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Aditya Birla Minerals Limited

ASX RELEASE

For the Quarter ended 31st March 2016

For Further Information

Aditya Birla Minerals Limited

Neel Patnaik – Managing Director

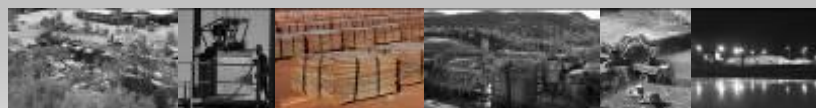
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ADITYA BIRLA MINERALS LIMITED

Fourth Quarter Ended

31st March 2016

Highlights

- The operating performance at the Nifty Copper Operation during the March 2016 quarter was as follows:
 - Ore production was 446,512 tonnes, an increase of 13% compared to the December quarter. Copper production during the quarter was 8,959 tonnes, a decrease of ~19% from the previous quarter due to lower copper grade.
 - C1 cash operating costs during the quarter of A\$2.29/lb, an increase of ~10% from the December quarter.
 - Ore processed during the quarter was 437,579 tonnes, a marginal reduction of 1% from the December quarter.
 - Lower ore grade averaging at 2.12% during the quarter as compared to 2.65% in the December quarter.
 - The mining of tertiary and pillar stopes continued, however higher than expected dilution and poor stope ore recovery resulted in an overall loss of copper in comparison to the reserve tonnage and grade.
- Nifty achieved the lowest ever cost per tonne of ore mined and milled during the quarter at A\$77.8/t.
- Cash and cash equivalents of \$67.64 million as at 31 March 2016 with a further \$7.62 million (classified as trade and other receivables in the balance sheet) in a security deposit against finance facilities.
- The mineral resource and reserve update is in advance stage of completion and an announcement of the same as at 31 March 2016 is expected to be made in the middle of May 2016.
- Subsequent to quarter end, the Board of Directors unanimously recommended to ACCEPT the Metals X's conditional intention to increase the offer for ABML's shares as per details provided in a separate ASX release dated 26 April 2016. With this, the Strategic Review initiated in October 2015 post the sale of Mt Gordon has now been concluded.

Overview

Production Summary of ABML	UoM	Quarter Ended 31 Mar'16	Quarter Ended 31 Dec'15	Quarter Ended 31 Mar'15	Year to Date Ended 31 Mar'16	Year to Date Ended 31 Mar'15
Ore mined	tonnes	446,512	393,740	353,928	1,582,452	954,861
Grade	%	2.12%	2.65%	1.50%	2.10%	1.56%
Cu contained	tonnes	9,462	10,437	5,314	33,272	14,922
Ore Processed	tonnes	437,579	441,983	357,622	1,601,110	917,176
Cu contained	tonnes	9,307	11,344	5,439	33,576	14,359
Concentrate produced	dmt	38,723	47,546	21,733	137,311	57,439
Concentrate Grade	%	23.14%	23.14%	21.56%	23.38%	22.10%
Total Copper Produced	tonnes	8,959	11,003	4,685	32,098	12,698
Total Copper Sold	tonnes	12,255	8,450	(71)	36,826	9,338

Compared to the previous quarter, copper production decreased by ~19% mainly due to lower average copper grade to 2.12% during Q4 compared to 2.65% achieved in the previous quarter.

The Company had a balance of cash and cash equivalents of \$67.64 million as at 31 March 2016. In addition, there were security deposits of \$7.62 million as at 31 March 2016 (accounted for as 'trade and other receivables') against finance facilities. The total of the cash balance and security deposits as at 31 March 2016 was \$75.26 million, a decrease of \$4.74 million compared to the corresponding total of \$80.00 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 27 April 2016, the Company had sold forward 11,600 tonnes of copper at an average rate of US\$4,640 per tonne against the despatched quantity. As at the same date, the Company had a forward sale position of US\$18.5 million at an average exchange rate of 0.7666 AUD/USD.

Strategic Review: The Company had undertaken a comprehensive Strategic Review process over the past 6 months with one objective in mind – to maximise value for all ABML shareholders. The Strategic Review enabled a robust price discovery process to be undertaken by ABML. The Strategic Review process has now been concluded

On 15 October 2015, ASX-listed Metals X Limited (“**Metals X**”) had announced an unsolicited off-market takeover offer for all of the fully paid ordinary shares in ABML, which was subsequently revised and extended from time to time. Following completion of Metals X’s negotiations with the Company and Hindalco (the Company’s 51% shareholder), Metals X announced a revision to its takeover offer on 26 April 2016 by :

- increasing the scrip consideration to 1 Metals X share for every 4.5 ABML shares held; and
- adding a cash component of \$0.08 per ABML share.

(**Increased Offer**), conditional on Hindalco Industries Limited (**Hindalco**) being in a position to accept the Increased Offer once Metals X has made the formal variation to increase the offer consideration in accordance with section 650D of the Corporations Act 2001 (Cth) (**Formal Variation**).

Hindalco has formally advised ABML that it will accept the Increased Offer within three business days of each of the following conditions having been satisfied or waived by Hindalco:

- no bona fide superior proposal being announced by a third party within 5 business days of the announcement (i.e. before May 4, 2016);
- Metals X lodging and providing the Formal Variation in respect of the Increased Offer; and
- Hindalco receiving written approval from the Reserve Bank of India, which is unconditional or subject only to conditions reasonably acceptable to Hindalco, that Hindalco may dispose of its ABML shares and subscribe for Metals X shares (**RBI Approval**).

Subject to Metals X making the Formal Variation, the ABML directors unanimously recommend that, in the absence of a superior proposal, ABML shareholders accept the Increased Offer. The Company has signed a Bid Agreement in this regard which places “No-shop and No-talk” obligations on AMBL or its representatives

With this, the Strategic Review process initiated by the Company in October 2015 for residual ABML has now been concluded.

Nifty Copper Operation

Nifty Copper Operation's Total Recordable Injury Frequency Rate (TRIFR) per million hours worked was 4.6 at the end of March 2016, a 6.12 percent decrease on the previous quarter of 4.9. 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 Mar'16	Quarter Ended 31 Dec'15	Quarter Ended 31 Mar'15	Year to Date Ended 31 Mar'16	Year to Date Ended 31 Mar'15
Ore mined	Tonnes	446,512	393,740	353,928	1,582,452	954,861
Grade	%	2.12%	2.65%	1.50%	2.10%	1.56%
Cu contained	Tonnes	9,462	10,437	5,314	33,272	14,922
Ore Processed	Tonnes	437,579	441,983	357,622	1,601,110	917,176
Cu contained	Tonnes	9,307	11,344	5,439	33,576	14,359
Recovery	%	96.26%	97.00%	86.13%	95.60%	88.43%
Concentrate produced	Dmt	38,723	47,546	21,733	137,311	57,439
Concentrate Grade	%	23.14%	23.14%	21.56%	23.38%	22.10%
Total Copper Produced	Tonnes	8,959	11,003	4,685	32,098	12,698
Total Copper Sold	Tonnes	12,255	8,450	(71)	36,826	9,338

Ore production was 446,512 tonnes, an increase of 26% compared to the corresponding quarter of last year, at an average 2.12% Copper Grade in the current quarter. As compared to the previous quarter, the ore mined was 13% higher. Ore processed was 437,579 tonnes during the quarter, an increase of 22% over the corresponding quarter last year and marginally lower by 1% compared to the previous quarter. As informed earlier, the mining of tertiary and pillar stopes continued, however higher than expected dilution and poor stope ore recovery resulted in an overall loss of copper in comparison to reserve tonnage and grade.

- The mineral resource and reserve update is in advance stage of completion and an announcement of the same as at 31 March 2016 is expected to be made in the middle of May 2016.

The copper production was 8,959 tonnes with an increase of 91% over the March quarter of last year and a decrease of 19% over the previous quarter. The decrease in copper production over the previous quarter is mainly attributed to lower grade.

The Company's copper production guidance for FY 2016–17 from the Nifty operations is expected to be in the range of 29kt – 33kt.

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

The site cash costs per tonne of ore mined and processed was A\$77.79, a 9% reduction on the previous quarters cost of A\$85.03 per tonne. The continued cost improvement is due to higher volume compared to last quarter and a number of cost reduction initiatives having been implemented.

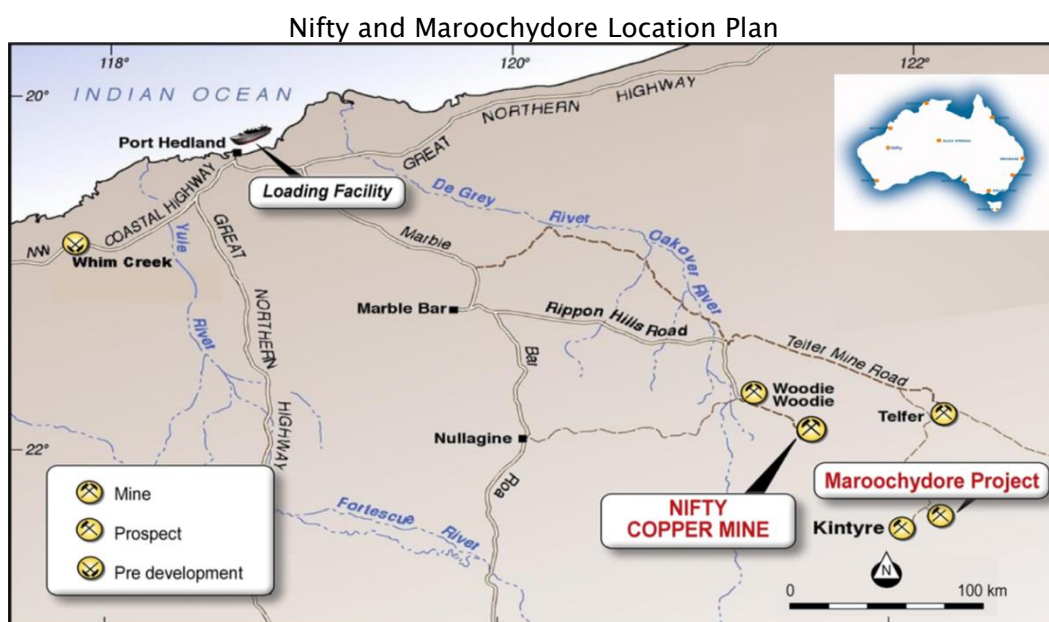
The C1 cash cost increased to A\$2.29/lb of Cu during the quarter against A\$2.09/lb in the previous quarter.

The total site cash cost at Nifty for Q4 FY16 was A\$34.45 million as against the previous quarter A\$34.88 million. These figures do not include Tc/Rc, transportation and royalty costs.

The site cost guidance (excluding Tc/Rc, transportation and royalty costs) for Q1 FY17 is in the range of A\$34 – A\$36 million. The site cost guidance for the full year of FY17 is in the range of A\$135 – A\$145 million.

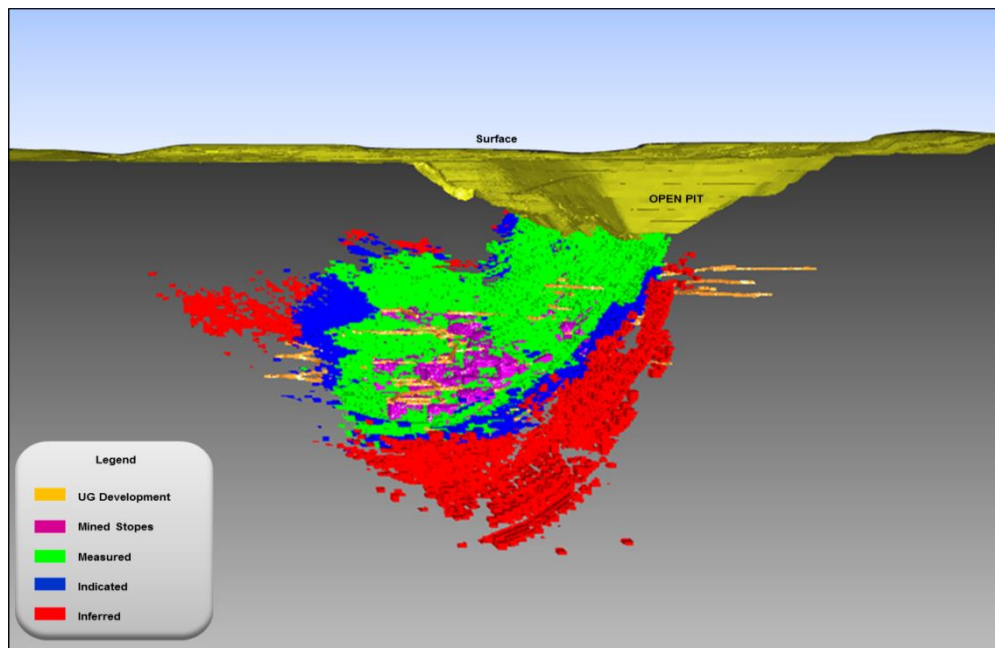
Exploration Activities

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



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 continued to remain subdued. The copper price is currently stabilised in the range of US\$4,800– 5,000/t. The recent appreciation of Australian Dollar vis-à-vis US Dollar to a level of 0.77–0.78 has adversely impacted the copper price realization in Australian Dollar terms—currently in the range of A\$ 6200–6500/t.

Market fundamentals are depressed with supply continuing to be higher than the demand of copper. The continued slowdown of European economy and the slow growth rate of China is adding further downside risk to the copper market.

Company profile

Aditya Birla Minerals (ASX: ABY) is a copper mining company in Australia with operations in Western Australia. ABY is currently operating the Nifty Copper Mine 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.

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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