

Aditya Birla Minerals Limited
ABN 37 103 515 037

Level 3
256 Adelaide Terrace
Septimus Roe Square
Perth
Western Australia 6000
Australia

PO Box 3074
East Perth
Western Australia 6892
Australia

T: +61 8 9366 8800
F: +61 8 9366 8805

www.adityabirlaminerals.com.au

Aditya Birla Minerals Limited

ASX RELEASE

For the Quarter ended 31st December 2015

For Further Information

Aditya Birla Minerals Limited

Neel Patnaik – Managing Director
Shanti Dugar – Chief Financial Officer
Peter Torre – Company Secretary

Telephone +61 8 9366 8800

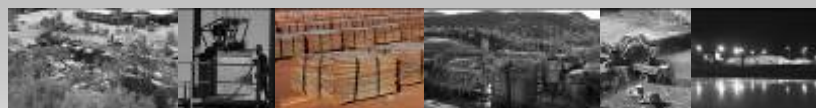
Facsimile +61 8 9366 8805

Email: investorrelations@adityabirla.com.au

Media Enquiries

Michael Vaughan
Fivemark Partners

Telephone +61 422 602 720



ADITYA BIRLA MINERALS LIMITED

Third Quarter Ended

31st December 2015

Highlights

- The sale of 100% of the shares in Birla Mt Gordon Pty Ltd to Lighthouse Minerals Holdings Pty Ltd was successfully completed on 27 October 2015 after satisfaction of all conditions precedent.
- Continued improvement in operating performance at Nifty Copper Operation during the December quarter:
 - Copper production during the quarter was 11,003 tonnes, an increase of 75% from the September quarter.
 - C1 cash operating costs during the quarter of A\$2.09/lb, a reduction of 32% from the September quarter.
 - Ore processed during the quarter was 441,983 tonnes, an increase of 21% from the September quarter.
 - Higher ore grade averaging at 2.65% during the quarter as compared to 1.82% in the September quarter.
 - The ore mining rate continued to be impacted by a higher percentage of ore being remotely bogged due to draw point control measures in place.
- Guidance in relation to production increased to an expected 29,000 – 30,000 tonnes of copper production from previous guidance of 25,000 – 28,000 tonnes.
- Guidance in relation to total site costs reduced to an expected A\$135 – A\$140 million for the year ending 31 March 2016 from previous guidance of A\$135 – A\$145 million.
- Cash and cash equivalents of \$72.18 million as at 31 December 2015 with a further \$7.82 million (classified as trade and other receivables in the balance sheet) in a security deposit against finance facilities.
- Stage one of Strategic Review completed and stage two initiated with a targeted completion date at the end of the March 2016 quarter.
- The Board of Directors of ABML continue to advise ABML shareholders to TAKE NO ACTION in relation to the unsolicited takeover offer by Metals X Limited.

Overview

Production Summary of ABML	UoM	Quarter Ended 31 Dec'15	Quarter Ended 30 Sep'15	Quarter Ended 31 Dec'14	Year to Date Ended 31 Dec'15	Year to Date Ended 31 Dec'14
Ore mined	tonnes	393,740	412,947	359,670	1,135,940	600,933
Grade	%	2.65%	1.82%	1.60%	2.1%	1.60%
Cu contained	tonnes	10,437	7,509	5,722	23,810	9,607
Ore Processed	tonnes	441,983	366,294	374,176	1,163,531	559,554
Cu contained	tonnes	11,344	6,610	5,861	24,269	8,920
Concentrate produced	dmt	47,546	25,791	23,295	98,588	35,707
Concentrate Grade	%	23.14%	24.44%	22.74%	23.47%	22.44%
Total Copper Produced	tonnes	11,003	6,305	5,299	23,139	8,013
Total Copper Sold	tonnes	8,450	8,118	8,062	24,570	9,409

Compared to the previous quarter, copper production increased by 75% mainly due to improved average copper grade to 2.65% during Q3 compared to 1.82% achieved in the previous quarter and a 21% increase in tonnes processed.

The Company had a balance of cash and cash equivalents of \$72.18 million as at 31 December 2015. In addition, there were security deposits of \$7.82 million as at 31 December 2015 (accounted for as 'trade and other receivables') against finance facilities (\$7.82 million). The total of the cash balance and security deposits as at 31 December 2015 was \$80 million, a decrease of \$4.26 million compared to the corresponding total of \$84.26 million at the end of the previous quarter. The decrease is mainly attributed to working capital movements between the two reporting cut-off dates.

As at 13 January 2016, the Company had sold forward 8,000 tonnes of copper at average rate of US\$4,900 per tonne against the despatched quantity. As at the same date, the Company had a forward sale position of US\$ 1.5 million at an average exchange rate of 0.7155 AUD/USD.

As previously advised, as a result of the strategic review process undertaken in relation to Mt Gordon, the Company sold all shares in Birla Mt Gordon Pty Ltd to Lighthouse Minerals Holdings Pty Ltd on 27 October 2015.

As announced on 7 October 2015, the Company has engaged Moelis Australia Advisory Pty Limited to act as its exclusive financial advisor to assist with a

strategic review of the Company ("Strategic Review"). The specific focus of the Strategic Review is on maximising value for all ABML shareholders. All strategic options will be considered, including the sale of the Company. The Strategic Review is expected to conclude in the March Quarter 2016. However, this timing will depend on a number of factors (including, but not limited to, prevailing market conditions and unforeseen circumstances).

On 15 October 2015, ASX-listed Metals X Limited ("Metals X") announced an unsolicited off-market takeover offer for all of the fully paid ordinary shares in ABML, for consideration of 1 fully paid ordinary Metals X share for every 5 ABML shares held (the "Offer"). The Offer consideration was subsequently revised by Metals X on 7 December 2015 to 1 fully paid ordinary Metals X share for every 4.75 ABML shares (the "Revised Offer"). On 23 December 2015, Metals X announced an extension of the offer period, such that the Revised Offer is now open until 21 January 2016.

The Board of Directors of ABML recommends ABML shareholders reject the Revised Offer from Metals X, take no action in relation to the Revised Offer, and ignore all information from Metals X. Further information in relation to the Revised Offer is set out in the Company's First Supplementary Target's Statement (released on ASX on 22 December 2015).

The Directors of ABML believe the Revised Offer from Metals X materially undervalues ABML and is not in the best interests of ABML shareholders. ABML's 51% shareholder, Hindalco Industries Limited ("Hindalco"), has informed ABML that after evaluating the proposal, it will not be accepting the Revised Offer. Hindalco has reiterated its support for the Strategic Review.

As advised on 30 December 2015, the first stage of the Strategic Review has been completed. ABML is preparing to move into the next stage of the Strategic Review. ABML shareholders are reminded that the outcome of the Strategic Review remains subject to a number of factors and may not result in a definitive transaction.

The Company will continue to operate as usual during the Strategic Review, and will keep shareholders advised of any material developments as the Strategic Review progresses.

Nifty Copper Operation

The Total Recordable Injury Frequency Rate (TRIFR) for the Birla Nifty Copper Operation for the December Quarter was 4.9 per million man-hours compared to a TRIFR for the September Quarter of 9.5 per million man-hours. 12 months cumulative TRIFR for the period ending 31 December 2015 was 5.9 per million man-hours against the industry average of 10.3 per million man-hours for Underground Metalliferous Mines. Work continues on initiatives to further improve safety performance including Trigger Action Response Plans (TARP), development of safety systems, training, up-skilling and engagement.

All environmental obligations have been complied with.

Production Summary of Nifty	UoM	Quarter Ended 31 Dec '15	Quarter Ended Sep'15	Quarter Ended 31 Dec'14	Year to Date Ended 31 Dec '15	Year to Date Ended 31 Dec '14
Ore mined	tonnes	393,740	412,947	359,670	1,135,940	600,933
Grade	%	2.65%	1.82%	1.60%	2.1%	1.6%
Cu contained	tonnes	10,437	7,509	5,722	23,810	9,607
Ore Processed	tonnes	441,983	366,294	374,176	1,163,531	559,554
Cu contained	tonnes	11,344	6,610	5,861	24,269	8,920
Recovery	%	97.00%	95.38%	90.40%	95.34%	88.40%
Concentrate produced	Dmt	47,546	25,791	23,295	98,588	35,707
Concentrate Grade	%	23.14%	24.44%	22.74%	23.47%	22.44%
Total Copper Produced	tonnes	11,003	6,305	5,299	23,139	8,013
Total Copper Sold	tonnes	8,450	8,118	8,062	24570	9,409

Ore production was 393,740 tonnes, an increase of 9% compared to the corresponding quarter of last year, at an average 2.65% Copper Grade in the current quarter. As compared to the previous quarter, the ore mined was 5% lower. Ore processed was 441,983 tonnes during the quarter, an increase of 18% over the corresponding quarter last year and an increase of 21% over the previous quarter.

The copper production was 11,003 tonnes with an increase of 108% over the December quarter of last year and an increase of 75% over the previous quarter. The increase in copper production over the previous quarter is mainly attributed to higher grade, improvement in recovery and increased ore processed volume.

The mining rate continued to be impacted during the quarter because of a higher percentage of ore being remotely bogged due to draw point control measures as per the advice of the Department of Mines and Petroleum. The Company has undertaken measures to upgrade its capabilities of remote bogging to minimise the impact on the mining volumes.

The Company is pleased to revise upward the copper production guidance for FY 2015–16 and advises that total copper production from the Nifty operations for the full year to 31 March 2016 is expected to be in the range of 29kt – 30kt as compared to previous guidance provided in the range of 25kt – 28kt.

The Nifty Oxide operations continue to be under care and maintenance.

The site cash costs per tonne of ore mined and processed was A\$85.03, a 2% reduction on the previous quarters cost of A\$87.15 per tonne. The continued cost improvement is due to a higher quantity of ore being processed during the quarter and a number of cost reduction initiatives having been implemented.

The C1 cash cost improved to A\$2.09/lb of Cu during the quarter against A\$3.08/lb in the previous quarter.

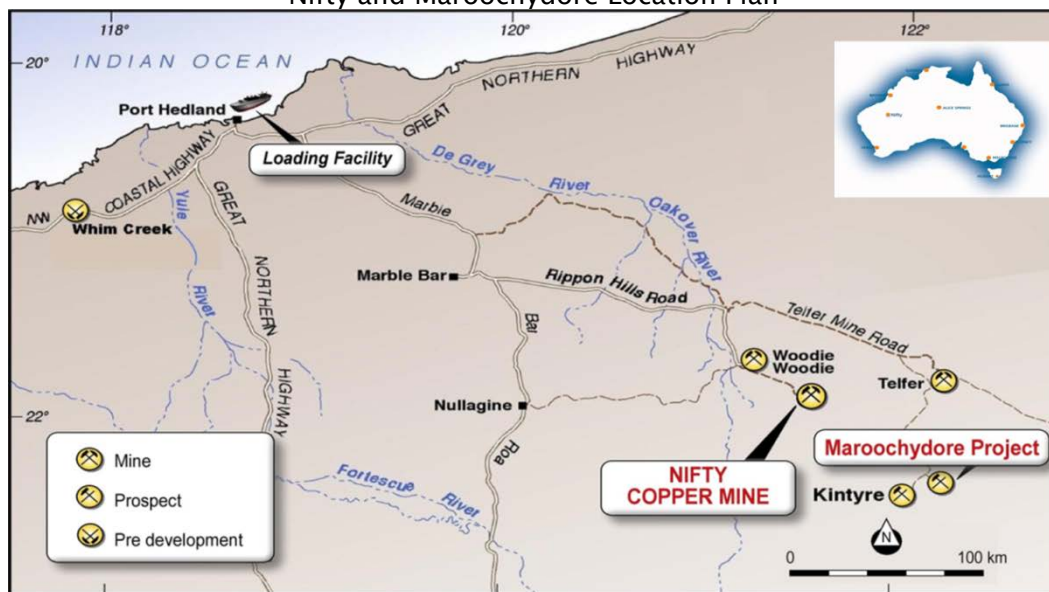
The total site cash cost at Nifty for Q3 FY16 was A\$34.88 million as against the previous quarter A\$34.32 million. These figures do not include Tc/Rc, transportation and royalty costs.

The site cost guidance (excluding Tc/Rc, transportation and royalty costs) for Q4 FY16 is in the range of A\$33 – A\$37 million. The site cost guidance for the full year of FY16 is revised to the range of A\$135 – A\$140 million.

Exploration Activities

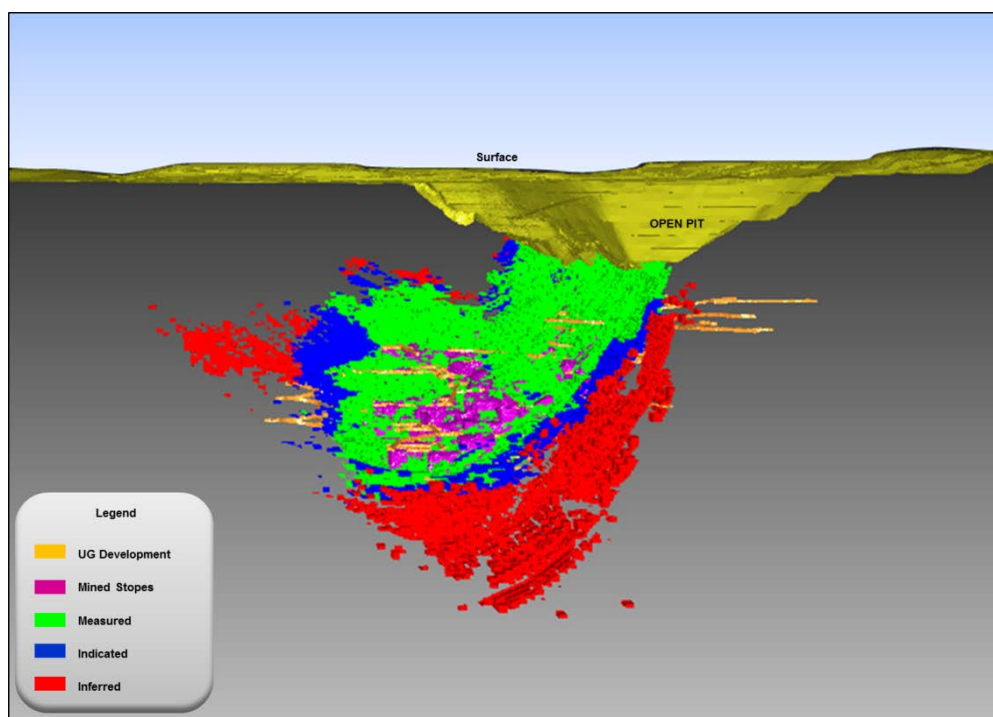
The Nifty and Maroochydore Copper Projects are located approximately 300km and 400km respectively south-east of Port Hedland.

Nifty and Maroochydore Location Plan



The Nifty Sulphide deposit location is shown in the figure below.

Nifty Sulphide Resource – looking west



During the quarter no delineation or infill drilling activity was undertaken at Nifty underground mine.

No field exploration activity was undertaken on mining and exploration tenements.

Market Outlook

During the quarter, copper prices have seen the LME 3-month price drop to US\$4443.5/t on the 23rd November, which is the lowest price in the last 6 years. With the Federal Reserve's eventual announcement of a 0.25% rate hike and with the post-announcement dollar appreciation, the copper price is currently stabilised in the range of US\$4,350– 4,600/t. The fall in copper prices is partly offset with a decrease in value of A\$:US\$ exchange rate. The copper price in Australian Dollar terms has fallen by approximately \$800–1,000/MT as compared to the prices prevailing in Sep/Oct 2015.

Market fundamentals are depressed with production cuts in some mines and the announcement that ten Chinese refined copper producers would cut refined copper output by 350kt next year. However, such production cuts may be partially or even fully mitigated by increased capacity utilisation at other smelters.

The slower growth in China, which accounts for ~40% of the world's total copper consumption is concerning. However, the recently released data pertaining to the Chinese economy and end-use copper sectors have generally pointed to a reversal of the slower growth trajectory witnessed over previous months.

Company profile

Aditya Birla Minerals (ASX: ABY) is a copper mining company in Australia with operations in Western Australia and Queensland. ABY is currently conducting copper mining at the Nifty Copper Operations located in the Great Sandy Desert, Western Australia. Copper concentrates produced from its Nifty copper mine are shipped to Hindalco Industries Limited's (Hindalco) copper smelter in India. Hindalco is a member of the Aditya Birla Group, one of India's largest industrial conglomerates.

Hindalco has a 51% shareholding in ABY and is Asia's largest integrated aluminium producer and growing copper producer.

Aditya Birla Minerals has a team of highly skilled mining and copper exploration industry professionals, each adhering to the Company's values: commitment, integrity, speed, seamlessness and passion.

Competent Person's Statement

The Information in this report that relates to exploration results is based on information compiled by Sean Sivasamy, a Member of the Australasian Institute of Mining and Metallurgy, who is a full time employee of Aditya Birla Minerals Limited (ABML). 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 Exploration Results, 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.

The information in this report that relates to Mineral Resources for the Nifty 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 Australasian Institute of Mining and Metallurgy (CP-Geo) and Mr Sivasamy is a Member of the Australasian Institute of Mining and Metallurgy. 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 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 Australasian Institute of Mining and Metallurgy. 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 resource information in this report was previously reported to ASX in the release titled 'Resource Update as at 31 March 2015', dated 28 April 2015.

The Information in this report that relates to Nifty Copper Operations Ore Reserve is based on, and fairly represents, information and supporting documentation prepared by Mr. David Lee, Principal Mining Engineer and an employee of AMC Consultants Pty Ltd. Mr. Lee is a Fellow of Australasian Institute of Mining and Metallurgy. Mr. Lee has sufficient experience, which is relevant to the style of mineralization and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2012 JORC edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Mr. Lee consents to the release of this information in the form and context in which it appears. The Nifty Copper Operations Ore Reserve information in this report was previously reported to ASX Release dated 29 April 2015 and Revised Update dated 15 June 2015 and Supplementary Information dated 22 June 2015.

Disclaimer

This announcement includes certain "Forward-Looking Statements". All statements, other than statements of historical fact, included herein, including without limitation, statements regarding financial, production and cost performances, potential mineralisation, exploration results and future expansion plans and development objectives of Aditya Birla Minerals Limited are forward-looking statements that involve various risks and uncertainties.

Forward-looking statements inherently involve known and unknown risks, uncertainties and other factors that may cause the company's actual results, performance and achievements to differ materially from any future results, performance or achievements stated in these forward looking statements. Relevant factors may include, but are not limited to, changes in commodity prices, foreign exchange fluctuations and general economic conditions, increased costs, speculative nature of exploration and project development, including the risks of obtaining necessary licenses and permits and diminishing quantities or

grades of reserves, political and social risks, the actions of competitors, changes to regulatory framework, within which the company operates or may in future operate, environmental conditions including extreme weather conditions, recruitment and retention of personnel, industrial relations issues and litigation.

Forward-looking statements are based on the company management's good faith assumptions relating to the financial, market, regulatory and other relevant environments that will exist and affect the company's business and operations in the future. The company does not give any assurance that the assumptions on which such forward looking statements are based will prove to be correct, or that the company's business or operations will not be affected in any material manner by these or other factors not foreseen or foreseeable by the company or management or beyond the company's control. There can be no assurance that such forward looking statements will prove to be accurate and actual results and future events could differ materially from those anticipated in such statements. Given these risks and uncertainties, the readers are cautioned not to place undue reliance on forward looking statements.

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