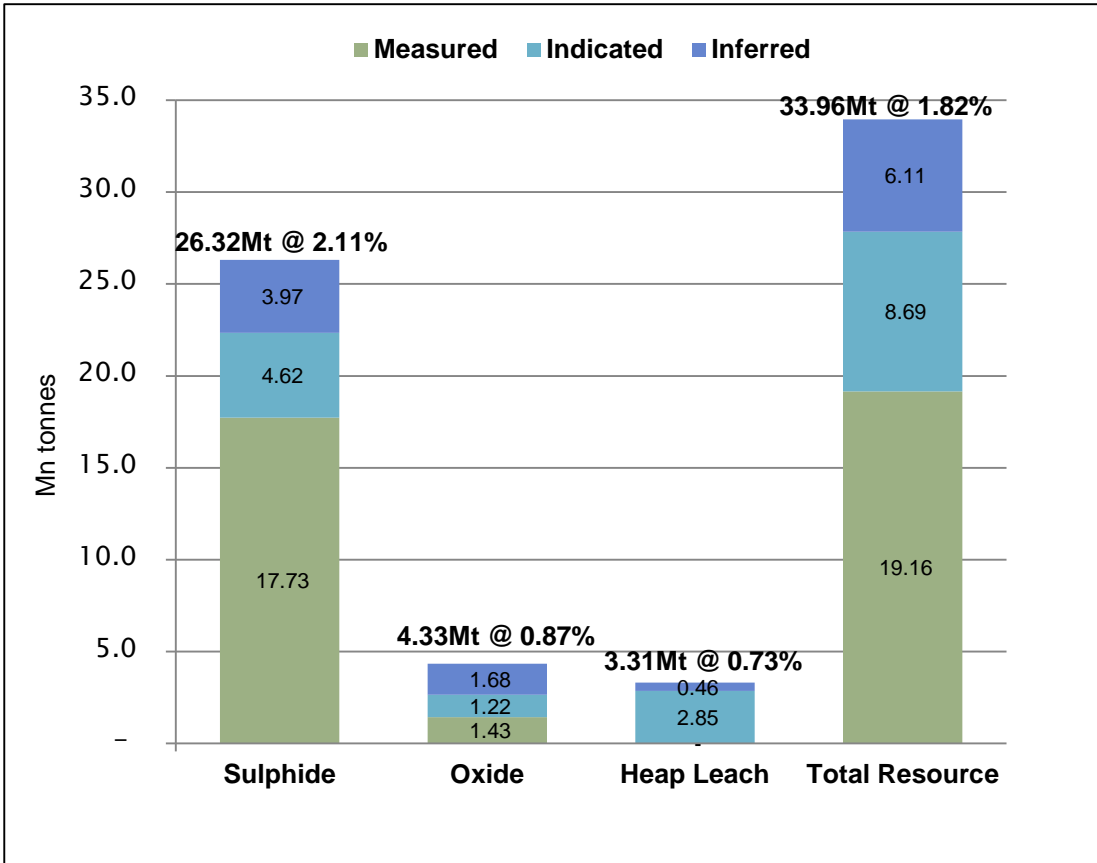
• Cash deposit of A\$ 19.02m is placed as Security deposit in compliance of terms of the Finance facility from the bank

Resources as at 31<sup>st</sup> March 2015

• Total resources 268 Mn tonnes @ 1.28% with contained copper of 3.43 Mn tonnes



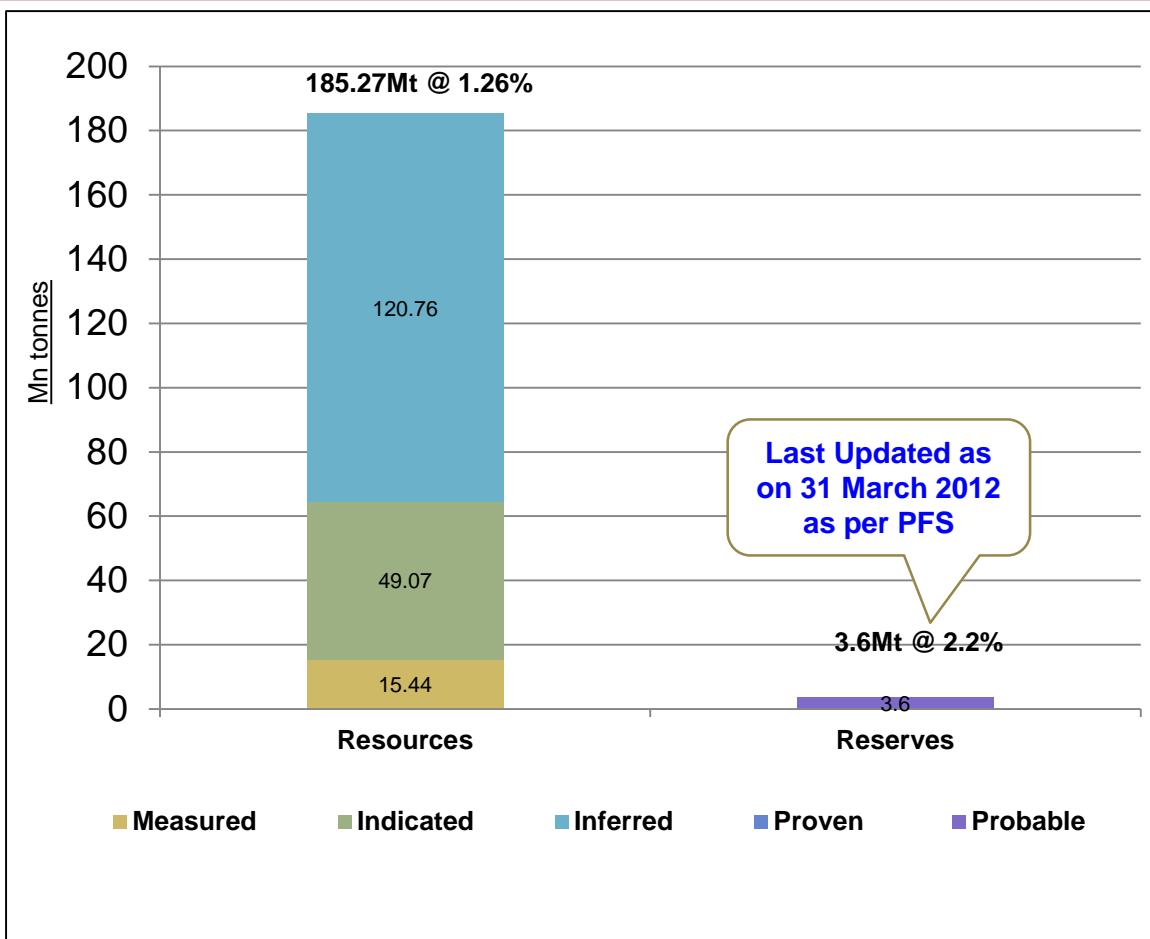
# Nifty- Mineral Resource and Reserves as at 31 March 2015



	Nifty
Contained Copper in Resources	618Kt
Contained Copper in Reserves	169Kt



# Mt Gordon– Mineral Resource and Reserves as at 31 March 2015



The Total Resource includes:

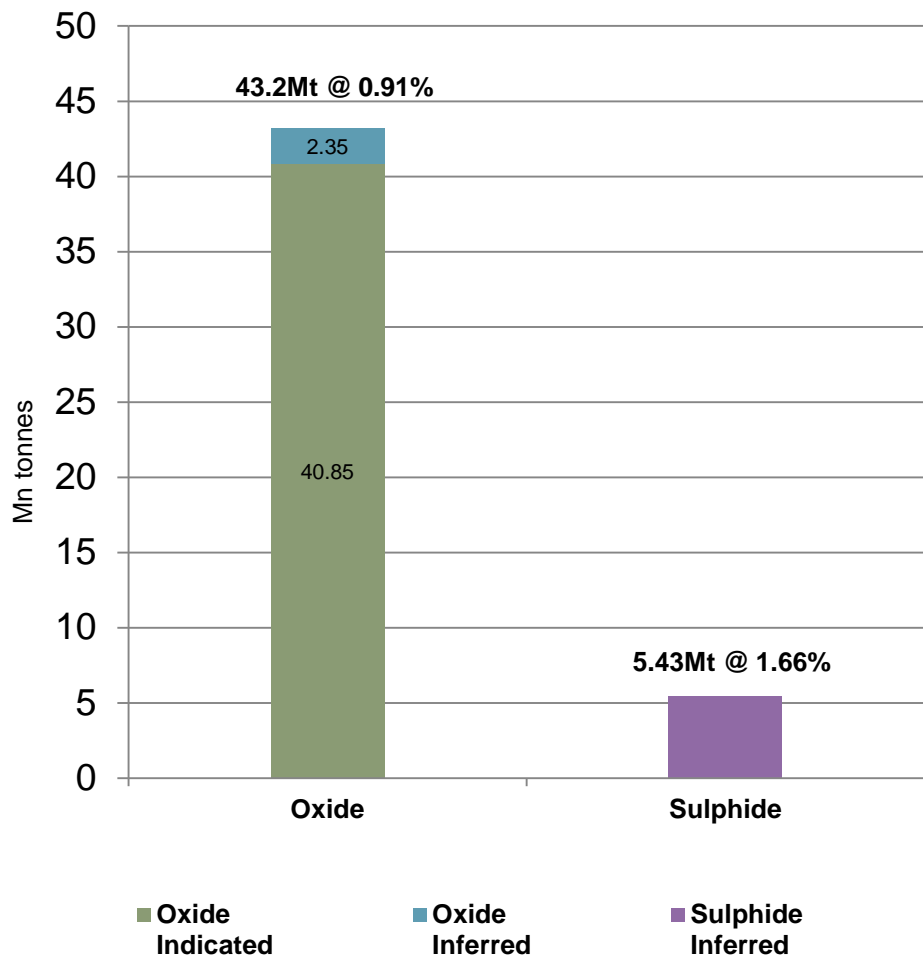
- ❖ Mammoth
- ❖ Esperanza/Pluto
- ❖ Esperanza South
- ❖ Greenstone
- ❖ Mammoth North
- ❖ Mammoth south

Reserve Estimation only for Mammoth Deposit

	Mt Gordon
Contained Copper in Resources	2,353Kt
Contained Copper in Reserves	79Kt



# Maroochydore– Mineral Resource as at 31 March 2015



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.



# Key Highlights for FY 2014-15

- ❑ The Prohibition Notice was lifted by the DMP on 4<sup>th</sup> July 2014 subsequent to submission of Probe Drilling results, Risk Assessment and Hazard Control reports and completion of investigative activities carried out to the satisfaction of the DMP.
- ❑ Nifty mining operations re-commenced in a gradual manner from mid July 2014 and the processing plant re-started on 26<sup>th</sup> August 2014 following a prolonged shutdown of operations due to a Prohibition Notice received from the DMP subsequent to the unforeseen sinkhole which developed at the mine on 20<sup>th</sup> March 2014.
- ❑ Roster change from 8:6 to 2:1 for EBA staff was implemented from 29<sup>th</sup> July'14.
- ❑ Management focussed vigorously on implementation of various cost optimisation initiatives and rationalisation of capex spending.
- ❑ The Environment Authority (EA) amendment application to change the Mandatory Reporting Level (MRL) in the Esperanza Pit submitted to DEHP in Queensland was approved by DEHP as previously reported in the ASX release dated 31 July 2014. However there were objections by the stakeholders and the matter was referred to the Land Court. The Company reached an agreement with the stakeholders and the objections were withdrawn and the case has been removed by the Land Court. DEHP issued a revised EA on 8 May 2015 changing the MRL from 184RL to 217.5RL, which is a good outcome for the Company.
- ❑ The Company's Board of Directors has resolved to undertake a review of the Company's strategic options with a view to maximising value for all shareholders (**Strategic Review**). The Strategic Review will consider corporate and operational strategies, and include a review of ownership options available to the Company.





- ❑ Since the resumption of mining operations post sinkhole, the following initiatives are in place to monitor and mitigate the impact of the sinkhole
  - The sinkhole has been sealed off with walls on all possible exit points in underground.
  - Trigger response systems (TARPS) are in place to respond to any changes in the underground mining environment.
  - An exclusion zone with access control around the subsidence area
  - A new pump station at 12 level has been commissioned to mitigate risks associated with access into the pit pumping facility.
  - The seismic system is functional covering underground workings.
  - A continuous pit monitoring system has been commissioned.
- ❑ Key challenges to the ramp up plan have been
  - High employee turnover
  - South limb stopes could not be accessed and mined due to deteriorated geotechnical conditions.
  - Weakening rock mass which deteriorates quicker than previously experienced.



# ABML: Operational Highlights for FY15

*The suspension of operations for more than 4.5 months in FY15 resulted in significantly lower operating performance compared to previous year FY14*

## Ore Mined

- **58% decrease in ore mined:** 955k tonnes of ore in FY2015 as compared to 2299k tonnes in FY2014

## Ore processed

- **60% decrease in Ore processed:** 917k tonnes of ore in FY2015 as compared to 2318k tonnes in FY2014

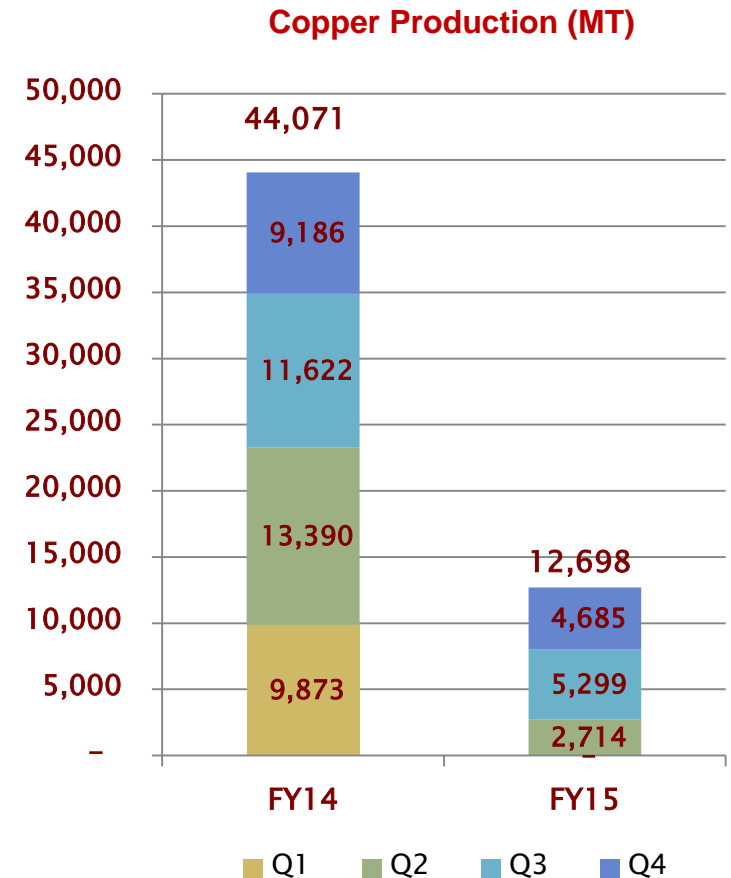
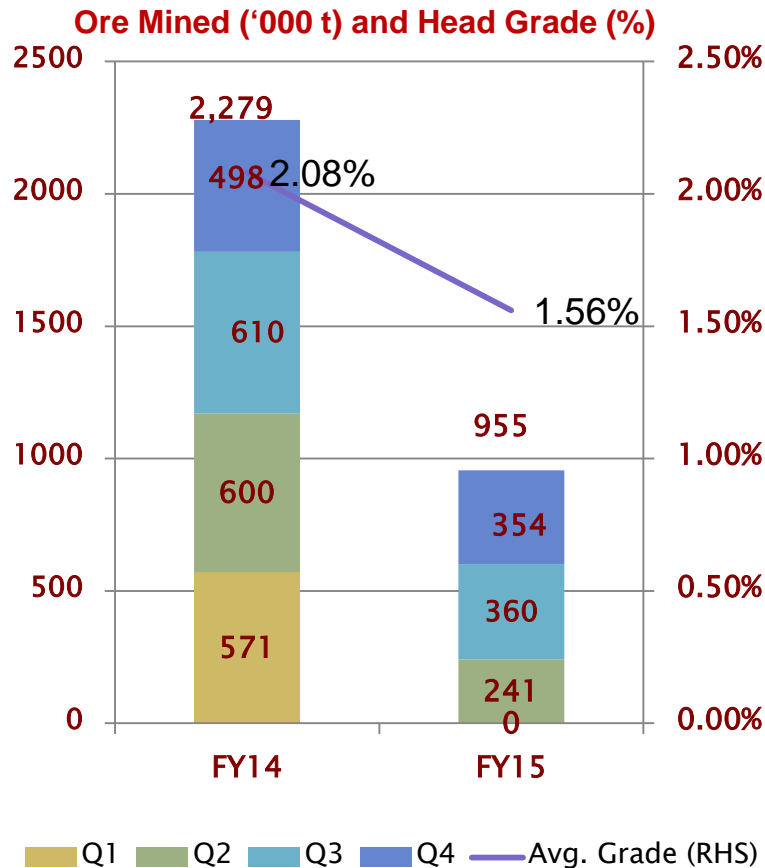
## Copper production

- **72% decrease in Copper production:** 12,698 tonnes in FY2015 as compared to 44,565 tonnes in FY2014

# Nifty: Production

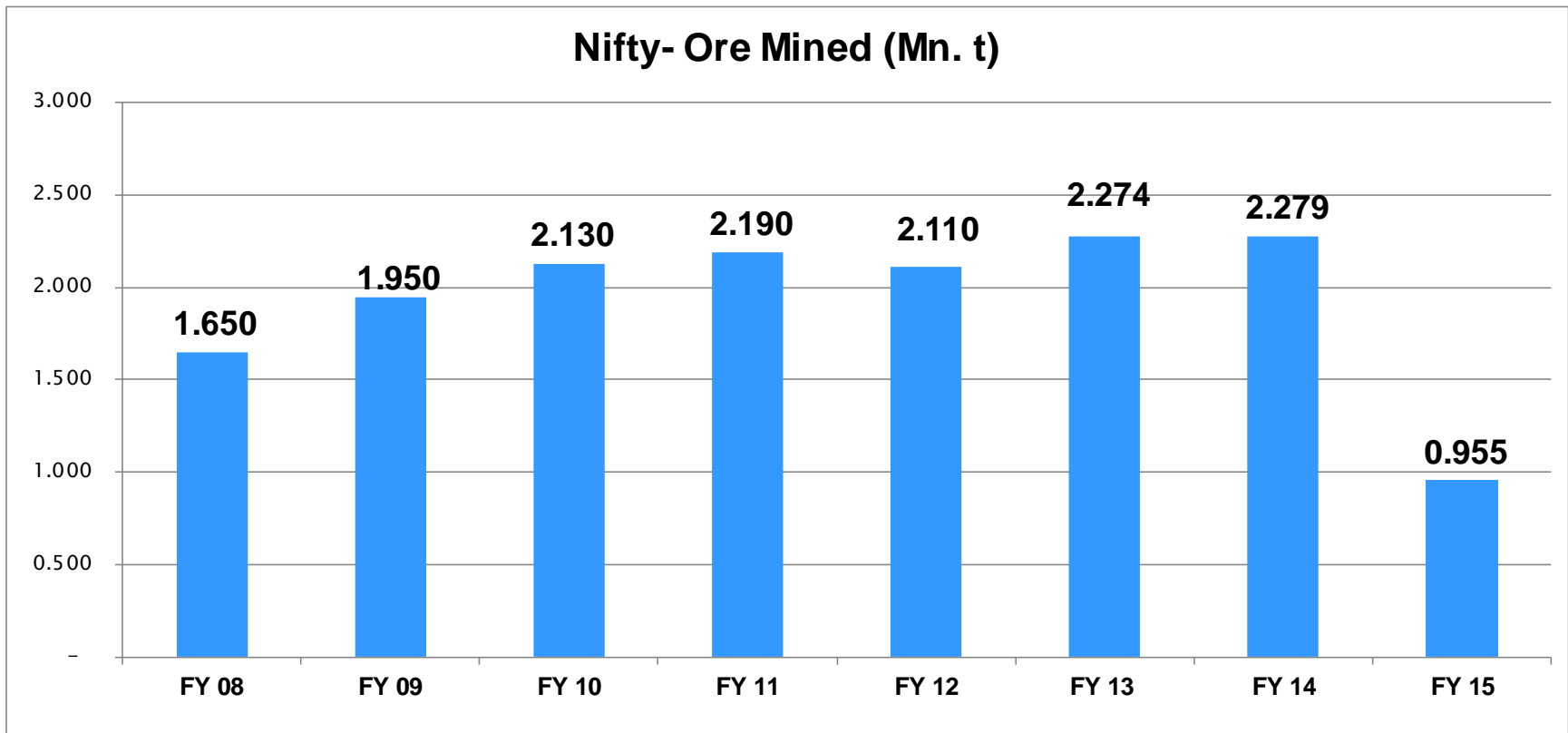
**Ore mined decreased by 58% on YoY basis because of suspension of operations until mid July'14**

**Copper production decreased by 71% (due to sinkhole incident and reduced grade by 25%)**



# Nifty: Ore Mined

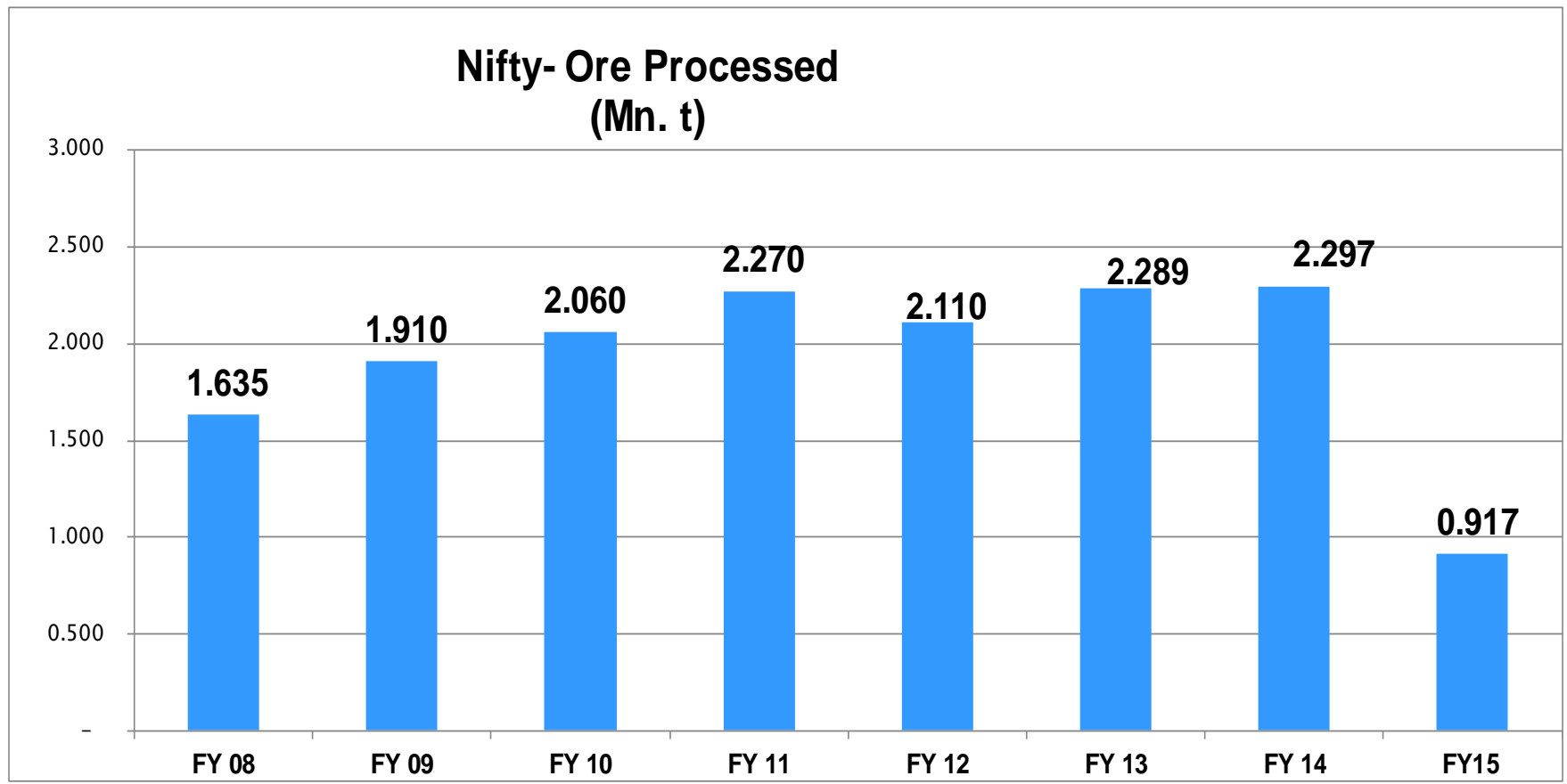
*Mine productivity affected adversely in FY15 due to sinkhole event*



Mining operations were suspended until mid July 2014 due to a Prohibition Notice issued by DMP

# Nifty: Ore Processed

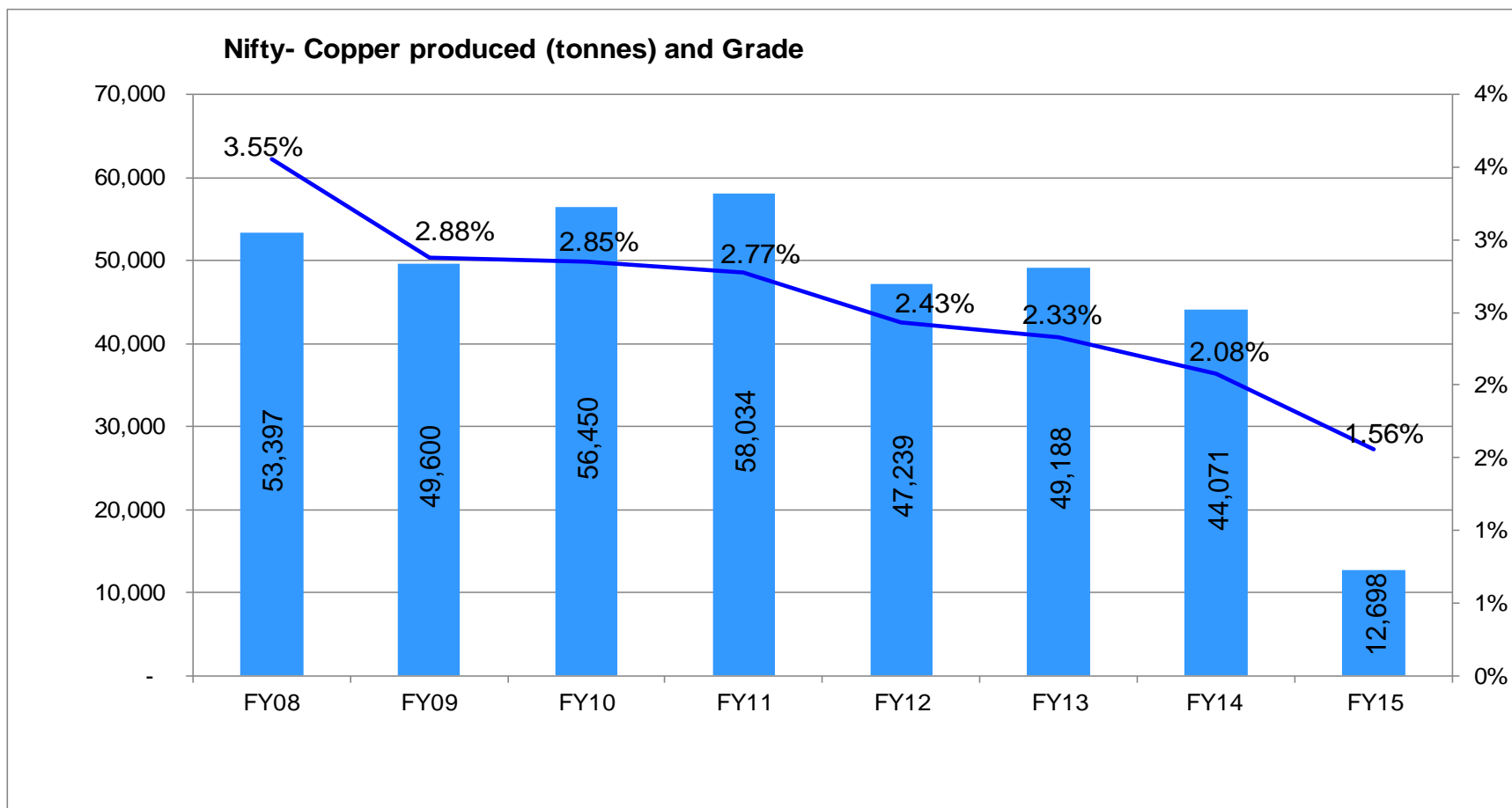
*Ore processed was lower in FY15 due to lower ore mined*



Processing activities re-started in the last week of August 2014 and now operating on 2 weeks on, 1 week off basis due to lower ore mining.



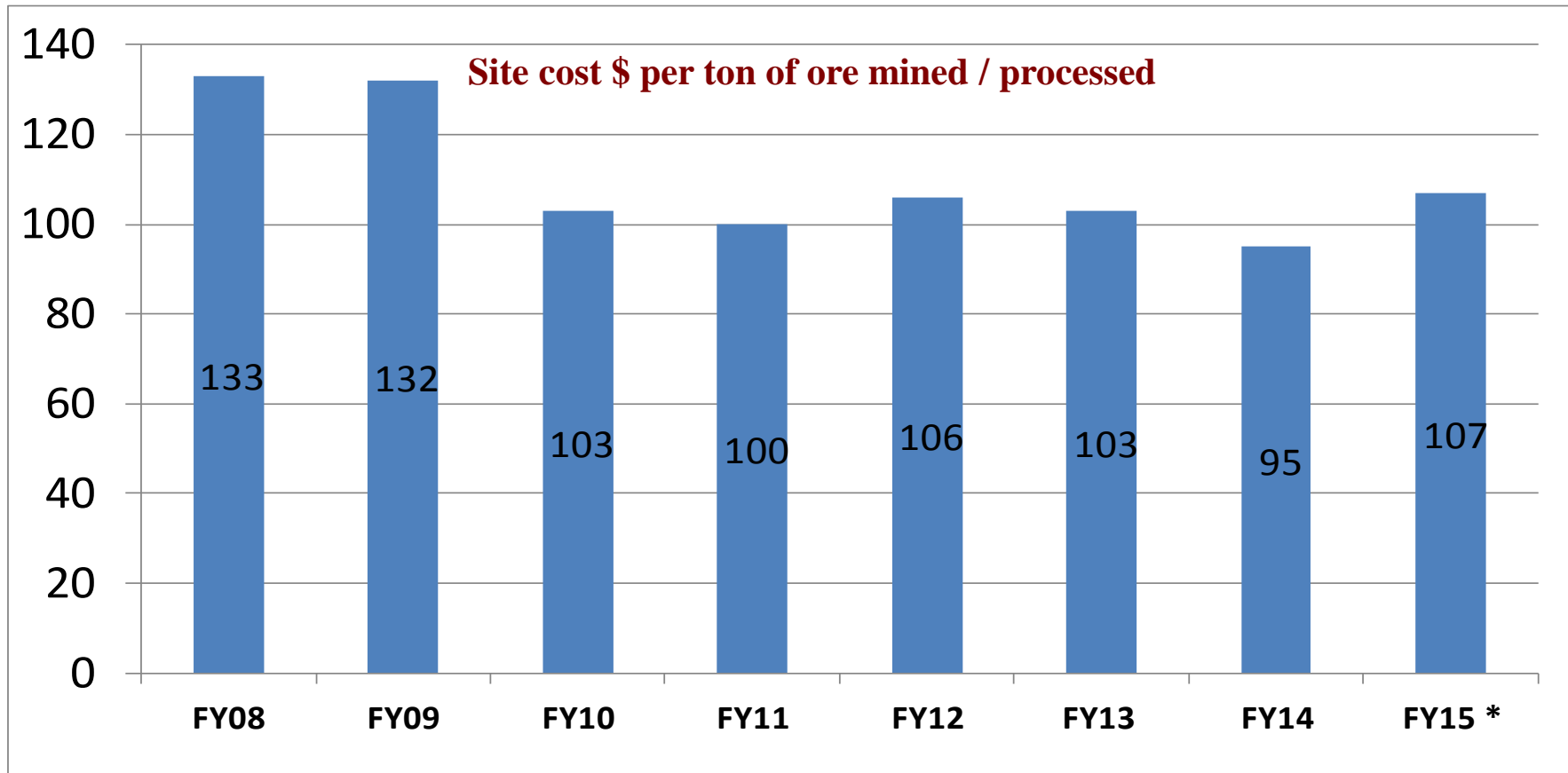
# Nifty: Copper produced and Average Grade



- Average Copper Grade has gone down by 56% since 2008
- Copper Production is lower in FY15 due to the processing plant restarting in the last week of August'14 following lifting of Prohibition Notice imposed by DMP and also due to reduction in average copper grade

# Nifty: Unit costs

Despite a significant reduction in absolute site costs, on a per tonne of ore mined and processed basis, it increased in FY15 due to lower ore mined and milled volumes compared to previous year



\* 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

NIFTY C1 COST	A cents/lb	
	FY15 *	FY14
Total Site Cash Cost	358	224
Transportation & Logistics Cost	22	18
Tc/Rc	32	23
<b>C1 cost</b>	<b>412</b>	<b>265</b>

\* The site costs in FY15 are exactly not comparable with that of FY14 due to operations being in ramp up phase post re-start after the sinkhole incident.

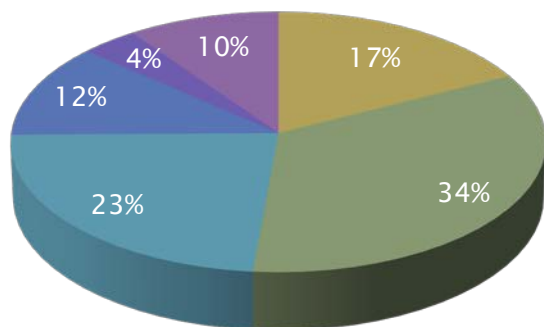
\* Site cash cost for FY15 does not include cost incurred during the mine shut down period due to sinkhole incident. FY15 Site cash cost is high due to lower copper production after recommencement of operations following sinkhole incident





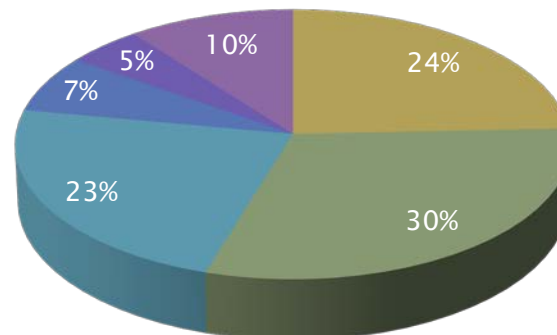
# Nifty : Break-up of Site Cash Cost

## FY 2015



■ Maintenance  
■ Mining Exp  
■ Reagent & Consumables  
■ Manpower  
■ Energy  
■ Overheads

## FY 2014



■ Maintenance  
■ Mining Exp  
■ Reagent & Consumables  
■ Manpower  
■ Energy  
■ Overheads



# Nifty: Key Focus Areas

## ➤ Safety

- ❑ Consolidate safety awareness.
- ❑ Develop and implement appropriate training and skills development plans.

## ➤ Productivity improvement

- ❑ Implement budget mine output plan at 1.5 – 1.7 mtpa in the short to medium term.

## ➤ Cost optimization

- ❑ Further identify and implement new cost optimisation initiatives.
- ❑ Rationalize capex spending to critical projects only to conserve cash

## ➤ Mine Development

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

## ➤ Exploration

- ❑ Cessation of exploration activities until the business and market situation improves



# 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 its offer for 100% of the issued capital of Birla Mt Gordon Pty Ltd in November 2014.
- The management continues to look for and evaluate non-binding offers/other alternatives and strategic options for Birla Mt Gordon.

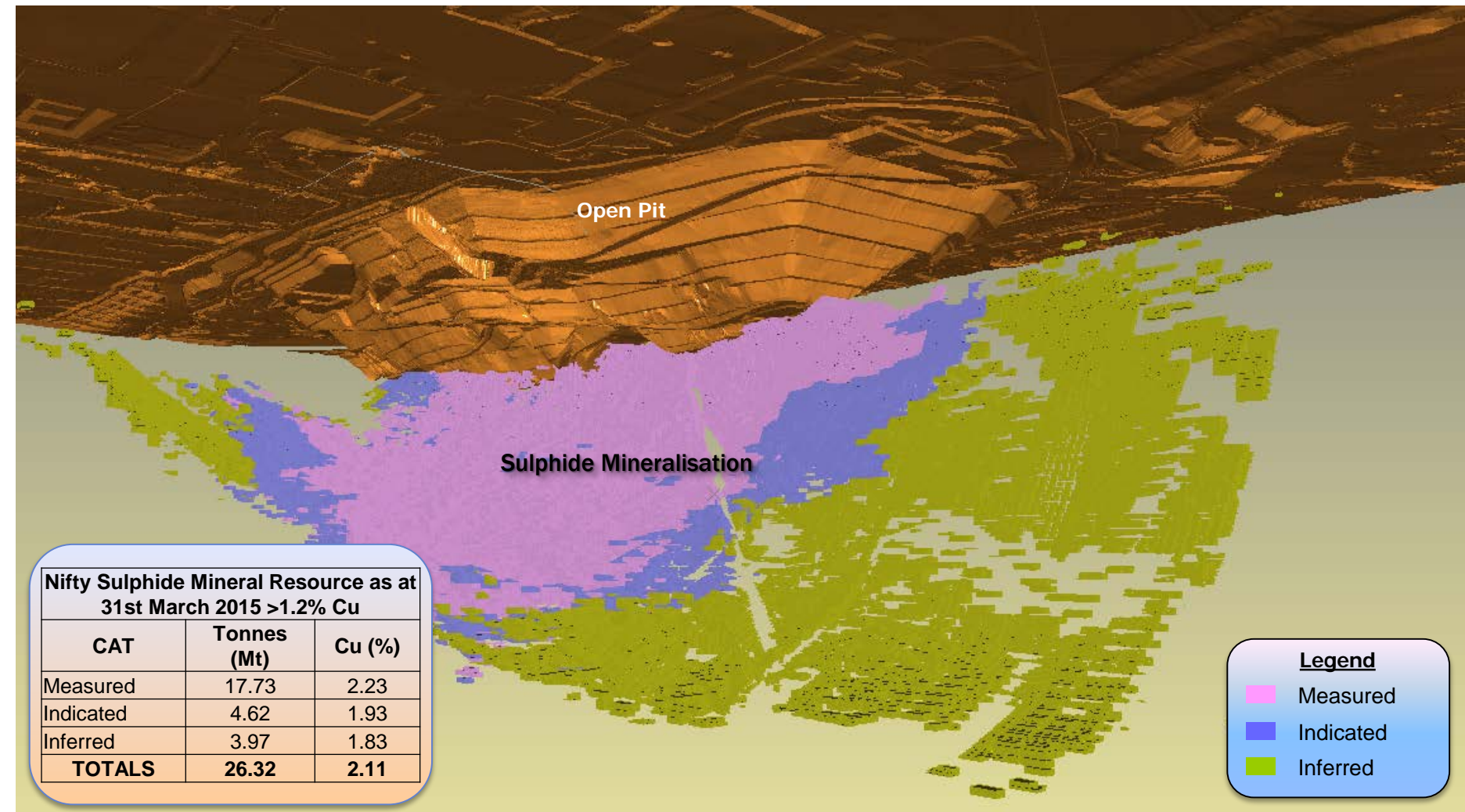




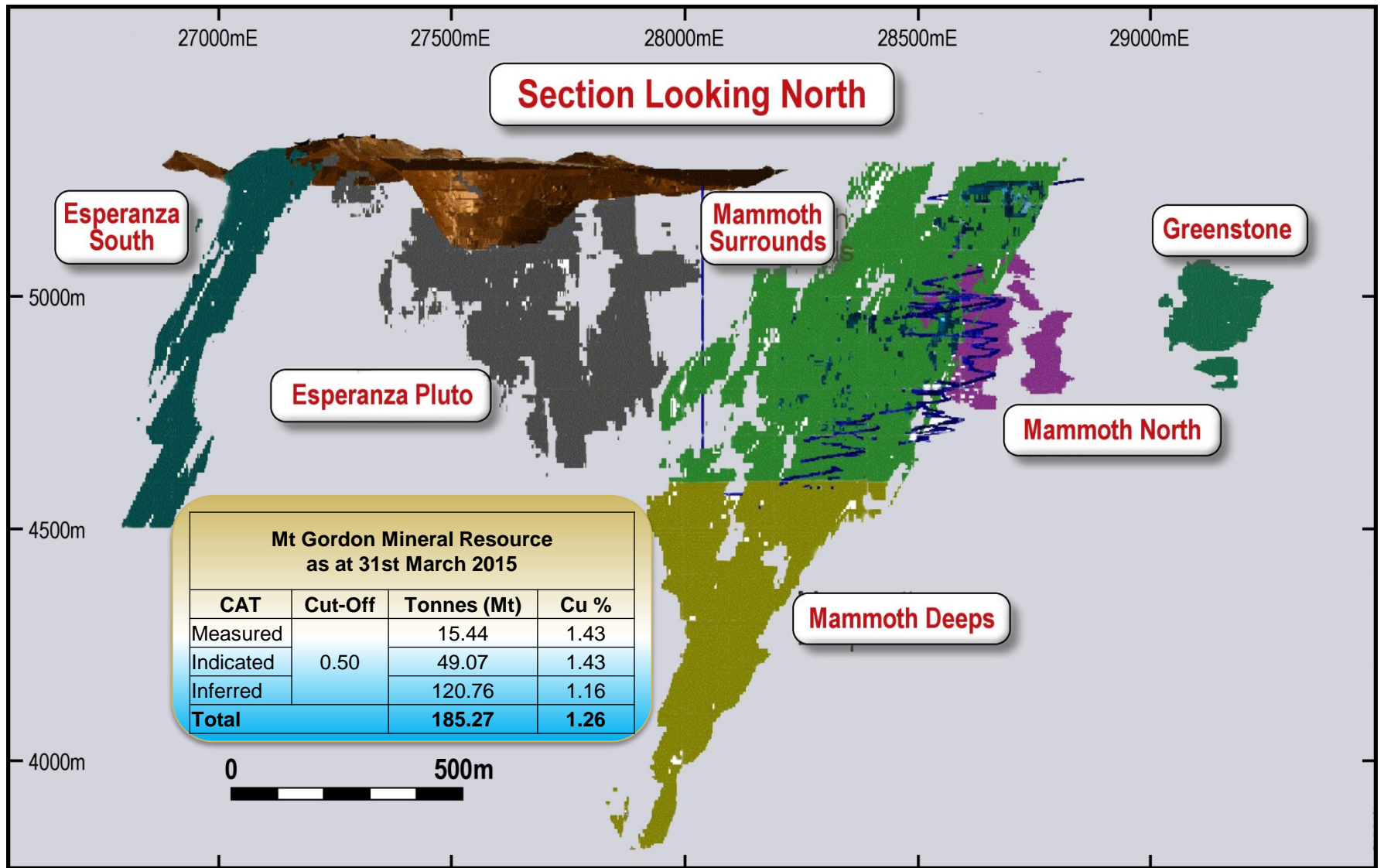
- A total of 2054m (150 RC holes) were drilled at Nifty Heap Leach pad.
- Updated Nifty heap leach pad in-situ Mineral Resource of 3.31Mt at 0.73%Cu, for a total of 24,168 tonnes of contained copper applying a cut-off grade of 0.5%Cu as at 31 March 2015, as announced through ASX release on 28 April 2015
- In-house study illustrates large regional area of copper interest at Rainbow.
- No exploration drilling undertaken post sinkhole development.
- Field exploration activities put on hold. This will be reviewed when business conditions and market situation improves.



# Nifty – Resource



# Mt Gordon Resource Building





A\$ millions

	FY 15	FY 14
Sales Revenue	57.15	315.42
EBITDA	(34.72)	51.87
EBIT	(273.81)	(2.93)
EBT	(273.34)	(4.27)
EAT	(219.71)	(0.22)
EPS (A cents)	(70.11)	(0.07)

- The sinkhole incident in March 2014 resulted in a cost of approximately \$22m during the suspension period. Copper production volume after recommencement of operations was lower and Impairment charges of ~\$219 million had a significant adverse impact on the Company's financials in 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 ~75kt 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 and change in macro economic conditions (copper price and AUD/USD exchange rate); 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	72.53	Lower ore tonnage and grade as per 2014-15 drill hole results and based on selective reclaim of high grade material only and processing it through the existing concentrator plant and change in macro economic conditions (copper price and AUD/USD exchange rate).
Nifty Oxide- SXEW plant and spares	8.19	The value of the SX/EW plant (to the extent of \$4.19m) and its related spares (\$4m) which has remained idle for last 6 years impaired as these are not going to be used for processing oxide ore due to a change in the expected processing methodology
Mt Gordon	21.12	Change in methodology of impairment from Value in Use to Fair Value less cost of sales based on a valuation of Fair value carried out by an independent expert
<b>Total</b>	<b>219.02</b>	



## Production: Contained Metal in concentrate

Copper	UOM	Qty
- Nifty Operations	Tonnes	27-29,000
<b>TOTAL</b>		<b>27-29,000</b>

## Costs:

Copper	UOM	Amount
- Nifty- Site costs	A\$ Mn.	135-145
- Capex	A\$ Mn.	14-19



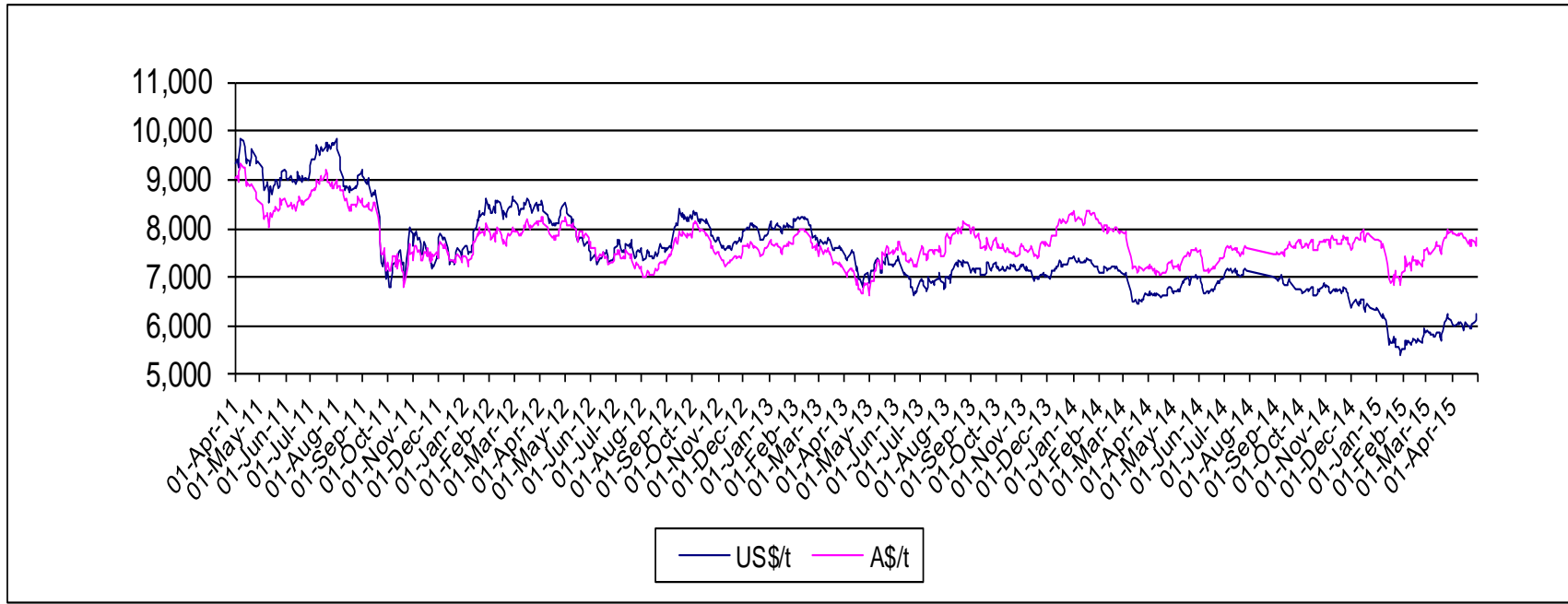
# Metal and Fx Hedges (as on 19<sup>th</sup> May 2015)

Metal hedging	Buy Put		Sell Call		Swap		Total Qty Hedged (tonnes)	Average Rate (USD/t)
	Qty	USD	Qty	USD	Qty (tonnes)	USD/t		
Delivered Qty	-	-	-	-	3,200	6,449	3,200	6,449
Rolling 12 months	-	-	-	-	-	-	-	-
<b>Total Qty Hedged</b>	-	-	-	-	<b>3,200</b>	<b>6,449</b>	<b>3,200</b>	<b>6,449</b>

	Forward Sell	Average
<b>FX Hedging</b>	<b>US\$-Mn</b>	<b>FX Rate</b>
<b>Rolling 12 months</b>	<b>22.40*</b>	<b>0.8489</b>

\* This is hedge against Cash deposits held in USD

# Copper Prices



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

Average LME copper price fell by ~8.2% to US\$ 6,521/MT during Apr-14 to Mar'15 period against average of US\$ 7,104 in the corresponding period last year

Average AUD/USD exchange rate fell by ~6.7% to 0.8709 during Apr-14 to Mar'15 period against average of 0.9330 in the corresponding period last year



# Macro Economic Overview

Copper market in last few weeks has improved to US\$ 6300 – 6400 levels from a low of US\$ 5,400 /MT, supported by production disruptions in Indonesia and Chile and US Federal Reserve's favourable policy statement.

The copper market sentiment is still uninspiring due to slow recovery in Europe and concerns of slow growth rate in China.

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 cannot be ruled out.



# Strategic Direction and Way Forward

## Nifty Operations

- Ramp-up to 1.5- 1.7mtpa in the short term and continue to operate in a safe manner
- Implement the identified cost optimisation initiatives
- Rationalise Capex spending
- Increase mine throughput in the balance life of mine period
- To look for and evaluate strategic options to maximize shareholders' value

## Mt Gordon Operations

- To evaluate non-binding offers/other alternatives and strategic options

## Exploration

- Cessation of exploration activities until business conditions and market situation improves



Thank You



# Annexure A: ABML Resources as at 31 March 2015

## Aditya Birla Minerals Limited Mineral Resources as at 31st MARCH 2015

	Cut-off Grade	Measured Resource		Indicated Resource			Inferred Resource			Total Resource		
	%	Tonnes (Mt)	Cu %	Tonnes (Mt)	Cu %	Co ppm	Tonnes (Mt)	Cu %	Co ppm	Tonnes (Mt)	Cu %	Co ppm
<b>NIFTY COPPER OPERATIONS – Mineral Resources as at 31 March 2015</b>												
In situ Oxide	0.4	1.43	0.91	1.22	0.86	–	1.68	0.83	–	4.33	0.87	–
<b>Sub Total Oxide</b>		<b>1.43</b>	<b>0.91</b>	<b>1.22</b>	<b>0.86</b>	–	<b>1.68</b>	<b>0.83</b>	–	<b>4.33</b>	<b>0.87</b>	–
In situ Sulphide	1.2	17.73	2.23	4.62	1.93	–	3.97	1.83	–	26.32	2.11	–
Broken Ore Stocks – Sulphide	N/A	–	–	–	–	–	0.00	0.00	–	–	–	–
<b>Sub Total Sulphide</b>		<b>17.73</b>	<b>2.23</b>	<b>4.62</b>	<b>1.93</b>	–	<b>3.97</b>	<b>1.83</b>	–	<b>26.32</b>	<b>2.11</b>	–
Heap Leach Pad	0.5	–	–	2.85	0.75	–	0.46	0.66	–	3.31	0.73	–
<b>Sub Total Heap Leach pad</b>		<b>0.00</b>	<b>0.00</b>	<b>2.85</b>	<b>0.75</b>	–	<b>0.46</b>	<b>0.66</b>	–	<b>3.31</b>	<b>0.73</b>	–
<b>Total Mineral Resource</b>		<b>19.37</b>	<b>2.14</b>	<b>8.70</b>	<b>1.39</b>	–	<b>6.11</b>	<b>1.45</b>	–	<b>33.96</b>	<b>1.82</b>	–
<b>MT GORDON COPPER PROJECT – Mineral Resources as at 31 March 2015</b>												
In situ Sulphide	0.5	15.44	1.43	49.07	1.43	–	120.76	1.16	–	185.27	1.26	–
Broken Ore Stocks – Sulphide	N/A	–	–	–	–	–	–	–	–	–	–	–
<b>Total Mineral Resource</b>		<b>15.44</b>	<b>1.43</b>	<b>49.07</b>	<b>1.43</b>	–	<b>120.76</b>	<b>1.16</b>	–	<b>185.27</b>	<b>1.26</b>	–
<b>MAROOCHYDORE COPPER PROJECT – Mineral Resources as at 31 March 2015</b>												
In situ Oxide and Supergene	0.5	–	–	40.80	0.92	388	2.30	0.81	451	43.20	0.91	391
In situ Sulphide	1.1	–	–	0.00	0.00	–	5.43	1.66	292	5.43	1.66	292
<b>Total Mineral Resource</b>		<b>–</b>	<b>–</b>	<b>40.80</b>	<b>0.92</b>	<b>388</b>	<b>7.73</b>	<b>1.41</b>	<b>339</b>	<b>48.63</b>	<b>0.99</b>	<b>380</b>
<b>GRAND TOTAL</b>		<b>34.81</b>	<b>1.83</b>	<b>98.57</b>	<b>1.22</b>		<b>134.60</b>	<b>1.15</b>		<b>267.86</b>	<b>1.28</b>	





# Annexure B: Sulphide Reserves as at 31 March 2015

	Cutoff Grade	Proven Reserve		Probable Reserve		Total Reserve	
	Cu%	Tonnes(Mt)	Cu%	Tonnes(Mt)	Cu%	Tonnes(Mt)	Cu%
<b>Nifty Copper Operations</b>							
Nifty Underground Sulphide	1.1	4.19	2.37	4.50	1.54	8.69	1.94
Broken Ore Stocks - Sulphide	N/A	-	-	-	-	-	-
<b>Nifty Sulphide Ore Reserves</b>		<b>4.19</b>	<b>2.37</b>	<b>4.50</b>	<b>1.54</b>	<b>8.69</b>	<b>1.94</b>
<b>Mt Gordon Copper Operations</b>							
Sulphide	1.5	-	-	3.60	2.20	3.60	2.20
Broken Ore Stocks - Sulphide	N/A	-	-	-	-	-	-
<b>Mt Gordon Sulphide Ore Reserves</b>		<b>-</b>	<b>-</b>	<b>3.60</b>	<b>2.20</b>	<b>3.60</b>	<b>2.20</b>
<b>Total Sulphide Ore Reserves</b>		<b>4.19</b>	<b>2.37</b>	<b>8.10</b>	<b>1.83</b>	<b>12.29</b>	<b>2.02</b>