



21st September 2015

ASX Limited

SALE OF MOUNT GORDON OPERATIONS

Highlights:

- Binding transaction documentation signed for the sale of all of the shares in Birla Mt Gordon Pty Ltd ("**BMG**"), owner of the Mt Gordon Copper Operation ("**Mt Gordon**").
- Transaction represents a culmination of an extensive sale process for the project and the successful conclusion of the first stage of the previously-announced strategic review of all Aditya Birla Minerals Limited ("**ABML**") operations.
- Completion of the Mt Gordon sale will result in a substantial increase in unencumbered cash to ABML (including by way of return of \$41.7m worth of environmental and performance bonds) and a cessation of existing ongoing care and maintenance costs for the operation.

Aditya Birla Minerals Limited ("**ABML**" or "**Company**") (ASX: ABY) is pleased to announce that it has executed a binding agreement for the sale of Mt Gordon, through a sale to Lighthouse Minerals Holdings Pty Ltd ("**Buyer**") of 100% of the shares in BMG, a wholly-owned subsidiary of the Company (the "**Transaction**"). The Buyer is owned by an affiliate of EMR Capital Resources Fund 1, LP ("**EMR**") and Lighthouse Minerals Pty Ltd ("**LHM**").

TRANSACTION SUMMARY

Under the terms of the binding share purchase agreement in relation to the Transaction ("**Agreement**"), the Buyer will acquire all the shares in BMG for:

- A cash payment of A\$5 million to ABML, payable on Completion of the Transaction;
- A further contingent cash payment of A\$10 million to ABML, payable if the three month delivery quoted price for copper on the London Metals Exchange averages at least A\$4.20 per pound over any continuous six month period, during the period commencing on 12 months after the date of first commercial production at Mt Gordon (under the Buyer's ownership) and ending 36 months after the date of first commercial production at Mt Gordon;
- Reimbursing ABML for actual care and maintenance expenses incurred by BMG in relation to Mt Gordon for the period commencing on the execution date of the Agreement and ending on the completion date of the Transaction, up to a maximum amount of A\$500,000 per month; and

Aditya Birla Minerals Limited

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- Replacing all financial assurance bonds (being environmental bonds and performance bonds) in relation to Mt Gordon, amounting to a value of approximately A\$41.7 million.

The Transaction is subject to certain customary conditions precedent and applicable procedural matters, including the Buyer obtaining Foreign Investment Review Board approval and ABML procuring the discharge of all intercompany indebtedness between ABML and BMG before completion.

Hindalco Industries Limited ("**Hindalco**"), ABML's 51% shareholder and the offtake counterparty under an existing "Life of Mine Off-take Agreement" with BMG in relation to Mt Gordon, has agreed to terminate the existing offtake agreement effective on completion of the Transaction. Hindalco and the Buyer have entered into a new replacement off-take agreement which will come into effect on completion of the transaction.

The transaction may be terminated on the happening of certain specified events, including if there is a material adverse change in relation to BMG or if the Buyer or ABML commits a material breach of certain fundamental terms which is not remedied. If the Transaction agreement is terminated due to such a material breach, the defaulting party must pay the non-defaulting party a break fee of A\$1,000,000.

Based on advice obtained from ASX, the Transaction will not require shareholder approval under ASX Listing Rules 11.1.2, 11.1.3 or 11.2. Accordingly, ABML is not required to convene a meeting to seek shareholder approval for the Transaction. The Transaction is currently expected to complete by 31st October 2015.

RATIONALE FOR THE TRANSACTION AND BENEFITS FOR ABML SHAREHOLDERS

The Transaction has resulted from the overall strategic review previously announced by the Company, which seeks to maximise value for ABML shareholders and which involves consideration of corporate and operational strategies, including ownership and disposal options available to the Company.

On completion of the Transaction, approximately A\$41.7 million of encumbered cash balance of ABML will become unencumbered. Together with the cash proceeds from the sale of BMG, this increase in the Company's unencumbered cash balance will provide the ABML Board with considerable flexibility while it assesses options in relation to capital management and the ongoing strategic review of the balance of the ABML business.

The Company will continue to operate the Birla Nifty copper mine and technically review the Birla Maroochydore copper project throughout the strategic review process.

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COMMENTS FROM ABML

ABML's Managing Director, Neel Patnaik, said the Transaction reflects the substantial efforts undertaken by ABML, BMG and its employees, and the executives of ANZ Corporate Advisory over the past two and a half years, since Mt Gordon was placed under care and maintenance in April 2013 and a strategic review process was started for the Mt Gordon operation.

ANZ Corporate Advisory acted as exclusive financial advisor to ABML and Ashurst acted as legal advisor to ABML.

About Aditya Birla Minerals Limited

Aditya Birla Minerals Limited is an ASX-listed mining company with a focus on copper production and exploration. The company is based in Perth, Western Australia, and has current operations at the Birla Nifty Copper Operation in the Great Sandy Desert. Aditya Birla Minerals Limited is part of the Aditya Birla Group and is 51% owned by Hindalco Industries Ltd. Concentrates produced at the Nifty copper mine are shipped to the Hindalco Industries Ltd-owned copper smelter in India.

For further information please contact:

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