ADITYA BIRLA MINERALS LIMITED
ACN: 37 103 515 037

APPENDIX 4E: PRELIMINARY FINAL REPORT

2016

RESULTS FOR ANNOUNCEMENT TO THE MARKET

This Preliminary Final Report is provided to the Australian Stock Exchange (ASX) under ASX Listing Rule 4.3A

Current Reporting Period:	31 March 2016
Previous Corresponding Period:	31 March 2015

For and on behalf of the Directors

PETER TORRE
COMPANY SECRETARY
Dated: 30 May 2016

RESULTS FOR ANNOUNCEMENT TO THE MARKET

Revenue and Net Profit				**AUD $'000's**
Revenue from ordinary activities	up	252%	to	207,901
Profit (loss) from ordinary activities after tax attributable to members	up	13%	to	(190,391)
Net Profit (Loss) for the period attributable to members	up	13%	to	(190,391)

Dividends

The Board has not declared a dividend in respect to the 2016 Financial Year.

COMMENTARY ON RESULTS AND OTHER SIGNIFICANT INFORMATION

COMMENTARY

The directors report accompany this preliminary final report contains a review of operations and commentary on the results for the year ended 31 March 2016.

NET TANGIBLE ASSET BACKING

	31 Mar 2016 $'000	31 Mar 2015 $'000
Net Assets	**94,147**	**284,538**
Less intangible assets	**-**	**-**
Net tangible assets of the Company	**94,147**	**284,538**
Fully paid ordinary shares on issue at Balance Date	**313,372,551**	**313,372,551**
Net tangible asset backing per issued ordinary share as at Balance Date	**$0.30**	**$0.91**

EARNINGS PER SHARE

Basic Earnings (Loss) Per Share (cents)	(60.76)	(70.11)
Diluted Earnings (Loss) Per Share (cents)	(60.76)	(70.11)

AUDIT DETAILS

The accompanying financial report has been audited.

ADITYA BIRLA MINERALS LIMITED

ABN 37 103 515 037

ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED
31 MARCH 2016

ADITYA BIRLA MINERALS LIMITED

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The Directors present their report for the year ended 31 March 2016.

DIRECTORS

The names and details of the Directors of Aditya Birla Minerals Limited in office during the financial year and until the date of this report are as follows. Directors were in office for this entire period unless otherwise stated.

Mr Debu Bhattacharya (Non-Executive Chairman)
Mr Jagdish Chandra Laddha (Non-Executive Director)
Mr Neela Madhab Patnaik (Chief Executive Officer and Managing Director)
Mr Mysore Prasanna (Independent Non-Executive Director)
Dr Suresh Bhargava (Independent Non-Executive Director)
Mr Maurice Anghie (Independent Non-Executive Director)
Mr Narayan Krishnan (Independent Non-Executive Director)

Names, qualifications and special responsibilities

Mr Debu Bhattacharya (Non-Executive Chairman)

Qualifications:	Bachelor of Technology with Honours in Chemical Engineering
Experience and other directorships:	Mr Bhattacharya heads Aditya Birla Group's Global metals business having consolidated revenues of over US$17 billion and is the Managing Director of Hindalco Industries Limited (Hindalco) since 2 October 2003, the flagship company of Aditya Birla Group, a 2010 Forbes Asia "Fabulous 50" company. He is also the Vice Chairman of Novelis Inc, the largest aluminium rolled products company in the world, and a wholly owned subsidiary of Hindalco. Prior to assuming charge as the Managing Director of Hindalco, Mr Bhattacharya was the Managing Director of Indo Gulf Corporation Limited. Mr Bhattacharya is the director of Aditya Birla Management Corporation Pvt. Limited. Prior to joining the Aditya Birla Group, Mr Bhattacharya spent close to 30 years with Unilever, where he held several key responsibilities and worked in several key roles for its Indian & Overseas operations. He led the chemical business of Unilever in India before moving to the Aditya Birla Group in 1998.
Awards / rewards / honors	Mr. Bhattacharya is the recipient of the prestigious "India Business Leader of the Year Award (IBLA) 2005" and the much coveted "The Asia Corporate Citizen of the Year Award (ABLA) 2005". Mr. Bhattacharya is the recipient of the LEXI Award 2007 for Strategic & Leadership Excellence. Mr. Bhattacharya is the recipient of the "Corporate Excellence Award 2010" for his outstanding leadership & innovative approach in ensuring global excellence of The Indian Aluminium Industry. 'Hindalco', under Mr. Bhattacharya's leadership, has earned 'Forbes Asia

	"Fabulous 50' Award"2010. Mr. Bhattacharya is the recipient of the "Qimpro Gold Standard (Business) 2010" for successfully implementing world-class quality practices and achieving outstanding performance results. Mr. Bhattacharya is the recipient of the "IIM-JRD Tata Award 2011" for Excellence in Corporate Leadership in Metallurgical Industries'. Mr. Bhattacharya is the recipient of the "Fray International Sustainability Award 2011" for leadership in developing & applying new innovative business plans & operations for sustainability development of the Company in the environmental economic & social point of view. IIT Kharagpur has conferred upon him the "Distinguished Alumnus Award - 2012" on the occasion of the Institute's Diamond Jubilee completing Foundation Day.
Special Responsibilities:	Member of the Remuneration and Nomination Committee

Mr Jagdish Chandra Laddha (Non-Executive Director)

Qualifications:	C.A.
Experience and other directorships:	A Fellow Chartered Accountant (F C A) by qualification, Mr. Laddha has over three decades of varied and rich experience of which over 25 years have been with the (USD 41 Billion) Aditya Birla Group- a Global conglomerate. Prior to this Mr Laddha has worked with Hindustan Lever Ltd., Indian Rayon Corp Ltd., and National Rayon Corporation Ltd. in various roles. Mr. Laddha has successfully led in various industry sectors starting from Viscose Filament Yarn(VFY), Nylon tyre cord, Heavy Chemicals, Aluminum, Oil & Gas, Fertilizers and Insulators. Apart from this, Mr. Laddha also played a significant role as an internal consultant in techno-commercial areas across the Aditya Birla group businesses. Way back in 2003, Mr. Laddha had led the successful financial restructuring of Manglore Refinery and Petrochemicals Limited (MRPL-which was a joint venture company of Aditya Birla Group and Hindustan Petroleum Limited) which was the largest financial restructuring in corporate India's history till then. As a CEO of Insulators and Fertilizers business of Aditya Birla Nuvo Ltd. (a USD 4 Billion company of Aditya Birla Group), Mr. Laddha was responsible for providing direction and leadership to these businesses. He has successfully handled this position from June 2010 to Oct 2014. Mr Laddha has since been elevated to the position of Head -Copper Business and Group Executive President -Hindalco Industries Limited (a USD 17 Billion company). Mr. Laddha brings a wealth of experience to the company and has been contributing significantly to the existing skillset of the Board.

	Mr Laddha has also been nominated as a Director of 'Fertilizer Association of India' (FAI) with effect from February 24, 2016, looking to his vast experience and his significant contribution to the agriculture sector.
Special Responsibilities:	Not Applicable

Mr Neela Madhab Patnaik (Chief Executive Officer and Managing Director)

Qualifications:	B. Com, F.C.A, A.C.S, PGDM, LLB
Experience and other directorships:	A Fellow Chartered Accountant and Company Secretary, Mr Patnaik has held various roles within the Aditya Birla Group during the last 9 years ranging from Finance and Commercial Head of the Copper Smelting operations, Head of the Copper Concentrate procurement cell and subsequently Head of the Central Procurement Cell for the Hindalco Group (total purchases ~$4 billion/annum). Mr Patnaik has demonstrated a consistent proactive performance during his tenure at Hindalco. He demonstrates a strong 'can do' attitude, bias for action and excellent networking skills with a proven track record of delivering stretched targets against odds. Mr Patnaik has developed relationships in a multi-cultural/multi geographic context which he has leveraged very effectively with Global Copper Miners, Traders and manufacturers in his concentrate procurement roles. Before joining the Aditya Birla Group, Mr. Patnaik had 21 years of experience in the Steel conglomerates like Steel Authority of India, Mittal Steel in Philippines and Jindal Stainless Steel in India.
Special Responsibilities:	Chief Executive Officer and Managing Director of Aditya Birla Minerals Limited

Mr Mysore Prasanna (Independent Non-Executive Director)

Qualifications:	Bachelor of Science, Master of Law
Experience and other directorships:	Mr Prasanna commenced his career as an independent counsel and began his corporate career with General Insurance Corporation of India and worked for over 29 years with organizations including Alfa Laval, Brook Bond India Limited and Larsen & Toubro Limited. Mr Prasanna joined the Aditya Birla Group as President, Corporate Legal Cell and was instrumental in establishing the Corporate Legal Cell for the Aditya Birla Group. Mr.Prasanna retired from that position on 30th April 2010. He is currently an Independent Legal Consultant at Bangalore, India. Mr.Prasanna is a life member of the Institute of Directors. He serves on the Board of many Companies both in India and abroad. He is an independent Director on the board of RSB Transmissions (I) Limited, Pune, India and also an Independent Director on the Board of L&T Metro Rail (Hyderabad) Ltd and is a member of the Audit Committee as well. He is on the Advisory Boards of OPC Asset Solutions Pvt Limited, Mumbai and Economic Law Practices, a Mumbai based law firm. Mr Prasanna was the Chairman of the Legal Affairs Committee of Bombay Chamber and was the Co-Chairperson of the Legal Affairs

	Committee of Associated Chambers of Commerce and Industry of India. He is also an Arbitrator and is on the Panel of Arbitrators maintained by: 1.The Singapore International Arbitration Centre 2. The Kuala Lumpur Regional Arbitration Centre 3. The Nani Palkhivala Arbitration Centre, Chennai, India, and 4.Pacific International Arbitration Centre Ho Chi Minh City. He is also the Vice-President (South) of International ADR Association, Kochi, India. Mr Prasanna is the recipient of the "Best In House Counsel" award by Asia Law, Hong Kong in 2005 and 2007. In November 2006, he was conferred the prestigious "National Law Day" Award by the Honourable Prime Minister of India. In 2011, Mr.Prasanna was conferred the award for outstanding achievement as a general counsel by International Financial Law Review- Asia Law. In March 2014, Mr.Prasanna was conferred the Life Time Achievement Award for a General Counsel by Legal Era, a reputed law magazine. He is a member of the International Bar Association and is on the Editorial Board of India Business Law Journal & Asia IP Magazine both published from Hong Kong.
Special Responsibilities:	Member of the Audit, Compliance and Risk Committee

Dr Suresh Bhargava (Independent Non-Executive Director)

Qualifications:	Doctor of Philosophy (Applied Science): D.Sc (RU) & Fellow of Royal Australian Institute of Chemistry, Fellow of Australian Academy of Technological Sciences and Engineering (FTSE), Foreign Fellow Indian National Academy of Engineers
Experience and other directorships:	Dr Bhargava is Professor and Chair of Industrial Chemistry at RMIT University. He is also Director of the Integrated Victorian XRD and Materials Characterization Facility and the RMIT Vibrational Spectroscopy Facility, unique collaborative facilities established in alliance with other Victorian universities and major industry groups and with support from the Australian Research Council. He is also the Director of Centre of Advanced Materials and Industrial Chemistry, A Centre of research excellence at RMIT University, Melbourne. Dr Bhargava has more than 22 years of experience working with many Australian resource companies on various aspects of mineralogy and hydrometallurgy and environmental issues including technology development. He has worked on various projects with Alcoa, BHP Billiton, Mobile Exxon and Rio Tinto. Among many distinguished awards and achievements throughout his career, Dr Bhargava has received the 2006 Vice-Chancellors highest Award for Research Excellence, R K Murphy Award - the most coveted industrial chemistry award in Australia presented by Royal Australian Chemical Institute. Recently he has been elected as a Fellow of one of most prestigious Academies of Australia, the Australian Academy of Technological Sciences and Engineering (ATSE). In 2013, he was awarded one of the most prestigious awards "Applied Science Award" of Royal Australian Chemical Institute.
Special Responsibilities:	Chairman of the Remuneration and Nomination Committee

Mr Maurice Anghie (Independent Non-Executive Director)

Qualifications:	Bachelor of Business, Fellow Chartered Accountant, Fellow Certified Practising Accountant, Member of the Australian Institute of Company Directors
Experience and other directorships:	Mr Anghie is an experienced, qualified professional possessing a range of commercial and financial skills. Having worked extensively in the listed corporate environment, he possesses legal, regulatory and governance expertise. He has been an Audit and Corporate Finance Partner in many Chartered Accounting Firms for many years. He is currently an Independent Corporate consultant and a non-executive director of Wollongong Coal Ltd (formerly known as Gujarat NRE Coking Coal Ltd) from 11 May 2007.
Special Responsibilities:	Chairman of the Audit, Compliance and Risk Committee

Mr Narayan Krishnan (Independent Non-Executive Director)

Qualifications:	Master of Science – Geoscience, Bachelor of Technology – Metallurgy (First Class), Member of the Australasian Institute of Mining and Metallurgy
Experience and other directorships:	Mr Krishnan has amassed an extensive industrial career spanning a period of over 37 years in the field of non ferrous extractive metallurgy including operations management, technical development and process design. He has worked in various capacities during his career at MIM Holdings, Pasminco and more recently as the group advisor metallurgy at WMC Resources Ltd, where the role included operations review, operations support, strategy input, technical advice to copper, nickel and fertiliser business and the management of external research projects. Mr Krishnan established a private technical consultancy firm, OM Metals Trust Pty Ltd, in 2004 and has been involved in providing high level technical advice and strategy input to large mining companies.
Special Responsibilities:	Member of the Audit, Compliance and Risk Committee and the Remuneration and Nomination Committee

COMPANY SECRETARY

Mr Peter Patrick Torre

Mr. Torre is the principal of the corporate advisory firm, Torre Corporate, which provides corporate secretarial services to a range of listed companies. Prior to establishing Torre Corporate, Mr Torre was a partner and Chairman of the National Corporate Services Committee of an internationally affiliated firm of Chartered Accountants working within its corporate services division for over nine years. Mr Torre is the company secretary of several ASX-listed companies and a director of Mineral Commodities Ltd and is one of the founding directors of the charity organisation, "A Better Life Foundation WA".

Mr Torre holds a Bachelor of Business, is a Chartered Accountant, a Chartered Secretary and is a member of the Institute of Company Directors.

INTERESTS IN THE SHARES OF THE COMPANY

The relevant interests of directors either directly or through entities controlled by the directors in the share capital of the Company as at the date of this report are:

Director	Ordinary Shares
Mr Debu Bhattacharya	-
Mr Jagdish Chandra Laddha	-
Mr Neela Madhab Patnaik	-
Mr Mysore Prasanna	-
Dr Suresh Bhargava	-
Mr Maurice Anghie	-
Mr Narayan Krishnan	-

DIVIDENDS

No dividends were declared or paid with respect to the current financial year ended 31 March 2016.

PRINCIPAL ACTIVITIES

The principal activities of the Company and its subsidiaries ("the Group") during the course of the financial year were the exploration, mining, processing and sale of copper concentrate. There has been no change in these activities during the financial year.

OPERATING AND FINANCIAL REVIEW

The Group's net loss from continuing operations after income tax for the year is $157.464 million (2015: Net loss of $198.317 million). The net loss from the disposed of operations is $32.927 million (2015: Net loss of $21.395 million). The total loss for the group is $190.391 million (2015: Net loss of $219.712 million).

Particulars		**FY16**	**FY15**	**% Variation**
Concentrate Operations:				
Mining				
Ore Mined	Tonnes	1,582,452	954,861	66%
Grade	%	2.10%	1.56%	
Cu Contained	Tonnes	33,272	14,922	123%
Processing				
Ore Processed	Tonnes	1,601,110	917,176	75%
Grade	%	2.10%	1.56%	
Cu Contained in Ore Processed	Tonnes	33,576	14,359	134%
Recovery	%	95.60%	88.43%	
Concentrate produced	Dry Tonnes	137,311	57,439	239%
Concentrate grade	%	23.38%	22.10%	
Cu in Concentrate Produced	**Tonnes**	**32,098**	**12,698**	**153%**
Total Copper Sales	**Tonnes**	**36,826**	**9,338**	**294%**
Financial Results:				
Sale of Product	A$ 000's	206,428	57,148	261%
Net realisation rate per tonne (net of Tc/Rc charges)	A$	5,605	6,120	-8%
Nifty C1 cost (excl. suspension period cost) *	A$/lb	2.62	4.12	36%
(Loss)/Earnings Before Interest and Tax from continued operations	A$ 000's	(141,590)	(241,772)	
(Loss)/Earnings Before Tax from continued operations	A$ 000's	(142,604)	(242,771)	
(Loss)/Profit After Tax from continued operations	A$ 000's	(157,464)	(198,317)	

***NON IFRS MEASURE**

RECONCILIATION OF C1 COST OF PRODUCTION TO COST OF SALE (unaudited)

	UoM	FY 2016	FY 2015
Cost of production (C1) per lbs *	A$	2.62	4.12
Cost of production (C1)	'000	185,237	111,310
Less : TCRC and fluride penalties	'000	33,789	6,539
Add :Depreciation & amortisation	'000	33,489	20,065
Add :Royalties	'000	9,658	2,953
Inventory movement	'000	29,394	(22,266)
Cost of sales	**'000**	**223,989**	**105,523**

C1 cost, which is a non-IFRS measure, is a widely used 'industry standard' term. We use this measure as a meaningful way to compare our performance from period to period. We believe that, in addition to conventional measures prepared in accordance with IFRS, certain investors use this information to evaluate our performance. C1 cost information (unaudited) has been extracted from the financial statements.

*C1 cost for FY 2016 is exactly not comparable with that of FY 2015 due to the operations being in a ramp up phase during FY 2015 after re-start up post sinkhole and the mining and processing volumes were much lower compared to FY 2016

Nifty Copper Operations

Nifty Sulphide Project

The overall operational performance of the Nifty mine for FY 2015-16 was better than the previous year and the production guidance provided earlier due to higher quantity of ore mined and processed and improvement in average copper grade and recovery during the year. However, the ore mining and productivity was adversely impacted by an unfortunate fatal accident in May 2015 and subsequent restrictions imposed by the Department of Mines and Petroleum (DMP) on draw control measures leading to a higher proportion of ore mined being remotely bogged. Besides, the mining operations continued to observe low stope recovery and higher dilution of grade during the year which impacted the productivity adversely.

In regard to the fatal accident in May 2015, the Company has received a prosecution notice from the State Solicitor's Office, Perth on 12 May 2016 regarding alleged breach of Mines Safety and Inspection Act 1994, wherein the Company has been charged with the offence of gross negligence due to failure to provide and maintain a safe working environment with respect to hazard of falling rocks. The prosection notice imposes a penalty of A$500,000 General under section 9(1) of the Mines Safety and Inspection Act 1994. The Company is evaluating its options to respond to the notice, however a provision of A$500,000 has been made in the accounts for the financial year 2016.

Ore mined was 1,582,452 tonnes, representing an increase of 66% on the previous year, having stabilised the operations post sinkhole.

The average grade of ore mined during the year was 2.10% as compared to 1.56% in the previous year.

The Nifty Copper Sulphide Concentrator produced 32,098 metric tonnes of copper in concentrate as compared to 12,698 metric tonnes of contained copper the previous year, an increase of 153%. The mill throughput increased by approximately 75% year on year, with 1,601,110 tonnes being treated on a campaign milling strategy of 2 weeks on and 1 week off.

The paste plant production, commensurating with the filling requirement, decreased by 6% to 321,539 m3 compared to the previous year's paste filling of 341,394 m3.

The Company reviewed the carrying value of the Nifty Sulphide Cash Generating Unit (CGU) and impaired the assets to their fair value less cost to sell (FVLCS). The impairment is mainly attributable to reduction in Reserves by ~39kt of contained copper resulting from change in macro economic conditions (copper price and AUD/USD exchange rate), change in resource model and changes in mining parameters observed due to lower stope recovery and higher dilution.

Nifty Oxide

The Nifty Oxide operations continued to be under care and maintenance. Work continued to evaluate the status of the current infrastructure and suitable alternative treatment processes for Oxide ore.

The "In situ" Mineral Resource for the Nifty Copper Project Heap Leach Pad ("Pad") reported at a cut-off of 0.5% Cu as at 31/03/2016 total 3.31Mt @ 0.74% Cu containing 24,163 tonnes of copper. (ASX release dated 16 May 2016).

Birla Nifty approached MINTEK Laboratories in Johannesburg to conduct scoping metallurgical test work on heap leach pad drill sample. The test work aimed at focusing on the high grade material (High Grade: Cu Grade >0.5% Cu). The test work conducted entailed gravity separation, flotation, mineralogical and acid leach test works.

Mineralogical test work was also carried out to characterise the minerals present in the heap leach sample so as to inform the various test work processes.

Flotation test work results have shown that the heap leach residue sample can be subjected to flotation to recover the Cu-bearing minerals using NaHS sulphidiser and xanthate collector. The current flotation plant conditions resulted in low recoveries due to the Cu-bearing minerals being depressed by the lime. Overall recoveries can be improved by leaching the 'leach residue' first, followed by flotation where the overall Cu recoveries of above 80% can be expected.

Acid leach and diagnostic ferric leach test was conducted at two grind sizes, namely, 80% passing 75µm and 80% passing 106µm and were aimed mainly at leaching acid soluble Cu minerals. The results indicated that the grind size has a significant influence on the leaching of Cu.

The Cu leach efficiency for the sample which was ground finer (80% -75µm) was 62.3 % (m/m) whereas the Cu leach efficiency for the sample which was ground coarser was only 49.6% (m/m). Despite poor Cu leach efficiency achieved, the gangue acid consumption (GAC) of both samples was low at about 4 kg/ ton feed. Based on these results, it seemed that the Cu was finely disseminated hence the recovery was improving with a decrease in grind size.

Based on the outcomes of the initial atmospheric acid leach test work, it was recommended that a diagnostic ferric leach be conducted on the feed solids in order to promote the dissolution of the secondary sulphide minerals.

Despite operating under oxidative conditions and much higher acid concentration of 50 g/L, the recovery of Cu did not improve as the Cu leach efficiency was only 60% (m/m). The poor Cu recovery into solution under the tested conditions might have been due to poor liberation as the secondary Cu minerals should have dissolved under the tested ferric leach conditions.

The gravity separation could not meet the target upgrade of 6%; instead 4.35% Cu was achieved on the gravity separation concentrate.

In addition, the recovery achieved by gravity separation (about 15% Cu) was too low to be considered a viable process for this material.

Coarse gravity separation via Dense Medium Separation is not recommended as a process option for this material.

The test result of high grade composite samples copper recovery is poor.

The above test work results demonstrate the recovery of copper from the heap leach pad (Indicated Resource of 2.85mt at.0.75% Cu, Inferred Resource of 0.46mt at 0.66% Cu for a Total Resource of 3.31mt at 0.74% Cu reported above a 0.5% Cu cut-off grade) is not economically viable under the prevailing copper price. As a result a non-cash impairment of A$11.98 million to the Nifty Oxide Cash Generating Unit (CGU) has been recognised in the current year financial statements, to impair the heap leach inventory and mine properties of the CGU to nil.

The Company impaired the SX/EW plant to its FVLCS of $2 million in FY15. In the current economic circumstances and with adjustment due to current condition and location of the plant, Management has revised its FVLCS and further impaired the SX/EW plant to $0.9 million.

Mount Gordon Operations

The Company sold the Mt Gordon operations to Lighthouse Minerals Holdings Pty. Limited ("Lighthouse") during the year by way of sale of its 100% shareholding. The sale agreement was signed off on 20 September 2015 and the transaction was completed on 27 October 2015 subsequent to fulfilment of all conditions precedent.
The results of Mt Gordon have been reported as a discontinued operation in the consolidated income statement.

The Mt Gordon CGU is measured at fair value less costs to sell based on an agreed sale price under a binding agreement. The total impairment charge of A$ 29.535 million was recognised in the consolidated income statement as part of the line item "Loss after tax from discontinuing operations".

Maroochydore Operations

The "in situ Oxide and Supergene" Mineral Resource for the Maroochydore Project as at 31 March 2016 is 43.20Mt @ 0.91% Cu and 391 ppm Co above a 0.5% Cu cut-off. Mining studies have confirmed the economic potential for open cut operations. The studies indicated that a range of pit shell outcomes "mine" to the full depth of the Mineral Resource and reported a contained diluted grade to 1.2% Cu. As such the 0.5% Cu cut-off of was retained to identify all the mineral resource that could possibly be mined as open cut mining.

The "In situ Sulphide" Inferred Mineral Resource for the Maroochydore copper project remains as estimated at 31 March 2014 by Mr Sivasamy. The Sulphide Mineral Resource is 5.43Mt at 1.66% Cu and 292ppm Co above cut-off of 1.1% Cu, containing approximately 90,000 tonnes of copper was released to the ASX dated 30 April 2014. This is most notable as comprising the first primary copper sulphide resource to be identified in the Great Sandy Desert since the discovery of Nifty.

Geophysical modelling of high resolution aeromagnetic data suggests that the Maroochydore deposit lies within a north-trending structural corridor and that a possibility exists for a structural repetition of the mineralised horizon to occur to the west of the resource area. Primary copper sulphide mineralisation remains open along strike and down dip.

During the year a total of ten (10) licences were granted including exploration and prospecting licences.
Granted licences are: E45/4122, 4151, 4205, 4234, P/2918, 2917, 2924, 2925, 2926 and 2927.

The company has elected to cease all exploration activities across each of its tenement holdings other than meeting regulatory exploration requirements. This will be reviewed in the future upon improvement of business conditions.

For the year ended 31 March 2016, the Group has impaired the assets of Maroochydore based on fair values determined by independent experts less expected costs of disposal. The mine properties have been valued using a market approach known as the yardstick valuation method which is based on a market multiple for copper contained in the mineral resource. As a result a non-cash impairment of A$11.13 million has been recognised.

ANALYSIS

Operations

The Company's operating performance improved significantly on all aspects including ore production, grade and costs. However, the continuing downward trend in copper prices adversely impacted the profitability.

The profitability during the year was impacted by the following factors:

1. The copper production at Nifty was higher by 153% during the FY16 at 32,098 tonnes compared to the FY15 production of 12,698 tonnes. The ore mined was 1.58 million tonnes representing an increase of 66% compared to the previous year ore mined of 0.95 million .The average head grade also improved to 2.10% (1.56% in FY15).
2. The realisation rate per tonne of copper (net of Tc/Rc charge) reduced by 8% from A$6,120/t in FY15 to A$5,605/t in FY16 due to the sharp fall in LME copper prices despite the depreciation of AUD vis-à-vis USD.
3. The C1 cost per pound of copper decreased to A$2.62 /lb in FY16 compared to A$4.12/lb in FY15 due to higher copper production and significant reduction in absolute costs achieved through various cost optimization measures.
4. The Mt Gordon operation was disposed of during the current financial year for cash consideration of A$5.000 million and a contigent future payment of A$10 million.

Financial position

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Performance Measures	FY12	FY13	FY14	FY15	FY16
Net fixed assets	364,258	360,493	355,024	215,815	29,825
Net working capital (Excluding cash and security deposit)	50,917	56,375	51,062	29,368	26,043
Cash	117,709	100,413	136,776	55,226	67,642
Security deposit	-	-	-	19,023	7,620
Issued capital	450,663	450,663	450,663	450,663	450,663
Retained earnings/(Accumulated losses)	77,787	53,811	53,587	(166,125)	(356,516)

Total capital expenditure for the year was $10.165 million on mine development, exploration and general sustenance capex against previous year's capital expenditure of $16.164 million. The Company critically reviews its capital expenditure in the light of its cash flow generation.

Net working capital increased by 4% as at 31 March 2016 compared to 31 March 2015. The Company has cash and cash equivalents of $67.642 million as at 31 March 2016 as compared to $55.226 million as at 31 March 2015. The following are the major reasons for the increase in the Group's cash balance –

1. Cash receipt of $5.000 million from sale of Mt Gordon
2. Release of $11.403 million of security deposit placed against bonds for Mt Gordon
3. Improvement in copper production by 153% in FY16 company to FY15 however offset by a decrease in net realsation rate by 8%
4. March 2016 shipment happened on 30 March 2016 which resulted in a deferment of the cashflow of ~A$20 million to FY 2017.

LIKELY DEVELOPMENTS AND EXPECTED RESULTS

Nifty

On the basis of the new reserve statement after taking into account the sinkhole impact and current economical conditions, the remaining mine life of Nifty is estimated at ~3 years based on the current Life of Mine Plan (LOMP).

The cost optimization will continue to be a focus area going forward. The estimated site cost for FY17 is A$ 135-145 million for the full year.

The Company will focus on returning to planned Nifty production in the Checker Board area stopes in the coming year. The forecast production from Nifty for FY 2017 is in the range of 29-33 kt.
The Company will continue to rationalise the capex spending. The estimate for capex spending for FY17 is A$10-14 million.

Strategic Review:

The Company had undertaken a comprehensive Strategic Review process since October 2015 with one objective in mind – to maximise value for all ABML shareholders.

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 (Increased Offer) 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.

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) – No superior proposal has been received within the 5 business days;
- Metals X lodging and providing the Formal Variation in respect of the Increased Offer – Metals X has lodged the Formal Variation on 5 May 2016; 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) – At the date of this report, this has not been received yet.

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. In this regard, the Company has released the second supplementary Target's Statement on 13 May 2016 in response to Metals X's second supplementary Bidder's statement released on 5 May 2016. The Company has signed a Bid Agreement in this regard which places "No-shop and No-talk" obligations on ABML or its representatives.

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

The Company has decided to cease all exploration activities for the coming year except meeting regulatory exploration requirements, which will be reviewed in the future when business conditions improve.

Maroochydore

The Company has elected to cease all exploration activities across each of its tenement holdings other than meeting regulatory exploration requirements. This will be reviewed in the future upon improvement of business conditions.

SIGNIFICANT CHANGES IN STATE OF AFFAIRS

In the opinion of the Directors there are no significant changes in the state of affairs of the Company or of the Group that occurred during the financial year not already disclosed in this report, the financial statements or notes attached thereto.

SIGNIFICANT EVENTS AFTER BALANCE DATE

In the opinion of the Directors there are no significant events after balance date of the Company or of the Group that occurred during the financial year not already disclosed in this report, the financial statements or notes attached thereto.

ENVIRONMENTAL REGULATION AND PERFORMANCE

The Company's operations are subject to environmental regulations under Western Australia legislation in relation to its mining activities. The Company undertakes regular monitoring of licence requirements, with performance against licence conditions reported to regulators on a regular basis. The Company also monitors progress of the operations towards meeting the requirements of the mining industry code for environmental management.There have been no significant known breaches of the company's license conditions or any environmental regulations to which it is subject to.

Nifty successfully submitted all annual reporting on time in order to meet compliance with the operating license and regulations. For mine closure planning, Nifty set up additional vegetation trials on the waste dump, continued seed collection and weed control, and installed a cover trial to investigate the long term performance of future covers on the waste dump, tailings facility, and heap leach pads. Nifty conducted a geo-botanical survey with the local Martu Aboriginal community to research plants that will be best suited to revegetation after mine closure.

INDEMNIFICATION AND INSURANCE OF DIRECTORS AND OFFICERS

The Company's parent, Hindalco Industries Limited, has taken a policy under which all Directors and Officers of Hindalco and all its subsidiary companies (worldwide) are both indemnified and insured to the extent permitted under the Corporations Act 2001. The policy in turn serves to cover all Directors and Officers of Aditya Birla Minerals Limited and its subsidiary companies in Australia. Due to a confidentiality clause in the policy, the amount of the premium and the nature of the cover have not been disclosed.

REMUNERATION REPORT (AUDITED)

This remuneration report for the year ended 31 March 2016 outlines the remuneration arrangements in place for Directors and other key management personnel of Aditya Birla Minerals Limited and its subsidiaries, in accordance with the requirements of the Corporations Act 2001 and its Regulations.

The Company received a no vote in excess of 25% on the resolution to approve the remuneration report at the 2015 Annual General Meeting in respect to the financial year ended 31 March 2015. The remuneration practices and levels have remained consistent throughout the financial year ended 31 March 2016.

For the purposes of this report, Key Management Personnel (KMP) of the Group are defined as those persons having authority and responsibility for planning, directing and controlling the major activities of the Company and the Group, directly or indirectly, including any director of the Company.

a) Compensation of Key Management Personnel

It is the Company's objective to attract and retain high quality Directors and executive officers. One aspect to achieve this is by remunerating Directors and executive officers in a manner consistent with employment market conditions. To assist in achieving this object, the Company may link the nature and amount of executive Directors' and officers' emoluments to the Company's financial and operational performance.

The Remuneration and Nomination Committee is delegated the task of reviewing packages to attract and retain Directors and executives of the calibre necessary to ensure the success of Aditya Birla Minerals Limited. However, the Committee will avoid paying more than is necessary or deemed reasonable to achieve this aim. To this end, the Committee has the power to use the services of an external remuneration consultant. No external remuneration consultants have been used in the current financial year. The Committee may from time to time recommend to the Board for its approval, the creation or amendment of executive incentive schemes.

The CEO and Managing Directors salary package is reviewed annually with the objective of making it competitive relative to industry measures.

Non-Executive Directors

Independent non-executive Directors receive a set fee per year and are reimbursed for out-of-pocket expenses incurred as a result of their directorship or in connection with the business of Aditya Birla Minerals Limited.

The annual fee of each independent non-executive Director is $88,550. The fee represents the total reward arrangement inclusive of superannuation contributions. Independent non-executive Directors will not receive any other retirement benefits.

Additionally, the independent non-executive Directors receive an annual fee of $7,500 for being a member of a Board Committee or an annual fee of $17,500 for being a Chairman of the Audit, Compliance and Risk Committee or $12,500 for being Chairman of the Remuneration and Nomination Committee (each of these additional fees being exclusive of superannuation contributions).

Hindalco-nominated non-executive Directors are reimbursed for out-of-pocket expenses incurred as a result of their directorship or in connection with the business of Aditya Birla Minerals Limited. The Hindalco nominated non-executive Directors have voluntarily elected not to receive an annual fee at this time. However, if it were later proposed that they be paid an annual fee, any such fees would need to be approved in accordance with the Company's Constitution. The aggregate of the fees paid to non-executive Directors must be fixed by ordinary resolution of shareholders and any subsequent fees must not exceed that amount without shareholder approval. The maximum aggregate has currently been set at $500,000 per annum. During the current and previous years, Mr N Krishnan provided consulting services to the Group outside his normal Board and Committee duties, for which fees were paid at normal commercial terms.

REMUNERATION REPORT (AUDITED) (continued)

a) Compensation of Key Management Personnel (continued)

Senior Management
In accordance with the Company's Constitution and subject to any contract with the Company and to the ASX Listing Rules, the Board may fix the remuneration of any executive Director. Such remuneration may consist of salary, bonuses or any other element but must not be a commission on or percentage of profits or operating revenue.

Executive Directors

The employment arrangements for Mr N M Patnaik, as the sole executive Director and Chief Executive Officer and Managing Director, provide for remuneration comprising salary, cash allowances, short term incentives and superannuation totalling $578,961.

Additionally, benefits including housing, car, medical and education allowances are provided which are valued up to approximately $323,000 inclusive of fringe benefits tax. Mr N M Patnaik's employment is based on a fixed contract of three years that commenced from 10 February 2015, with the option of extension of one year at the discretion of the Board. Mr N M Patnaik's employment arrangements may be terminated by either party with three month's notice.

Short-Term Incentives
Short-term incentives are delivered under the Employee Incentive Scheme, which rewards individuals for meeting or exceeding various performance factors that are set at the beginning of each financial year and are aligned to Aditya Birla Minerals Limited's budget. Performance factors include Group, Cash Generating Unit (CGU) and individual performance measures. The setting of performance factors and the relative weightings given to the different categories of performance factors effectively incentivises short-term performance.

There are certain performance conditions at CGU and Group level that need to be satisfied before the individual performance. Those performance conditions and reason for selection are:

a) Production – A target copper production is set for each CGU at the beginning of each financial year. The financial performance of a company is dependent on the production and the price of its product in the market. The Company does not have any control on the price of copper however copper production can be optimised by better planning and operational controls.
b) Earning Before Interest, Tax, Depreciation and Amortisation (EBITDA) – The Company's policy is to pay incentives only out of profits. At the beginning of each financial year, the Company sets a target EBITDA for each CGU as well as for the Company. The Company does not have any control on the price of copper however cost of production can be optimised.
c) Cost per ton of ore mined and processed - A target cost per ton is set for each CGU at the beginning of each financial year. The financial performance of a company is also dependent on the cost efficiency. Costs can be optimised by better planning and operational controls.
d) Free Cash flow – It shows the company's ability to generate cash which is available for servicing the debt and shareholders.

The performance level achieved against each performance factor is measured and awards are calculated and paid according to the level of performance, subject to the discretion of the Board.

The table below summarises details of the Group's earnings (shown in the form of earnings per share and (Loss)/Earnings Before Tax), copper production, free cash flow and the consequences of that performance on shareholder value for the financial year and the previous four financial years in the form of dividends and changes in share price.

Performance Measures	FY12	FY13	FY14	FY15	FY16
(Loss)/Earnings Before Tax ($'000)	27,820	(14,461)	(4,267)	(273,342)	(175,531)
Copper Production (Metric Tonnes)	59,707	69,291	44,565	12,698	32,098
Free Cash Flow ($'000)	7,845	(354)	36,363	(82,179)	13,045
Dividends per share (cents)	5*	-	-	-	-
Closing share price ($ as at 31 March)	0.72	0.44	0.30	0.185	0.205
(Loss)/Earnings per share (cents)	8.48	(2.66)	(0.07)	(70.11)	(60.76)

**Dividend for FY12 is unfranked*

An amount of $0.64 million has been provided for the short term incentive for the senior management team (including Key Management Personnel) which will be paid in next financial year.

Employment Contracts
Except as disclosed above with respect to Mr N M Patnaik, all other executives are employed under contracts of employment with standard commercial terms, such as having no fixed term of expiry, notice period of one month unless otherwise indicated in the table below and termination payments in lieu of notice.

b) Details of Key Management Personnel

Directors

Name	Position	Date of Appointment	Date of Resignation
Mr D Bhattacharya	Non-Executive Chairman	18 April 2003	-
Mr J C Laddha	Non-Executive Director	15 October 2014	-
Mr N M Patnaik	CEO and Managing Director	10 February 2015	-
Mr M Prasanna	Independent Non-Executive Director	20 January 2003	-
Dr S Bhargava	Independent Non-Executive Director	21 August 2007	-
Mr M Anghie	Independent Non-Executive Director	21 November 2007	-
Mr N Krishnan	Independent Non-Executive Director	21 November 2007	-

Executives

Name	Position	Date of Appointment	Date of Resignation
Mr S L Dugar***	Chief Financial Officer	1 August 2012	-
Mr S Dugar	Corporate Finance Manager	1 August 2006	-
Mr G Hota	Group Chief Mining Engineer	26 July 2004	-
Mr V Phan***	Head of Engineering & Projects	12 December 2011	-
Mr V Utete	General Manager – Birla Nifty Pty Ltd	1 November 2011	17 August 2015

*** Notice period of 3 months have to be given.

There were no other changes of the key management personnel after reporting date and before the date the financial report was authorised for issue.

REMUNERATION REPORT (AUDITED) (continued)

c) Compensation of Key Management Personnel

Remuneration of Directors and other Key Management Personnel for the year ended 31 March 2016

	Short Term				Long term benefits	Post Employment	Total	Performance Related
	Salary and Fees $	Incentive Bonus [1] $	Non-Monetary Benefits $	Consulting Fees $		Super-annuation $	$	
Directors								
Mr D Bhattacharya	-	-	-	-	-	-	-	-
Mr J C Laddha	-	-	-	-	-	-	-	-
Mr N M Patnaik	406,770	119,558	199,171	-	50,542	52,633	828,674	14.4%
Mr M Prasanna	103,604	-	-	-	-	-	103,604	-
Dr S Bhargava	93,048	-	-	-	-	9,305	102,353	-
Mr M Anghie	98,051	-	-	-	-	9,805	107,856	-
Mr N Krishnan	95,550	-	-	20,000	-	9,555	125,105	-
Subtotal	**797,023**	**119,558**	**199,171**	**20,000**	**50,542**	**81,298**	**1,267,592**	-
Executives								
Mr S L Dugar	159,606	39,343	216,174	-	25,806	21,619	462,548	8.5%
Mr S Dugar	105,462	25,537	223,509	-	18,003	21,013	393,524	6.5%
Mr G Hota	157,892	35,455	201,914	-	30,796	31,203	457,260	7.8%
Mr V Phan	249,897	55,855	-	-	24,064	31,586	361,402	15.5%
Mr V Utete[2]	121,290	-	-	-	12,648	17,254	151,192	-
Subtotal	**794,147**	**156,190**	**641,597**	-	**111,317**	**122,675**	**1,825,926**	-
Total	**1,591,170**	**275,748**	**840,768**	**20,000**	**161,859**	**203,973**	**3,093,518**	-

[1] Amounts relate to short-term incentives arising from achievement of various performance factors set for the Group for the year ended 31 March 2016.
[2] Resigned on 17 August 2015. No short-term incentive is payable for FY 2016 as he was not employed by the Group at the date of determination of the short-term incentive.

REMUNERATION REPORT (AUDITED) (continued)

c) Compensation of Key Management Personnel (continued)

Remuneration of Directors and other Key Management Personnel for the year ended 31 March 2015

	Short Term				Long term benefits	Post Employment	Total	Performance Related
	Salary and Fees $	Incentive Bonus [1] $	Non-Monetary Benefits $	Consulting Fees $		Super-annuation $	$	
Directors								
Mr D Bhattacharya	-	-	-	-	-	-	-	-
Dr S Kulwal[2]	402,080	-	266,649	-	48,464	52,764	769,957	-
Mr M Prasanna	103,679	-	-	-	-	-	103,679	-
Dr S Bhargava	93,116	-	-	-	-	9,312	102,428	-
Mr M Anghie	98,123	-	-	-	-	9,812	107,935	-
Mr N Krishnan	95,619	-	-	29,450	-	9,562	134,631	-
Mr D Gaur[4]	-	-	-	-	-	-	-	-
Mr N M Patnaik[3]	74,400	-	45,540	-	4,488	7,440	131,868	-
Mr J C Laddha[4]	-	-	-	-	-	-	-	-
Subtotal	**867,017**	-	**312,189**	**29,450**	**52,952**	**88,890**	**1,350,498**	-
Executives								
Mr S L Dugar	149,652	-	191,985	-	23,670	17,624	382,931	-
Mr S Dugar	103,061	-	190,795	-	13,990	12,314	320,160	-
Mr G Hota	152,514	-	158,649	-	19,889	16,632	347,684	-
Mr V Phan	238,546	-	-	-	26,204	24,745	289,495	-
Mr V Utete	307,692	-	-	-	40,192	35,382	383,266	-
Subtotal	**951,465**	-	**541,429**	-	**123,945**	**106,697**	**1,723,536**	-
Total	**1,818,482**	-	**853,618**	**29,450**	**176,897**	**195,587**	**3,074,034**	-

[1] Amounts relate to short-term incentives arising from meeting or exceeding various performance factors set for the Group for the year ended 31 March 2014. No short term incentives were paid for the year ended 31 March 2014 as some of the performance factors set for the Group were not met.
[2] Resigned as Chief Executive Officer & Managing Director on 28 February 2015. No bonus is payable for FY 2015 as he will not be employed by the Group at the date of determination of the bonus.
[3] Appointed as Non-executive Director on 15 October 2014 and became Chief Executive Officer & Managing Director on 10 February 2015.
[4] Appointed as Non-Executive Director on 15 October 2014 after resignation from Mr D Gaur

Apart from the amounts disclosed in this report, there are no other payments made to the key management personnel.

End of Remuneration Report

DIRECTORS' MEETINGS

The number of meetings of directors (including meetings of committees of directors) held during the year and the number of meetings attended by each director was as follows:

Name	Directors' Meetings		Audit Committee Meeting		Remuneration Committee Meeting	
Number of meetings held *A being total of meetings eligible to attend* *B being total of meetings actually attended*	A	B	A	B	A	B
Mr D Bhattacharya	22	22	0	0	1	1
Mr Jagdish Chandra Laddha	22	20	0	0	0	0
Mr Neela Madhab Patnaik	22	20	0	0	0	0
Mr M Prasanna	22	20	5	3	0	0
Dr S Bhargava	22	22	0	0	1	1
Mr M Anghie	22	22	5	5	0	0
Mr N Krishnan	22	20	5	5	1	1

Committee Membership

As at the date of this report the Company had an Audit, Risk and Compliance Committee and a Remuneration and Nomination Committee of the Board of Directors.

Members acting on the committees of the Board are:

Audit, Risk and Compliance	Remuneration and Nomination
Mr M Anghie (Chairman)	Dr S Bhargava (Chairman)
Mr M Prasanna	Mr D Bhattacharya
Mr N Krishnan	Mr N Krishnan

PROCEEDINGS ON BEHALF OF THE COMPANY

There are no proceedings on behalf of the Company under section 237 of the Corporations Act 2001 in the financial year or at the date of this report.

ROUNDING

The Company is a company of a kind referred to in ASIC Class Order 98/100 dated 10 July 1998 and in accordance with that Class Order, amounts in this report and the accompanying financial report have been rounded off to the nearest thousand dollars, unless otherwise stated.

INCLUSION OF PARENT ENTITY FINANCIAL STATEMENTS

The Company has taken advantage of the relief referred to in ASIC Class Order 10/654 dated 26 July 2010 and in accordance with that Class Order, the Company has included its parent entity financial statements as part of the accompanying financial report.

NON-AUDIT SERVICES

The Auditors have not provided any non-audit services during the financial year.

CORPORATE GOVERNANCE

In recognising the need for the highest standards of corporate behaviour and accountability, the Directors of Aditya Birla Minerals Limited support and have adhered to the principles of corporate governance. The Company's Corporate Governance Statement will be included in the Annual Report distributed to Shareholders.

AUDITOR'S INDEPENDENCE DECLARATION

Section 307C of the Corporations Act 2001 requires the Company's auditors, Ernst & Young, to provide the directors with a written Independence Declaration in relation to their audit of the financial report for the year ended 31 March 2016. This written Auditor's Independence Declaration is included on page 79 of this report.

Signed in accordance with a resolution of the Directors.

Debu Bhattacharya
Chairman

Neela Madhab Patnaik
CEO and Managing Director

Perth, 30 May 2016

ADITYA BIRLA MINERALS LIMITED

INCOME STATEMENT
FOR THE YEAR ENDED 31 MARCH 2016

	Notes	CONSOLIDATED 2016 $'000	CONSOLIDATED 2015 $'000	PARENT 2016 $'000	PARENT 2015 $'000
Sale of product	3(a)	206,428	57,124	-	-
Other revenue	3(a)	1,473	1,893	1,798	2,741
Total revenue		207,901	59,017	1,798	2,741
Cost of sales		(223,989)	(104,236)	-	-
Gross profit/ (loss)		(16,088)	(45,219)	1,798	2,741
Other income	3(b)	2,337	31,331	910	-
Exploration and evaluation expenditure		(212)	(143)	-	-
Administration expenses		(6,788)	(6,872)	(255)	(233)
Care and maintenance expenses		(83)	(286)	-	-
Suspension period expenses (Nifty)		-	(22,113)	-	-
Impairment of assets	26	(119,757)	(197,906)	-	-
Impairment of inter company receivables and investments	3(e)	-	-	(145,762)	(30,054)
Other expenses	3(c)	(999)	(564)	(999)	(693)
(Loss)/Profit from continuing operations before income tax and finance costs		(141,590)	(241,772)	(144,308)	(28,239)
Finance costs	3(d)	(1,014)	(999)	(546)	(1,696)
(Loss)/Profit before income tax from continuing operations		(142,604)	(242,771)	(144,854)	(29,935)
Income tax benefit/(expense)	5	(14,860)	44,454	-	(11,685)
(Loss)/Profit after income tax from continuing operations		(157,464)	(198,317)	(144,854)	(41,620)
Loss after tax from discontinuing operations	28	(32,927)	(21,395)	(30,308)	(163,340)
Net (loss)/profit for the year		(190,391)	(219,712)	(175,162)	(204,960)

	Notes	Cents	Cents
(Loss)/Earnings per share:			
Basic and diluted for (loss)/profit for the year attributable to ordinary equity holders of the parent	6	(60.76)	(70.11)
Basic and diluted for (loss)/profit from continuing operations for the year attributable to ordinary equity holders of the parent	6	(50.25)	(63.28)

The above income statement should be read in conjunction with the accompanying notes.

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 MARCH 2016

		CONSOLIDATED		PARENT	
		2016	2015	2016	2015
	Notes	$'000	$'000	$'000	$'000
Net (loss)/profit for the year		(190,391)	(219,712)	(175,162)	(204,960)
Other comprehensive income					
Other comprehensive income which may be reclassified to profit or loss in subsequent periods:					
Cash flow hedges					
Gain/ (loss) taken to equity		-	(1,298)	-	-
Transferred to income statement		-	(14,434)	-	-
Tax effect		-	4,720	-	-
Other comprehensive income/(loss) for the year, net of tax		-	(11,012)	-	-
Total comprehensive income/(loss) for the year, net of tax		(190,391)	(230,724)	(175,162)	(204,960)

The above statement of comprehensive income should be read in conjunction with the accompanying notes.

ADITYA BIRLA MINERALS LIMITED

STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2016

		CONSOLIDATED		PARENT	
		2016	2015	2016	2015
	Notes	$'000	$'000	$'000	$'000
ASSETS					
Current Assets					
Cash and cash equivalents	8	67,642	55,226	23,927	45,619
Trade and other receivables	9	40,851	20,962	8,138	292
Inventories	10	19,073	55,929	-	-
Derivative financial instruments	12	563	755	3,790	755
Other	11	1,680	2,104	35	63
Total Current Assets		129,809	134,976	35,890	46,729
Non-Current Assets					
Trade and other receivables	9	-	-	1,035	39,928
Inventories	10	-	10,830	-	-
Property, plant and equipment	13	29,825	215,815	-	-
Deferred exploration and evaluation expenditure	14	2,000	15,545	-	-
Deferred tax assets	5	-	14,860	-	-
Investment in controlled entities	15	-	-	75,086	211,955
Other	11	264	286	-	-
Total Non-Current Assets		32,089	257,336	76,121	251,883
TOTAL ASSETS		161,898	392,312	112,011	298,612
LIABILITIES					
Current Liabilities					
Trade and other payables	16	19,405	22,505	14,078	27,902
Interest-bearing liabilities	17	-	1,279	-	650
Provisions	18	5,870	3,675	-	-
Derivative financial instruments	12	3,227	3,900	3,790	755
Total Current Liabilities		28,502	31,359	17,868	29,307
Non-Current Liabilities					
Provisions	18	39,249	76,415	-	-
Total Non-Current Liabilities		39,249	76,415	-	-
TOTAL LIABILITIES		67,751	107,774	17,868	29,307
NET ASSETS		94,147	284,538	94,143	269,305
EQUITY					
Issued capital	19	450,663	450,663	450,663	450,663
Accumulated losses		(356,516)	(166,125)	(356,520)	(181,358)
TOTAL EQUITY		94,147	284,538	94,143	269,305

The above statement of financial position should be read in conjunction with the accompanying notes.

ADITYA BIRLA MINERALS LIMITED

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2016

		CONSOLIDATED		PARENT	
		2016	2015	2016	2015
	Notes	$'000	$'000	$'000	$'000
Cash flows from/(used in) operating activities					
Receipts from customers (inclusive of GST)		172,511	81,493	897	-
Payments to suppliers and employees (inclusive of GST)		(167,413)	(155,738)	(4,728)	(1,061)
Payments for exploration and evaluation		(212)	(143)	-	-
Interest received		1,669	2,419	725	2,230
Finance charges		(196)	(505)	(545)	(1,696)
Receipts from close out of derivative contracts		-	16,873	-	-
Income Tax paid		-	(5,652)	-	(5,652)
Net cash flows from/(used in) operating activities	25(a)	6,359	(61,253)	(3,651)	(6,179)
Cash flows from/(used in) investing activities					
Payments for plant and equipment		(2,361)	(1,960)	-	-
Payments for mine development		(7,804)	(14,204)	-	-
Payments for security deposits		(30,811)	(19,023)	(7,620)	-
Release of security deposits		42,214	-	-	-
Proceeds from disposal of plant and equipment		165	-	-	-
Net proceeds from sale of Mt Gordon	28	4,652	-	4,652	-
Advances (to)/from subsidiaries		-	-	(14,420)	(88,451)
Net cash flows (used in)/from investing activities		6,055	(35,187)	(17,388)	(88,451)
Cash flows from/(used in) financing activities					
Repayment of loan		(650)	-	(650)	-
Net cash flows (used in)/ from financing activities		(650)	-	(650)	-
Net (decrease)/ increase in cash and cash equivalents		11,764	(96,440)	(21,689)	(94,630)
Foreign exchange differences		1,281	14,261	(3)	6,178
Cash and cash equivalents at the beginning of the year		54,597	136,776	45,619	134,071
Cash and cash equivalents at the end of the year	25(b)	67,642	54,597	23,927	45,619

The above statement of cash flows should be read in conjunction with the accompanying notes.

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2016

	Note	Issued Capital $'000	Retained Profits / (Accumulated Losses) $'000	Cash Flow Hedge Reserve $'000	Total Equity $'000
CONSOLIDATED					
At 1 April 2014		450,663	53,587	11,012	515,262
Net (loss)/profit for the year		-	(219,712)	-	(219,712)
Other comprehensive income – Cash flow hedge		-	-	(11,012)	(11,012)
Total comprehensive income for the year, net of tax		-	(219,712)	(11,012)	(230,724)
Dividends		-	-	-	-
At 31 March 2015		450,663	(166,125)	-	284,538
Net (loss)/profit for the year		-	(190,391)	-	(190,391)
Other comprehensive income – Cash flow hedge		-	-	-	-
Total comprehensive income for the year, net of tax		-	(190,391)	-	(190,391)
Dividends		-	-	-	-
At 31 March 2016		450,663	(356,516)	-	94,147
PARENT					
At 1 April 2014		450,663	23,602	-	474,265
Net profit for the year		-	(204,960)	-	(204,960)
Other comprehensive income – Cash flow hedge		-	-	-	-
Total comprehensive income for the year, net of tax		-	(204,960)	-	(204,960)
Dividends		-	-	-	-
At 31 March 2015		450,663	(181,358)	-	269,305
Net profit/(loss) for the year		-	(175,162)	-	(175,162)
Other comprehensive income - Cash flow hedge		-	-	-	-
Total comprehensive income for the year, net of tax		-	(175,162)	-	(175,162)
Dividends		-	-	-	-
At 31 March 2016		450,663	(356,520)	-	94,143

The above statement of changes in equity should be read in conjunction with the accompanying notes.

1. Summary of Significant Accounting Policies

(a) Corporate Information

The financial report of Aditya Birla Minerals Limited for the year ended 31 March 2016 was authorised for issue in accordance with a resolution of the directors on 29 May 2016.

Aditya Birla Minerals Limited (the parent) is a company limited by shares incorporated and domiciled in Australia whose shares are publicly traded on the Australian Stock Exchange with effect from 12 May 2006.

The address of the registered office is Level 3, 256 Adelaide Terrace, Perth, WA, 6000.

(b) Basis of Preparation

The financial report is a general-purpose financial report, which has been prepared in accordance with the requirements of the Corporations Act 2001, applicable Accounting Standards and other mandatory professional reporting requirements.

The financial report has been prepared on a historical cost basis, except for trade receivables and derivative financial instruments which have been measured at fair value.

The financial report is presented in Australian dollars and all values are rounded to the nearest thousand dollars ('000s) unless otherwise stated under the option available to the Company under ASIC Class Order 98/0100. The Company is an entity to which the class order applies.

The Company has taken advantage of the relief referred to in ASIC Class Order 10/654 dated 26 July 2010 and in accordance with that Class Order, the Company has included its parent entity financial statements as part of the accompanying financial report.

Except as noted below, the accounting policies adopted are consistent with those of the previous financial year.

For the purpose of preparation of the financial report, the Company is a for-profit entity.

Statement of Compliance

The financial report complies with Australian Accounting Standards and International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB).

(c) New Accounting Standards and Interpretations

(i) Changes in Accounting Policies and Disclosures

From 1 April 2015, the Group has adopted all new and amended Accounting Standards and Interpretations effective as of 1 April 2015, including:-

Reference	Title	Summary	Impact on Group financial report
AASB 2014-1 Part A -Annual Improvements 2010–2012 Cycle	Amendments to Australian Accounting Standards - Part A Annual Improvements to IFRSs 2010–2012 Cycle	AASB 2014-1 Part A: This standard sets out amendments to Australian Accounting Standards arising from the issuance by the International Accounting Standards Board (IASB) of International Financial Reporting Standards (IFRSs) Annual Improvements to IFRSs 2010–2012 Cycle and Annual Improvements to IFRSs 2011–2013 Cycle. Annual Improvements to IFRSs 2010–2012 Cycle addresses the following items:	
		►AASB 2 - Clarifies the definition of 'vesting conditions' and 'market condition' and introduces the definition of 'performance condition' and 'service condition'.	No impact
		►AASB 3 - Clarifies the classification requirements for contingent consideration in a business combination by removing all references to AASB 137.	Not applicable
		►AASB 8 - Requires entities to disclose factors used to identify the entity's reportable segments when operating segments have been aggregated. An entity is also required to provide a reconciliation of total reportable segments' asset to the entity's total assets.	A reconciliation of total reportable segments' assets to the Group's assets has been given in note 22
		►AASB 116 & AASB 138 - Clarifies that the determination of accumulated depreciation does not depend on the selection of the valuation technique and that it is calculated as the difference between the gross and net carrying amounts.	No impact
		►AASB 124 - Defines a management entity providing KMP services as a related party of the reporting entity. The amendments added an exemption from the detailed disclosure requirements in paragraph 17 of AASB 124 for KMP services provided by a management entity. Payments made to a management entity in respect of KMP services should be separately disclosed.	Not applicable, the Group has its own Board of directors and local management team to manage business affairs.

Reference	Title	Summary	Impact on Group financial report
AASB 2014-1 Part A -Annual Improvements	Amendments to Australian Accounting Standards - Part A Annual Improvements to IFRSs 2011–2013 Cycle	Annual Improvements to IFRSs 2011–2013 Cycle addresses the following items: ► AASB13 - Clarifies that the portfolio exception in paragraph 52 of AASB 13 applies to all contracts within the scope of AASB 139 or AASB 9, regardless of whether they meet the definitions of financial assets or financial liabilities as defined in AASB 132. ► AASB 140 - Clarifies that judgment is needed to determine whether an acquisition of investment property is solely the acquisition of an investment property or whether it is the acquisition of a group of assets or a business combination in the scope of AASB 3 that includes an investment property. That judgment is based on guidance in AASB 3.	No impact Not applicable
AASB 2014-1 Part B Amendments to AASB 119	Amendments to Australian Accounting Standards - Part B Defined Benefit Plans: Employee Contributions (Amendments to AASB 119)	AASB 2014-Part B makes amendments in relation to the requirements for contributions from employees or third parties that are set out in the formal terms of the benefit plan and linked to service. The amendments clarify that if the amount of the contributions is independent of the number of years of service, an entity is permitted to recognise such contributions as a reduction in the service cost in the period in which the related service is rendered, instead of attributing the contributions to the periods of service.	Not applicable

(ii) Accounting Standards and Interpretations Issued But Not Yet Effective

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet effective have not been adopted for the annual reporting period ended 31 March 2016. The Group is currently assessing the overall impact of the standards that are issued but not yet effective. These are outlined as below:

a. **AASB 9 Financial Instruments**

AASB 9 (December 2014) is a new standard which replaces AASB 139. This new version supersedes AASB 9 issued in December 2009 (as amended) and AASB 9 (issued in December 2010) and includes a model for classification and measurement, a single, forward-looking 'expected loss' impairment model and a substantially-reformed approach to hedge accounting.

AASB 9 is effective for annual periods beginning on or after 1 January 2018. However, the Standard is available for early adoption. The own credit changes can be early adopted in isolation without otherwise changing the accounting for financial instruments.

Classification and measurement

AASB 9 includes requirements for a simpler approach for classification and measurement of financial assets compared with the requirements of AASB 139. There are also some changes made in relation to financial liabilities.

The main changes are described below.

Financial assets

a.Financial assets that are debt instruments will be classified based on (1) the objective of the entity's business model for managing the financial assets; (2) the characteristics of the contractual cash flows.

b.Allows an irrevocable election on initial recognition to present gains and losses on investments in equity instruments that are not held for trading in other comprehensive income. Dividends in respect of these investments that are a return on investment can be recognised in profit or loss and there is no impairment or recycling on disposal of the instrument.

c.Financial assets can be designated and measured at fair value through profit or loss at initial recognition if doing so eliminates or significantly reduces a measurement or recognition inconsistency that would arise from measuring assets or liabilities, or recognising the gains and losses on them, on different bases.

Financial liabilities

Changes introduced by AASB 9 in respect of financial liabilities are limited to the measurement of liabilities designated at fair value through profit or loss (FVPL) using the fair value option.

Where the fair value option is used for financial liabilities, the change in fair value is to be accounted for as follows:

► The change attributable to changes in credit risk are presented in other comprehensive income (OCI)

► The remaining change is presented in profit or loss

AASB 9 also removes the volatility in profit or loss that was caused by changes in the credit risk of liabilities elected to be measured at fair value. This change in accounting means that gains or losses attributable to changes in the entity's own credit risk would be recognised in OCI. These amounts recognised in OCI are not recycled to profit or loss if the liability is ever repurchased at a discount.

Impairment

The final version of AASB 9 introduces a new expected-loss impairment model that will require more timely recognition of expected credit losses. Specifically, the new Standard requires entities to account for expected credit losses from when financial instruments are first recognised and to recognise full lifetime expected losses on a more timely basis.

Hedge accounting

Amendments to AASB 9 (December 2009 & 2010 editions and AASB 2013-9) issued in December 2013 included the new hedge accounting requirements, including changes to hedge effectiveness testing, treatment of hedging costs, risk components that can be hedged and disclosures.

Consequential amendments were also made to other standards as a result of AASB 9, introduced by AASB 2009-11 and superseded by AASB 2010-7, AASB 2010-10 and AASB 2014-1 – Part E.

AASB 2014-7 incorporates the consequential amendments arising from the issuance of AASB 9 in Dec 2014.

AASB 2014-8 limits the application of the existing versions of AASB 9 (AASB 9 (December 2009) and AASB 9 (December 2010)) from 1 February 2015 and applies to annual reporting periods beginning on after 1 January 2015.

b. AASB 15 Revenue from Contracts with Customers
AASB 15 Revenue from Contracts with Customers replaces the existing revenue recognition standards AASB 111 Construction Contracts, AASB 118 Revenue and related Interpretations (Interpretation 13 Customer Loyalty Programmes, Interpretation 15 Agreements for the Construction of Real Estate, Interpretation 18 Transfers of Assets from Customers, Interpretation 131 Revenue—Barter Transactions Involving Advertising Services and Interpretation 1042 Subscriber Acquisition Costs in the Telecommunications Industry). AASB 15 incorporates the requirements of IFRS 15 Revenue from Contracts with Customers issued by the International Accounting Standards Board (IASB) and developed jointly with the US Financial Accounting Standards Board (FASB).

AASB 15 specifies the accounting treatment for revenue arising from contracts with customers (except for contracts within the scope of other accounting standards such as leases or financial instruments).The core principle of AASB 15 is that an entity recognises revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. An entity recognises revenue in accordance with that core principle by applying the following steps:

(a) Step 1: Identify the contract(s) with a customer

(b) Step 2: Identify the performance obligations in the contract

(c) Step 3: Determine the transaction price

(d) Step 4: Allocate the transaction price to the performance obligations in the contract

(e) Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation

AASB 2015-8 amended the AASB 15 effective date so it is now effective for annual reporting periods commencing on or after 1 January 2018. Early application is permitted.

AASB 2014-5 incorporates the consequential amendments to a number Australian Accounting Standards (including Interpretations) arising from the issuance of AASB 15.

c. AASB 2015-1 Amendments to Australian Accounting Standards – Annual Improvements to Australian Accounting Standards 2012–2014 Cycle
The subjects of the principal amendments to the Standards are set out below:

AASB 5 Non-current Assets Held for Sale and Discontinued Operations:

• Changes in methods of disposal – where an entity reclassifies an asset (or disposal group) directly from being held for distribution to being held for sale (or visa versa), an entity shall not follow the guidance in paragraphs 27–29 to account for this change.

AASB 7 Financial Instruments: Disclosures:

• Servicing contracts - clarifies how an entity should apply the guidance in paragraph 42C of AASB 7 to a servicing contract to decide whether a servicing contract is 'continuing involvement' for the purposes of applying the disclosure requirements in paragraphs 42E–42H of AASB 7.

• Applicability of the amendments to AASB 7 to condensed interim financial statements - clarify that the additional disclosure required by the amendments to AASB 7 Disclosure–Offsetting Financial Assets and Financial Liabilities is not specifically required for all interim periods. However, the additional disclosure is required to be given in condensed interim financial statements that are prepared in accordance with AASB 134 Interim Financial Reporting when its inclusion would be required by the requirements of AASB 134.

AASB 119 Employee Benefits:

• Discount rate: regional market issue - clarifies that the high quality corporate bonds used to estimate the discount rate for post-employment benefit obligations should be denominated in the same currency as the liability. Further it clarifies that the depth of the market for high quality corporate bonds should be assessed at the currency level.

AASB 134 Interim Financial Reporting:

• Disclosure of information 'elsewhere in the interim financial report' - amends AASB 134 to clarify the meaning of disclosure of information 'elsewhere in the interim financial report' and to require the inclusion of a cross-reference from the interim financial statements to the location of this information.

d. AASB 2015-2 Amendments to Australian Accounting Standards – Disclosure Initiative: Amendments to AASB 101

The Standard makes amendments to AASB 101 Presentation of Financial Statements arising from the IASB's Disclosure Initiative project. The amendments are designed to further encourage companies to apply professional judgment in determining what information to disclose in the financial statements. For example, the amendments make clear that materiality applies to the whole of financial statements and that the inclusion of immaterial information can inhibit the usefulness of financial disclosures. The amendments also clarify that companies should use professional judgment in determining where and in what order information is presented in the financial disclosures.

e. AASB 2015-3 Amendments to Australian Accounting Standards arising from the Withdrawal of AASB 1031 Materiality

The Standard completes the AASB's project to remove Australian guidance on materiality from Australian Accounting Standards.

f. AASB 2015-9 Amendments to Australian Accounting Standards – Scope and Application Paragraphs [AASB 8, AASB 133 & AASB 1057]

This Standard inserts scope paragraphs into AASB 8 and AASB 133 in place of application paragraph text in AASB 1057. This is to correct inadvertent removal of these paragraphs during editorial changes made in August 2015. There is no change to the requirements or the applicability of AASB 8 and AASB 133.

g. AASB 16 - Leases

The key features of AASB 16 are as follows:

Lessee accounting

• Lessees are required to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value.

• A lessee measures right-of-use assets similarly to other non-financial assets and lease liabilities similarly to other financial liabilities.

• Assets and liabilities arising from a lease are initially measured on a present value basis. The measurement includes non-cancellable lease payments (including inflation-linked payments), and also includes payments to be made in optional periods if the lessee is reasonably certain to exercise an option to extend the lease, or not to exercise an option to terminate the lease.

• AASB 16 contains disclosure requirements for lessees.

Lessor accounting

• AASB 16 substantially carries forward the lessor accounting requirements in AASB 117. Accordingly, a lessor continues to classify its leases as operating leases or finance leases, and to account for those two types of leases differently.

• AASB 16 also requires enhanced disclosures to be provided by lessors that will improve information disclosed about a lessor's risk exposure, particularly to residual value risk.

AASB 16 supersedes:

(a) AASB 117 Leases;

(b) Interpretation 4 - Determining whether an Arrangement contains a Lease;

(c) Interpretation 115 - Operating Leases—Incentives; and

(d) Interpretation 127 - Evaluating the Substance of Transactions Involving the Legal Form of a Lease.

The new standard will be effective for annual periods beginning on or after 1 January 2019. Early application is permitted, provided the new revenue standard, AASB 15 Revenue from Contracts with Customers, has been applied, or is applied at the same date as AASB 16.

h. 2016-1 Amendments to Australian Accounting Standards – Recognition of Deferred Tax Assets for Unrealised Losses [AASB 112]

This Standard amends AASB 112 Income Taxes (July 2004) and AASB 112 Income Taxes (August 2015) to clarify the requirements on recognition of deferred tax assets for unrealised losses on debt instruments measured at fair value.

i. 2016-2 Amendments to Australian Accounting Standards – Disclosure Initiative: Amendments to AASB 107

This Standard amends AASB 107 Statement of Cash Flows (August 2015) to require entities preparing financial statements in accordance with Tier 1 reporting requirements to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes.

(d) Principles of Consolidation

The consolidated financial statements comprise the financial statements of Aditya Birla Minerals Limited (the parent entity) and its subsidiaries, referred to collectively throughout these financial statements as the "Group".

Subsidiaries are all those entities on which Group not only has power over and exposure or rights to variable returns from its involvement, but also has the ability to use its power to affect the subsidiary's returns from its involvement.

The financial statements of subsidiaries are prepared for the same reporting period as the parent company using consistent accounting policies. Adjustments are made to bring into line any dissimilar accounting policies that may exist.

In preparing the consolidated financial statements, all intercompany balances and transactions, income and expenses, and profit and losses resulting from intra-group transactions have been eliminated.

Subsidiaries are consolidated from the date on which control is obtained by the Group and cease to be consolidated from the date on which control is transferred out of the Group. Investments in subsidiaries are accounted for by the parent at cost less any allowance for impairment.

The acquisition of subsidiaries is accounted for using the acquisition method of accounting. The acquisition method of accounting involves recognising at acquisition date, separate from goodwill, the identifiable assets acquired, the liabilities assumed and any non-controlling interest in the acquire. The identifiable assets required and the liabilities assumed are measured at their acquisition date fair values.

(e) Revenue Recognition

Revenue is recognised and measured at the fair value of the consideration received or receivable to the extent that it is probable that the economic benefits will flow to the Group and revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognised:

Sale of Product

Revenue from sales of copper concentrate and copper cathode is recognised upon shipment or discharge when there has been a passing of the significant risks and rewards of ownership, which means the following:

- The product is in a form suitable for delivery and no further processing is required by, or on behalf of the Group;
- The quantity and quality (grade) of the product can be determined with reasonable accuracy;
- The selling price can be measured reliably;
- It is probable that the economic benefits associated with the transaction will flow to the Group; and
- The costs incurred or to be incurred in respect of the transaction can be measured reliably.

Sales revenue is subject to adjustment based on final assay results. In addition, the terms of the sales contracts for copper concentrate contain provisional pricing arrangements. Adjustments to the sales price are based on movements in metal prices up to the date of final pricing. Final settlement is between 3 and 4 months after the date of delivery (the "quotational period") with pricing based on the average LME copper price for the month of settlement. The revenue adjustment mechanism embedded within the sales contract has the characteristics of a commodity derivative which significantly modifies the cash flows under the contract. The Group has decided to designate the trade receivables arising on initial recognition of the sales transaction as a financial asset at fair value through profit and loss (see note 1(k)) and not separately account for the embedded derivative. Accordingly the fair value of the receivable is re-estimated continuously and changes in fair value recognised as an adjustment to revenue in the income statement.

Interest income

Revenue is recognised as interest accrues (using the effective interest method, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial instrument to the net carrying amount of the financial asset).

Dividends

Revenue is recognised when the shareholders' right to receive the payment is established.

(f) Foreign Currency Transactions

Both the functional and the presentation currency of the parent entity and its controlled entities are Australian dollars ($).

Transactions in foreign currencies are initially recorded in the functional currency at the exchange rates ruling at the date of transaction. Monetary assets and liabilities denominated in foreign currencies are re-translated at the rate of exchange ruling at the statement of financial position date.

All differences in the financial report are taken to the income statement.

(g) Income Tax

Current tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities based on the current period's taxable income. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the statement of financial position date.

Deferred income tax is provided on all temporary differences at the statement of financial position date between the tax bases of the assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred income tax liabilities are recognised for all taxable temporary differences:

- except where the deferred income tax arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of taxable temporary differences associated with investments in subsidiaries, except where the timing of the reversal of the temporary differences will not reverse in the foreseeable future.

Deferred income tax assets are recognised for all deductible temporary differences, carry-forward of unused tax assets and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry-forward of unused tax assets and unused tax losses can be utilised:

- except where the deferred income tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of deductible temporary difference associated with investments in subsidiaries, deferred tax asset are only recognised to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary difference can be utilised.

The carrying amount of deferred income tax assets is reviewed at each statement of financial position date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised.

Unrecognised deferred income tax assets are reassessed at each statement of financial position date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the statement of financial position date.

Income taxes relating to items recognised directly in equity are recognised in equity and not in the income statement.

Deferred tax assets and deferred tax liabilities are offset only if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred tax assets and liabilities relate to the same taxable entity and the same taxation authority.

Effective from incorporation, for the purposes of income taxation, Aditya Birla Minerals Limited and its 100% owned subsidiaries have formed a tax consolidated group. Aditya Birla Minerals Limited is the head entity of the tax consolidated group. Tax expense/income, deferred tax liabilities and deferred tax assets arising from temporary differences of the members of the tax consolidated group are recognised in the separate financial statements of the members of the tax consolidated group using the group allocation approach. Members of the Group have entered into a tax sharing agreement which provides for the allocation of income tax liabilities between the entities should the head entity default on its tax payment obligations. At the balance date, the possibility of default is remote.

(h) Goods and Services Tax

Revenues, expenses and assets are recognised net of the amount of goods and services tax ("GST"), except where the amount of GST incurred is not recoverable from the Australian Tax Office ("ATO"). In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable. Receivables and payables are stated with the amount of GST included.

The net amount of GST recoverable from, or payable to, the ATO is included as part of receivables or payables in the statement of financial position. Cash flows are included in the statement of cash flows on a gross basis. The GST component of cash flows arising from investing and financing activities which is recoverable from, or payable to, the ATO is classified as part of operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the ATO.

(i) Derivative Financial Instruments and Hedging

The Group benefits from the use of derivative financial instruments to manage commodity price, interest rates and foreign currency exposures.

Instruments used to manage natural exposures to commodity prices, exchange rates and interest rates include put and call options, swaps and foreign exchange contracts.

Derivative financial instruments are initially recognised in the statement of financial position at fair value and are subsequently re-measured at their fair values.

For the purposes of hedge accounting, hedges are classified as either fair value hedges when the Group hedges the exposure to changes in the fair value of a recognised asset or liability; or cash flow hedges where the Group hedges the exposure to variability in cash flows that is either attributable to a particular risk associated with a recognised asset or liability or an expected transaction.

The method of recognising the resultant gain or loss is dependent on the nature of the item being hedged.

At the inception of the transaction, the Group documents the relationship between the hedging instrument and hedged items, as well as its risk management objective and strategy for undertaking various hedge transactions. This process includes linking all derivatives designated as hedges to resultant cash flows from specific quotational periods.

Changes in the fair value of derivatives that are designated against future sales qualify as cash flow hedges and if deemed highly effective, are recognised in equity to the extent of the hedge's effectiveness. Any ineffectiveness in the hedge relationship is taken immediately to the income statement. Amounts deferred in equity are transferred to the income statement and classified as revenue in the same periods during which the designated hedged sales are recognised.

Certain derivative instruments do not qualify for hedge accounting under the specific rules in the accounting standards. Changes in the fair value of any derivative instruments that do not qualify for hedge accounting are recognised immediately in the income statement.

When a hedging instrument expires or is sold, or when a hedge no longer meets the criteria for hedge accounting under the accounting standards, any cumulative gain or loss existing in equity at that time remains in equity and is recognised when the commitment or expected transaction occurs.

However, if the committed or expected transaction is no longer expected to occur, the cumulative gain or loss reported in equity is immediately transferred to the income statement.

(j) Cash and Cash Equivalents

Cash and cash equivalents in the statement of financial position comprise cash at bank and in hand and short-term deposits.

For the purposes of the statement of cash flows, cash and cash equivalents consist of cash and cash equivalents as defined above, net of outstanding bank overdrafts.

(k) Trade and Other Receivables

On initial recognition trade debtors are designated at fair value through profit and loss, accordingly trade debtors are measured at fair value as at reporting date. Credit balances are reclassified to trade and other payables.

The majority of sales revenue is invoiced and received in US dollars.

Generally 100% of the copper cathode sales invoice value is to be settled within 10 days of presentation of delivery documents.

In the case of copper concentrate, on presentation of documents the customer settles 90% of the provisional invoice value within 3-5 days of receipt of consignment and the remaining 10% is settled within 3-5 days of presentation of the final invoice at the end of the quotational period.

Other receivables are recognised and carried at original invoiced amount less an allowance for any uncollectible amounts.

An allowance for doubtful debts is made when there is objective evidence that the Group will not be able to collect the debts. Financial difficulties of the debtor or default payments are considered objective evidence of impairment. Bad debts are written off when identified. No interest is charged on overdue accounts.

(l) Inventories

Inventories comprise broken ore, copper in ore and under leach, concentrate and cathode which are carried at the lower of weighted average cost and net realisable value.

Cost comprises direct material, labour and other expenditure together with an appropriate portion of fixed and variable overhead expenditure based on the weighted average costs incurred during the period in which such inventories were produced.

Inventories of consumable supplies and spare parts expected to be used in production are valued at the lower of weighted average cost and net realisable value.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

(m) Property, Plant and Equipment

Property, plant and equipment are stated at cost less accumulated depreciation and any impairment in value.

Items of property, plant and equipment are depreciated as outlined below.

- **mining plant & equipment:** unit of production based on economically recoverable reserves.
- **other plant and equipment:** straight line depreciation at a rate of 10% to 50% per annum, depending on the item of plant.

The cost of property, plant and equipment constructed by the Group includes the costs of all materials used in construction, direct labour, borrowing costs incurred during construction and an allocation of overheads.

Borrowing costs included in the cost of property, plant and equipment are those costs, which are directly attributable to the construction, or production of qualifying assets and that would have been avoided if the expenditure on the construction of the property, plant and equipment had not been made.

Assets are depreciated or amortised from the date of acquisition or, in respect of internally constructed assets, from the time an asset is completed and available for use.

Mining Properties in Production, Under Care & Maintenance or Under Development

Mine properties in production (including exploration, evaluation and development expenditure) are accumulated and brought to account at cost less accumulated amortisation in respect of each identifiable area of interest. Amortisation of capitalised costs is provided on a production output basis, proportional to the depletion of the mineral resource of each area of interest expected to be ultimately economically recoverable.

A regular review is undertaken of each area of interest to determine the appropriateness of continuing to carry forward costs in relation that area of interest. Should the carrying value of expenditure not yet amortised exceed its estimated recoverable amount in any year, the excess is written off to the income statement.

Impairment

The carrying values of plant and equipment are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable.

For an asset that does not generate largely independent cash flows the recoverable amount is determined for the cash-generating unit to which the asset belongs. If any indication of impairment exists and where the carrying values exceed the estimated recoverable amount, the assets or cash generating unit are written down to their recoverable amount through the Income Statement.

The recoverable amount of plant and equipment is the greater of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessment of the time value of money and the risks specific to the asset or group of assets being assessed.

Where an impairment loss subsequently reverses, the carrying amount of the asset (cash generating unit) is increased to the revised estimate of recoverable amount, but only to the extent that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (cash generating unit). A reversal of impairment loss is recognised in profit and loss immediately.

Derecognition

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset.

Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the item) is included in the income statement in the period the item is derecognised.

(n) Exploration and Evaluation Expenditure

Exploration and evaluation expenditure is charged against earnings as incurred.

Exploration and evaluation expenditure is allocated separately to specific areas of interest. Each area of interest is limited to a size related to a known or probable mineral resource capable of supporting a mining operation. Such expenditure comprises net direct costs and an appropriate portion of related overhead expenditure directly related to activities in the area of interest.

Costs related to the acquisition of properties that contain mineral resources are allocated separately to specific areas of interest. These costs are capitalised until viability of the area of interest is determined. If no mineral ore body is discovered, capitalised acquisition costs are expensed in the period in which it is determined that the area of interest has no future economic value. When a decision to proceed to development is made, all costs subsequently incurred to develop a mine prior to the start of mining operations within the area of interest are capitalised and carried at cost. These costs include expenditure incurred to develop new ore bodies within the area of interest, to define further mineralisation in existing areas of interest, to expand the capacity of a mine and to maintain production.

(o) Rehabilitation, Restoration and Environmental Costs

Long-term environmental obligations are based on the Group's environmental management plans, in compliance with current environmental and regulatory requirements.

The costs include obligations relating to reclamation, waste site closure, plant closure, and other costs associated with the restoration of the site.

Full provision is made based on the net present value of the estimated cost of restoring the environmental disturbance (to the extent that it relates to the development of an asset) that has been incurred as at the statement of financial position date. Increases due to additional environmental disturbances are capitalised and amortised over the remaining lives of the mines. These increases are accounted for on a net present value basis.

Annual increases in the provision relating to the change in the net present value of the provision are accounted for in the income statement as finance costs.

The estimated costs of rehabilitation are reviewed annually and adjusted as appropriate for changes in legislation, technology or other circumstances. Cost estimates are not reduced by the potential proceeds from the sale of assets or from plant clean-up at closure.

(p) Deferred Mining Costs

Certain post-commissioning mining costs, principally those that relate to the development of stopes to access the ore and which relate to future economically recoverable ore to be mined, have been capitalised and included in the statement of financial position as deferred mining in mine properties.

These costs are deferred or taken to the cost of production as the case may be, so that each tonne of ore mined bears the average cost of development per tonne of ore. The remaining life of the mine based on latest mine plan is regularly assessed by the Directors and senior management to ensure the carrying value of deferral is appropriate.

(q) Recoverable Amount of Non- Financial Assets

At each reporting date, the Group assesses whether there is any indication that an asset may be impaired. Where an indicator of impairment exists, the Group makes a formal estimate of the recoverable amount. Where the carrying amount of an asset exceeds its recoverable amount the asset is considered impaired and is written down to its recoverable amount.

Recoverable amount is the greater of fair value less costs of disposal and value in use. Recoverable amount is determined for an individual asset, unless the asset's value in use cannot be estimated to be close to its fair value less costs of disposal and it does not generate cash inflows that are largely independent of those from other assets or groups of assets, in which case, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessment of the time value of money and the risks specific to the asset or group of assets being assessed.

An assessment is also made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists the recoverable amount is estimated. A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case the carrying amount of the asset is increased to its recoverable amount. That increased amount cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in profit and loss unless the asset is carried at its revalued amount, in which case the reversal is treated as a revaluation increase. After such a reversal the depreciation charge is adjusted in future periods to allocate the asset's revised carrying amount, less any residual value, on a systematic basis over its remaining useful life.

(r) Trade and Other Payables

Liabilities are recognised for amounts to be paid in the future for goods and services received, whether or not billed to the Group. Trade accounts are normally settled in accordance with the terms of trade.

Payables are initially recognised at their fair value and subsequently measured at amortised cost.

(s) Interest-Bearing Liabilities

All loans and borrowings are initially recognised at the fair value of the consideration received net of transaction costs associated with the borrowing.

After initial recognition, interest bearing loans and borrowings are subsequently measured at amortised cost using the effective interest method. Amortised cost is calculated by taking into account any transaction costs, and any discount or premium on settlement.

Gains and losses are recognised in the income statement when the liabilities are derecognised and as well as through the amortisation process.

(t) Leased Assets

The determination of whether an arrangement is or contains a lease is based on the substance of the arrangement and requires an assessment of whether the fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset.

Finance leases

Leases which effectively transfer to the Group substantially all the risks and benefits incidental to ownership of the leased item, are capitalised at the inception of the lease at the fair value of the leased property or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between the finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised as an expense in the income statement.

Capitalised leased assets are depreciated over the shorter of the estimated useful life of the asset or the lease term.

The cost of improvements to or on leasehold property is capitalised, disclosed as leasehold improvements and amortised over the unexpired period of the lease or the estimated useful life of the improvement, whichever is shorter.

Operating leases

Leases where the lessor retains substantially all the risks and benefits of ownership of the asset are classified as operating leases. Operating lease payments are recognised as an expense in the income statement on a straight line basis over the lease term.

(u) Employee Benefits

Provision is made for employee benefits accumulated as a result of employees rendering services up to the reporting date. These benefits include wages and salaries, annual leave, long service leave, encashable sick leave and bonus, where applicable.

Liabilities arising in respect of wages, salaries and any other employee benefits expected to be wholly settled within twelve months of the reporting date are measured at their nominal amounts based on remuneration rates which are expected to be paid when the liability is settled. All other employee benefit liabilities are measured at the present value of the estimated future cash outflow to be made in respect of services provided by employees up to the reporting date.

Obligations for contributions to defined contribution superannuation plans are expensed as incurred.

(v) Borrowing Costs

Borrowing costs are recognised as an expense when incurred, except where the borrowing costs incurred are directly associated with the construction, purchase or acquisition of a qualifying asset, in which case the borrowing costs are capitalised as part of the cost of the asset.

(w) Provisions

A provision is recognised when a legal or constructive obligation exists as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Where the Group expects some or all of a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the income statement net of any reimbursement.

If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax discount rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

Where discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

(x) Investments in Controlled Entities

Interests in controlled entities are carried by the parent entity at the lower of cost and recoverable amount.

(y) Issued Capital

Issued and paid up capital is recognised at the fair value of the consideration received by the Group. Any transaction costs arising on the issue of ordinary shares are recognised directly in equity as a reduction, net of tax, of the proceeds received.

(z) Earnings per Share

Basic earnings per share is calculated as net profit attributable to members of the parent, adjusted to exclude any costs of servicing equity (other than dividends), divided by the weighted average number of ordinary shares, adjusted for any bonus element.

Diluted earning per share is calculated as net profit attributable to members of the company, adjusted for:

- costs of servicing equity (other than dividends);
- the after tax effect of dividends and interest associated with dilutive potential ordinary shares that have been recognised as expenses; and
- other non-discretionary changes in revenues or expenses during the period that would result from the dilution of potential ordinary shares;

divided by the weighted average number of ordinary shares and dilutive potential ordinary shares, adjusted for any bonus element.

(aa) Significant Accounting Judgements, Estimates and Assumptions

(i) Mine rehabilitation provision

The Group assesses its mine rehabilitation provision annually in accordance with the accounting policy stated in note 1(o). Significant judgement is required in determining the provision for mine rehabilitation as there are many transactions and other factors that will affect the ultimate liability payable to rehabilitate the mine site. The rehabilitation provision represents management's best estimate of the Group's obligations using assumptions that represent the expected outcomes of the uncertainties. However, actual rehabilitation costs will ultimately depend upon future market prices for the necessary rehabilitation works required that will reflect market conditions at the relevant time.Furthermore, the timing of rehabilitation will ultimately depend on when the mines cease to produce at economically viable rates. This, in turn, will depend upon future copper prices, which are inherently uncertain.

The discount rates used in the calculation of the provisions for Nifty as at 31 March 2016 is 2.12% (2015: 2.05%), the inflation rate is 2.115% (2015: 2.48%). Life of mine for Nifty is taken as 3 years for discounting of rehab provision.

(ii) Units of production method of depreciation

The Group applies the units of production method of depreciation of its mine assets based on ore tonnes mined. These calculations require the use of estimates, future development costs and assumptions. Significant judgement is required in assessing the available reserves, future development costs and the production capacity of the plants to be depreciated under this method. Factors that are considered in determining reserves and resources and production capacity are the company's history of converting resources to reserves and the relevant time frames, the complexity of metallurgy, markets and future developments. When these factors change or become known in the future, such differences will impact pre tax profit and carrying values of assets.

(iii) Impairment of Property, Plant and Equipment

The Group assesses each asset or cash generating unit (CGU) at the end of each reporting period to determine whether any indication of impairment exists. Where an indicator of impairment exists, a formal estimate of the recoverable amount is made, which is considered to be the higher of the fair value less costs to sell and Value In Use (VIU). Refer note 26 for further details.

(iv) Deferred Tax Assets

Deferred tax assets are recognised for unused tax losses and deductible temporary differences to the extent that it is probable that taxable profit will be available against which the losses and deductible temporary differences can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies which is dependent on the Group's ability to earn taxable income from its ongoing operations. This in turn is dependent on a number of future estimates but not limited to future assumptions as to the copper price, exchange rates, operating and capital costs. Refer to note 26 which sets out a number of sensitivities relating to these operations. The recovery of recognised tax assets is to an extent also sensitive to these assumptions.

The Group has recognised a deferred tax asset of $Nil (2015: $14.860 million)

(ab) Comparatives

Where necessary, comparatives have been reclassified and repositioned for consistency with current year's disclosures.

2. Financial Risk Management Objectives and Policies

The Group's principal financial instruments comprise receivables, payables, cash and derivatives.

The main risks arising from the Group's financial instruments are foreign currency risk, commodity price risk, interest rate risk, credit risk and liquidity risk. The Group manages its exposure to financial risks in accordance with the Group's financial risk management policy. The objective of the policy is to support the delivery of the Group's financial targets whilst protecting future financial security.

To manage exposure to commodity prices, exchange rates and interest rates, the Group uses derivative instruments, principally put and call options, swaps and forward contracts. The purpose is to manage the commodity price, currency and interest rate risks arising from the Group's operations and its sources of finance. The extent of derivatives used by the Group is based on limits set by the Board. The Group uses different methods to measure and manage different types of risks to which it is exposed. These include monitoring levels of exposure to commodity prices, interest rate and foreign exchange risk and assessments of market forecasts for commodity prices, interest rate and foreign exchange. Ageing analyses and monitoring of specific credit allowances are undertaken to manage credit risk. Liquidity risk is monitored through the development of future rolling cash flow forecasts.

The Board reviews and agrees policies for managing each of these risks as summarised below.

Primary responsibility for identification and control of financial risks rests with the Audit, Compliance and Risk Committee under the authority of the Board. The Board reviews and agrees policies for managing each of the risks identified below, including the setting of limits for trading in derivatives, hedging cover of commodity prices, foreign currency and interest rate risk, credit allowances, and future cash flow forecast projections.

Risk Exposures and Responses

Foreign currency risk

The Group has transactional currency exposures. Such exposure arises from sales or purchases by an operating entity in currencies other than the functional currency. Approximately 100% of the Group's sales are denominated in United States dollar (US$), whilst most of the costs are denominated in the entity's functional currency. The functional currency of the parent and its controlled entities is determined to be Australian dollar (A$).

The Group's income statement and statement of financial position can be affected significantly by movements in the US$/A$ exchange rates. The Group seeks to mitigate the effect of its net foreign currency exposure by using derivative instruments, principally put and call options and forward foreign currency contracts.

It is the Group's policy to enter into derivative instruments to manage foreign currency exposure once likelihood of such exposure is highly probable and to negotiate the terms of the derivatives to exactly match the terms of the underlying item to maximise effectiveness. The Group’s policy is to cover exposure up to 90% of revenues in US$ of material already sold, up to 80% of revenues in US$ to be sold in next 12 months and 60% of revenues in US$ to be sold in 13-24 months. However, the exposure for capital projects must be 100% covered.

2. Financial Risk Management Objectives and Policies (continued)

Risk Exposures and Responses (continued)

Foreign currency risk (continued)

At balance date, the Group had the following exposure to US$ foreign currency:

	Consolidated		Parent	
	2016 $'000	2015 $'000	2016 $'000	2015 $'000
Financial Assets				
Cash and cash equivalents	1,112	45,609	147	45,605
Trade and other receivables	479	269	1,908	269
Trade and receivables– related parties	31,353	-	-	-
Derivative foreign exchange contracts	563	-	563	-
Derivative commodity contracts	-	755	3,227	755
Financial Liabilities				
Payable to customer– related parties	-	(2,066)	-	-
Trade and other payables – others	(1,429)	(482)	(1,629)	-
Inter company balance denominated in US dollars	-	-	-	(45,869)
Interest bearing liabilities – bank overdraft in US dollars	-	(629)	-	-
Derivative commodity contracts	(3,227)	-	(3,227)	(755)
Derivative foreign exchange contracts	-	(3,900)	(563)	-
	28,851	39,556	426	5

At 31 March 2016, the Group has entered into forward exchange derivatives of approximately US$18.500 million to manage foreign currency exposure on trade and other receivables, extending to July 2016.

The following table sets out the gross value of US dollars sold under foreign exchange contracts, the weighted average contracted exchange rates and the settlement periods of outstanding contracts for the Group:

	Weighted Average Rate	Consolidated	Weighted Average Rate	Consolidated
	2016	2016 US$'000	2015	2015 US$'000
US Dollars – Forward				
Not later than one year	0.7483	18,500	0.8393	31,900

The net fair value of the above contracts as at 31 March 2016 is a net asset of $0.563 million (2015: net liability $3.900 million).

2. Financial Risk Management Objectives and Policies (continued)

Risk Exposures and Responses (continued)

Foreign currency risk (continued)

The following sensitivity is based on the foreign currency risk exposures in existence at the balance date:

At 31 March 2016, had the US dollar moved, as illustrated in the table below, with all other variables held constant, post tax profit and other comprehensive income would have been affected as follows:

Judgements of reasonably possible movements:	Post Tax Profit Higher/(Lower)		Other Comprehensive Income Higher/(Lower)	
	2016 $'000	2015 $'000	2016 $'000	2015 $'000
Consolidated				
A$/US$ +6% (2015: +6%)	(163)	(1,741)	-	-
A$/US$ -6% (2015: -6%)	184	1,963	-	-
Parent				
A$/US$ +6% (2015: +6%)	-	-	-	-
A$/US$ -6% (2015: -6%)	-	-	-	-

Management believe the balance date risk exposures are representative of the risk exposure inherent in the financial instruments.

Commodity price risk

The Group's exposure to copper prices is very high as approximately 100% of the revenue comes from sale of copper concentrate and cathode. Revenue is determined with reference to copper prices quoted on the London Metal Exchange (LME).

The Group's income statement and statement of financial position can be affected significantly by movements in the copper prices on the LME. The Group seeks to mitigate the effect of its copper prices exposure by using derivative instruments, principally put and call options and swaps.

To manage copper price risk the Group deals in copper swap contracts and put and call option contracts for the purposes of mitigating the effect of movement in copper prices. The limits of hedging are set by the Board.

It is the Group's policy to enter into derivative instruments to manage copper price exposure once likelihood of such exposure is highly probable and to negotiate the terms to maximise effectiveness. The group has a current policy on covering copper price exposure. The policy permits covering up to 100% of the dispatched quantity, up to 80% of forward rolling 12 months of expected copper sales quantity and up to 60% of forward rolling 13-24 months of expected copper sales quantity. However, the cover percentage may be higher than 80% for new projects.

2. Financial Risk Management Objectives and Policies (continued)

Risk Exposures and Responses (continued)

Commodity price risk (continued)

At balance date, the Group had the following items exposed to commodity price risk:

	Consolidated		Parent	
	2016 $'000	2015 $'000	2016 $'000	2015 $'000
Financial Assets				
Trade and other receivables (i)	74,044	28,215	-	-
Derivative commodity contracts	-	755	3,227	755
Financial Liabilities				
Derivative commodity contracts	(3,227)	-	(3,227)	(755)
	70,817	28,970	-	-

(i) This relates to the provisional amount of tonnes remaining open to price adjustments (Gross sales). Refer note 9 for the open quantity.

At 31 March 2016, details of outstanding external commodity derivative contracts are:

	Tonnes 2016	Average Price 2016 US$	Tonnes 2015	Average Price 2015 US$
Copper – Sell Call Options				
Not later than one year	-	-	-	-
Copper – Buy Put Options				
Not later than one year	-	-	-	-
Copper – Swap				
Not later than one year	11,600	4,640	3,500	6,229
Between one and two years	-	-	-	-

The net fair value of the above contracts as at 31 March 2016 is a net liability of $3.227 million (2015: asset $0.755 million).

2. Financial Risk Management Objectives and Policies (continued)

Risk Exposures and Responses (continued)

Commodity price risk (continued)

The following sensitivity is based on the copper price risk exposures in existence at the balance date:

At 31 March 2016, had the LME copper prices moved, as illustrated in the table below, with all other variables held constant, post tax profit and other comprehensive income would have been affected as follows:

Judgements of reasonably possible movements:	Post Tax Profit Higher/(Lower)		Other Comprehensive Income Higher/(Lower)	
	2016 $'000	2015 $'000	2016 $'000	2015 $'000
Consolidated				
Copper Prices +10% (2015: +10%)	37	29	-	-
Copper Prices -10% (2015: -10%)	(37)	(29)	-	-
Parent				
Copper Prices +10% (2015: +10%)	-	-	-	-
Copper Prices -10% (2015: -10%)	-	-	-	-

Management believe the balance date risk exposures are representative of the risk exposure inherent in the financial instruments. The drop in sensitivity for 2016 is due to the fact that remaining tonnes, open to price adjustments are almost fully hedged.

Interest rate risk

The Group's exposure to market interest rates relates primarily to the Group's debt obligations and deposits. At balance date, the impact of interest rate risk is not material. The level of debt is disclosed in note 17.

Credit risk

Credit risk arises from the financial assets of the Group, which comprise cash and cash equivalents, trade and other receivables and derivative instruments.

The Group's maximum exposures to credit risk at the balance date in relation to each class of recognised financial assets, other than derivatives, is the carrying amount of these assets as indicated in the statement of financial position.

In relation to derivative financial instruments, credit risk arises from the potential failure of counterparties to meet their obligations under the contract or arrangement. The Group's maximum credit risk exposure in relation to these is the total mark to market gain, should the counterparties not honour their obligations.

The Group does not hold any credit derivatives to offset its credit exposure. The Group trades with recognised and credit worthy third parties only, and as such collateral is not requested nor is it the Group's policy to securitise its trade and other receivables.

2. Financial Risk Management Objectives and Policies (continued)

Risk Exposures and Responses (continued)

The majority of the Group's sales are to its ultimate parent company, Hindalco Industries Limited. Considering Hindalco Industries Limited's standing and credit worthiness, the Group believes credit risk is almost negligible. In addition, receivable balances are monitored on an ongoing basis with the result that the Group's exposure to bad debts is not significant.

There are no significant concentrations of credit risk, other than receivables from Hindalco Industries Limited and financial instruments including cash and cash equivalents and the security deposit. Cash and cash equivalents and the security deposit are with various financial institutions with credit ratings from BBB- to A+ (S&P) to minimise the risk of default of counterparties.

Liquidity risk

The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of bank overdrafts, bank loans, finance leases and committed available credit lines.

The Group monitors on a regular basis rolling forecasts of liquidity on the basis of expected cash flow. It is the Group's policy to renew bank loan facilities well before the renewal dates to avoid any inherent liquidity issues when the facilities expire.

The table below details the liquidity risk arising from the financial liabilities held by the Group at balance date.

	Maturity Analysis							
	2016				2015			
Consolidated	**Within 1 year $'000**	**1 to 5 years $'000**	**After 5 years $'000**	**Total $'000**	**Within 1 year $'000**	**1 to 5 years $'000**	**After 5 years $'000**	**Total $'000**
Financial Liabilities								
Trade and other payables	(19,405)	-	-	(19,405)	(22,505)	-	-	(22,505)
Interest-bearing liabilities								
- Bank loans and overdraft	-	-	-	-	(629)	-	-	(629)
- Payables to related entities	-	-	-	-	(689)	-	-	(689)
Foreign exchange contracts (gross settled)								
- inflow	24,724	-	-	24,724	34,107	-	-	34,107
- (outflow)	(24,161)	-	-	(24,161)	(38,007)	-	-	(38,007)
Commodity derivatives (net settled)	(3,227)	-	-	(3,227)	-	-	-	-
	(22,069)	-	-	(22,069)	(27,723)	-	-	(27,723)

2. Financial risk management objectives and policies (continued)

Risk Exposures and Responses (continued)

Liquidity risk (continued)

	Maturity Analysis							
	2016				2015			
	Within 1 year $'000	1 to 5 years $'000	After 5 years $'000	Total $'000	Within 1 year $'000	1 to 5 years $'000	After 5 years $'000	Total $'000
Parent								
Financial Liabilities								
Trade and other payables	(14,033)	-	-	(14,033)	(27,902)	-	-	(27,902)
Interest-bearing liabilities								
- Bank loans and overdraft	-	-	-	-	-	-	-	-
- Payables to related entities	-	-	-	-	(689)	-	-	(689)
Foreign exchange contracts outside the group (gross settled)								
- inflow	24,724	-	-	24,724	-	-	-	-
- (outflow)	(24,161)	-	-	(24,161)	-	-	-	-
Comoodity derivatives outside the group (net settled)	(3,227)	-	-	(3,227)	(755)	-	-	(755)
	(16,697)	-	-	(16,697)	(29,346)	-	-	(29,346)

Fair value

The Group uses various methods in estimating the fair value of a financial instrument. The methods comprise:

- Level 1 – the fair value is calculated using quoted prices in active markets;
- Level 2 – the fair value is estimated using inputs other than quoted prices included in Level 1 that are observable for the asset or liability; and
- Level 3 – the fair value is estimated using inputs for the asset or liability that are not based on observable market data.

The fair values of all other financial assets and liabilities approximate their carrying amounts

2. Financial risk management objectives and policies (continued)

Risk Exposures and Responses (continued)

Fair value (continued)

The fair values of financial instruments carried at fair value and the methods used to estimate their fair values are as follows:

	2016				2015			
	Quoted market price (Level 1)	Valuation technique – market observable inputs (Level 2)	Valuation technique – non market observable inputs (Level 3)	Total	Quoted market price (Level 1)	Valuation technique – market observable inputs (Level 2)	Valuation technique – non market observable inputs (Level 3)	Total
	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Consolidated								
Financial Assets								
Trade receivables – related parties	-	31,353	-	31,353	-	-	-	-
Derivatives:								
- Foreign exchange contracts	-	563	-	563	-	-	-	-
- Commodity contracts	-	-	-	-	-	755	-	755
	-	31,916	-	31,916	-	755	-	755
Financial Liabilities								
Payable to customer – related parties	-	-	-	-	-	(2,066)	-	(2,066)
Derivatives:								
- Foreign exchange contracts	-	-	-	-	-	(3,900)	-	(3,900)
- Commodity contracts	-	(3,227)	-	(3,227)	-	-	-	-
	-	(3,227)	-	(3,227)	-	(5,966)	-	(5,966)
Parent								
Financial Assets								
Derivatives:								
- Foreign exchange contracts	-	563	-	563	-	-	-	-
- Commodity contracts	-	3,227	-	3,227	-	755	-	755
	-	3,790	-	3,790	-	755	-	755
Financial Liabilities								
Derivatives:								
- Foreign exchange contracts	-	(563)	-	(563)	-	-	-	-
- Commodity contracts	-	(3,227)	-	(3,227)	-	(755)	-	(755)
	-	(3,790)	-	(3,790)	-	(755)	-	(755)

2. Financial risk management objectives and policies (continued)

Risk Exposures and Responses (continued)

Fair value (continued)

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data is available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

The fair values of derivative instruments are calculated using quoted prices. Where such prices are not available, a discounted cash flow analysis is performed using the applicable yield curve for the duration of the instruments for non-optional derivatives, and option pricing models for optional derivatives. Foreign currency forward contracts are measured using quoted forward exchange rates and yield curves derived from quoted interest rates matching maturities of the contracts.

The fair values of receivables from or payables to customers are calculated using a discounted cash flow analysis which is performed using the applicable forward LME prices and current market interest rates.

There were no transfers between Level 1 and Level 2 and no movement in Level 3 during the year. For financial instruments that are recognised at fair value on a recurring basis, the Group determines whether transfers have occurred between Levels by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

Off-setting financial instruments

The Group presents its financial assets and liabilities on a gross basis.

Derivative financial instruments entered into by the Group are subject to enforceable master netting arrangements such as International Swaps and Derivatives Associations (ISDA) master netting agreement. In certain circumstances, for example, when a credit event such as a default occurs, all outstanding transactions under an ISDA agreement are terminated. The termination value is assessed and only a single net amount is payable in settlement of all transactions.

A Security Deposit amounting to $7.620 million (see note 9) is subject to a Set Off Agreement to secure the Group's obligations under a finance facility established with a bank (see note 17 (b). In the case of a default event, the bank may set off any amount the bank owes in connection with the deposit against any amounts owing to the bank.

	CONSOLIDATED		PARENT	
	2016 $'000	2015 $'000	2016 $'000	2015 $'000
3. Revenues and Expenses				
(a) Revenue				
Sale of product (i)	206,428	57,124	-	-
Other revenue				
Interest	1,473	1,893	1,798	2,741
	1,473	1,893	1,798	2,741
Total revenue	207,901	59,017	1,798	2,741

(i) Total copper sales for the period was 36,826 tonnes (2015: 9,338 tonnes), out of which 12,217 tonnes (2015: 3,552 tonnes) of copper, provisionally sold at the reporting date, has been revalued at a weighted average price of US$ 4,852 (US$2.20/lb) (2015: US$6,064 – US$ 2.75/lb) . The net movement in trade receivables due to fair value adjustments is a decrease of $6.233 million (2015: decrease of $6.611 million) which has been included in revenue from the sale of product.

(b) Other income				
Net gain on disposal of plant and equipment	163	-	-	-
Net gain/(loss) on foreign exchange	1,279	11,897	30	-
Gain on close-out of derivative contracts	-	16,873	-	-
Other*	895	2,561	880	-
Total other income	2,337	31,331	910	-

* includes an amount of $0.88 million received from an insurance company towards settlement of an insurance claim. In FY15 it included an amount of $2.525 million received from Louminco and Factor for an out of court full and final settlement of a litigation for faulty design of the backfill plant at Nifty

(c) Other expenses				
Net loss on foreign exchange	-	-	-	129
Business development expenses	999	564	999	564
	999	564	999	693
(d) Finance costs				
Facilities and guarantee fees	160	263	14	8
Finance costs payable to related entities	35	39	532	1,688
	195	302	546	1,696
Unwinding of discount on rehabilitation provision	819	697	-	-
Total finance costs	1,014	999	546	1,696
(e) Expenses included in income statement				
Depreciation of plant and equipment	12,621	9,774	-	-
Amortisation of mine properties and deferred mining	20,868	9,146	-	-
Penalties	500	-	-	-
Government royalties	9,658	2,820	-	-
Minimum lease payments – operating lease	1,330	4,421	-	-
Net realisable value write down of concentrate and ore inventories**	386	15,120	-	-
Impairment of receivables	-	-	8,893	11,894
Impairment of investments in subsidiaries	-	-	136,869	18,160

** included in the Cost of Sales

3. Revenues and Expenses (Continued)

	CONSOLIDATED		PARENT	
	2016 $'000	2015 $'000	2016 $'000	2015 $'000
- Wages and salaries	35,446	31,129	-	-
- Defined contribution superannuation expense	3,100	3,037	-	-
- Other employee benefits expense	1,310	2,006	-	-
Total employee benefits expense	39,856	36,172	-	-

4. Auditor's Remuneration

The auditor of Aditya Birla Minerals Limited is Ernst & Young (Australia).

Amounts received or due and receivable by Ernst & Young (Australia) for:				
- an audit or review of the financial report of the entity and any other entity in the consolidated group	328,500	354,500	328,500	354,500
	328,500	354,500	328,500	354,500

	CONSOLIDATED		PARENT	
	2016 $'000	2015 $'000	2016 $'000	2015 $'000
5. Income Tax				
(a) Income tax expense/(benefit)				
The major components of income tax are:				
Income statement				
Current income tax				
Current income tax charge	-	-	-	-
Adjustment in respect of income tax	-	7,187	-	7,187
Deferred income tax				
Relating to origination and reversal of temporary differences	-	(53,630)	-	11,685
Deferred tax asset written off	14,860	-	-	-
Adjustment in respect of deferred income tax	-	(7,187)	-	(7,187)
Income tax expense/(benefit) reported in the income statement	14,860	(53,630)	-	11,685
(b) Amounts charged/(credited) directly to equity				
Deferred income tax related to items charged/ (credited) directly to equity				
Net movement on cash flow hedges	-	(4,720)	-	-
Income tax expense/(benefit) reported in the statement of comprehensive income	-	(4,720)	-	-
(c) A reconciliation between tax expense/(benefit) and the product of accounting result before income tax multiplied by the Group's applicable income tax rate is as follows:				
Accounting (loss)/profit before income tax	(175,531)	(273,342)	(175,161)	(193,275)
At the statutory income tax rate of 30% (2015: 30%)	(52,659)	(82,003)	(52,548)	(57,983)
Add:				
- non-deductible expenses	204	3,770	42,996	58,019
- loss on sale of subsidiary	9,614	-	9,614	-
- Deferred Tax Asset not recognised	42,841	24,603	-	11,649
- adjustments in respect of deferred Income tax of previous years	-	(7,187)	-	(7,187)
- adjustments in respect of Income tax	-	7,187	-	7,187
- deferred tax asset written off	14,860	-	-	-
- adjustments in respect of deferred balances	-	-	(62)	-
Income tax (benefit)/Expense	14,860	(53,630)	-	11,685

5. Income Tax (continued)

(d) Recognised deferred tax assets and liabilities

	2016 Deferred Income Tax $'000	2015 Deferred Income Tax $'000
CONSOLIDATED		
Opening balance	14,860	(50,677)
Charged to income	-	53,630
Adjustment in respect of deferred income tax	-	7,187
Deferred tax asset written off	(14,860)	-
Charged to equity	-	4,720
Closing balance	-	14,860
PARENT		
Opening balance	-	4,725
Charged to income	-	(11,685)
Adjustment in respect of deferred income	-	7,187
Other movements	-	(227)
Transfer of tax losses (net)	-	-
Closing balance	-	-

	STATEMENT OF FINANCIAL POSITION	
	2016 $'000	2015 $'000
Deferred income tax at 31 March relates to the following:		
CONSOLIDATED		
Deferred tax liabilities		
Accrued revenue	(930)	-
Deferred exploration and evaluation expenditure	(600)	(4,451)
Diesel fuel rebate	(28)	(25)
Prepayments	(36)	2
Foreign exchange	-	(2,081)
Derivative contracts	-	(227)
Mine properties	(255)	(46,233)
Gross deferred income tax liabilities	(1,849)	(53,015)
Deferred tax assets		
Accrued liabilities	500	311
Share issue costs	204	-
Accrued revenue	-	2,557
Foreign exchange	324	-
Derivative contracts	799	-
Employee provision	1,874	1,472
Provision for rehabilitation	11,512	22,555
Project pool	9,536	13,143
Tax losses	19,000	14,227
Trading stock	26,339	28,487
Property, plant and equipment	19,131	9,726
Gross deferred income tax assets	89,219	92,478
Less : Deferred Tax Asset not recognised	(87,370)	(24,603)
Net Deferred income tax assets recognised	1,849	67,875
Net deferred tax asset / (liabilities)	-	14,860

(d) Recognised deferred tax assets and liabilities (continued)

	STATEMENT OF FINANCIAL POSITION	
	2016 $'000	2015 $'000
PARENT		
Deferred tax liabilities		
Foreign exchange	-	(204)
Derivative contracts	-	(227)
Prepayments	(7)	-
Gross deferred income tax liabilities	(7)	(431)
Deferred tax assets		
Borrowing costs	-	-
Share issue costs	204	-
Accrued liabilities	80	144
Other future deductible amounts	-	-
R&D tax offsets	-	-
Tax losses	19,000	14,227
Gross deferred income tax assets	19,284	14,371
Less: Deferred tax asset not recognised	(19,277)	(13,940)
Net deferred income tax assets recognised	7	431
Net deferred tax (liabilities)/assets	-	-

(e) Unrecognised Tax Assets

The Group has Australian capital tax losses for which no deferred tax asset is recognised on the statement of financial position of $5,665,000 (2015: $585,000) which are available indefinitely for offset against future capital gains subject to continuing to meet relevant statutory tests.

(f) Tax Consolidation

Effective from incorporation, for the purposes of income taxation, Aditya Birla Minerals Limited and its 100% owned subsidiaries have formed a tax consolidated group under Australian tax law. Aditya Birla Minerals Limited ("ABML") is the head entity of the tax consolidated group. Current tax liabilities and assets and deferred tax assets arising from unused tax losses and tax credits of the members of the tax consolidated group are recognised by the Company (as head entity in the tax-consolidated group). Entities within the tax consolidated group have entered into a tax sharing agreement with the head entity. As there is no tax funding arrangements between the entities in the tax consolidated group, tax consolidation transactions are accounted for as equity transactions. In the head entity, the carrying amounts of investments in subsidiaries are increased by tax consolidation contributions.

Tax consolidation contributions/(distributions)

The Group has recognised the following amounts as tax consolidation contribution adjustments –

	PARENT	
	2016 $'000	2015 $'000
Total increase / (reduction) in subsidiaries accounts of the Group	-	228

6. Earnings Per Share

The following reflects the income and share data used in the basic and diluted earnings per share computations:

	CONSOLIDATED	
	2016 $'000	2015 $'000
Profit attributable to shareholders:		
- Continued operations	(157,464)	(198,317)
- Discontinued operations	(32,927)	(21,395)
Net (loss)/profit attributable to ordinary equity holders of the parent	(190,391)	(219,712)

	2016 '000	2015 '000
Weighted average number of ordinary shares for basic and diluted earnings per share	313,373	313,373

	CONSOLIDATED		PARENT	
	2016 $'000	2015 $'000	2016 $'000	2015 $'000
7. Dividends Paid and Proposed				
Dividends declared and paid during the year on ordinary shares:				
Nil dividend for the financial year ended 31 March 2016 (2015: Nil)	-	-	-	-
8. Cash and Cash Equivalents				
Cash at bank and in hand – denominated in AUD	66,530	1,516	23,780	14
Cash at bank and in hand – denominated in USD	1,112	3,942	147	3,938
Short-term deposits – denominated in AUD	-	8,101	-	-
Short-term deposits – denominated in USD	-	41,667	-	41,667
	67,642	55,226	23,927	45,619
Bank Overdrafts	-	(629)	-	-
	67,642	54,597	23,927	45,619

Terms and conditions

Cash at bank and short-term deposits earn interest at floating rates based on bank deposit rates ranging between 2.25% to 2.90% p.a.

	CONSOLIDATED		PARENT	
	2016 $'000	2015 $'000	2016 $'000	2015 $'000
9. Trade and Other Receivables				
Current				
Other debtors at amortised cost	1,599	2,356	239	269
Deposit - Margin Call Money	279	-	279	
Less: Allowance for impairment loss	-	(440)	-	-
	1,878	1,916	518	269
Trade debtors at fair value - related entities (a), 20(b)	31,353	-	-	-
Security deposit to bank (b)	7,620	19,023	7,620	-
Receivable from related entities	-	23	-	23
	40,851	20,962	8,138	292
Non-Current				
Loans to controlled entities	-	-	21,822	215,162
Less : Allowance for impairment loss	-	-	(20,787)	(175,234)
	-	-	1,035	39,928

(a) As at 31 March 2016, sales totalling 12,217 tonnes remained open to price adjustment (2015: 3,552 tonnes).

(b) The Security Deposit amounting to $7.620 million (2015: $19.023 million) is in accordance with the terms of the new facilities arrangement consisting of security for Standby Letter of Credit or Guarantee Facilities ("SBLC Facilities"). This is also subject to a Set Off Agreement to secure the Group's obligations under a finance facility established with a bank. In the case of a default event, the bank could set off any amount the bank owed in connection with the deposit against any amounts owing to the bank. The deposit has a maturity period of 6 months and earns interest at 2.25% p.a.

Terms and conditions

Terms and conditions relating to the above financial instruments

(i) Details of the terms and conditions of credit sales are set out in note 1(k).

(ii) Details of the terms and conditions of loans to controlled entities are set out in note 20(e).

	CONSOLIDATED 2016 $'000	CONSOLIDATED 2015 $'000	PARENT 2016 $'000	PARENT 2015 $'000
10. Inventories				
Current				
Copper at net realisable value	1,484	30,051	-	-
Copper in ore at net realisable value	943	1,771	-	-
Consumable stocks at cost	25,318	35,475	-	-
Less: Allowance for obsolescence on consumables and stores	(798)	(1,346)	-	-
Less: Impairment of consumables & stores (see note 26)	(7,874)	(11,600)	-	-
Gas inventory	-	1,578	-	-
	19,073	55,929	-	-
Non-Current				
Copper in ore and under leach	76,441	76,441	-	-
Less: Impairment during the year (see note 26)	(76,441)	(65,611)	-	
	-	10,830	-	-

	CONSOLIDATED		PARENT	
	2016 $'000	2015 $'000	2016 $'000	2015 $'000
11. Other Assets				
Current				
Prepayments	1,680	2,104	35	63
Non-Current				
Prepayments	264	286	-	-

12. Derivative Financial Instruments

Commodity Contracts

The contracts outstanding at the reporting dates were:

	Tonnes Hedged	Average Price	Tonnes Hedged	Average Price
	31 Mar 16	31 Mar 16 US$	31 Mar 15	31 Mar 15 US$
Copper – Swap				
Not later than one year	11,600	4,640	3,500	6,229
Between one and two years	-	-	-	-

The net fair value of the above contracts as at 31 March 2016 is a net liability of $ 3.227 million (31 March 2015: $ 0.755 million asset).

The unrealised loss on the 11,600 tonnes of copper sold has been taken to the income statement as the underlying sales transactions have been recognised.

Forward currency contracts

The following table sets out the gross value of US dollars sold under foreign exchange contracts, the weighted average contracted exchange rates and the settlement periods of outstanding contracts for the Group:

	Weighted Average Rate	Consolidated	Weighted Average Rate	Consolidated
	31 Mar 16	31 Mar 16 US $'000	31 Mar 15	31 Mar 15 US $'000
US Dollars - Forward				
Not later than one year	0.7483	18,500	0.8393	31,900

The net fair value of the above contracts as at 31 March 2016 is a net asset of $0.563 million (31 March 2015: Net liability of $ 3.900 million).

The unrealised gain of $0.563 million on the USD 18.500 million of forward currency contracts to manage foreign exchange exposure on trade and other receivables have been taken to the income statement.

13. Property, Plant and Equipment

	CONSOLIDATED		PARENT	
	2016 $'000	2015 $'000	2016 $'000	2015 $'000
Plant and Equipment				
Plant and equipment, at cost	276,487	322,585	-	-
Less: Accumulated Depreciation and Impairment during the year	(250,412)	(251,256)	-	-
	26,075	71,329	-	-
Mine Properties				
Mine properties, at cost	396,952	512,007	-	-
Less: Accumulated amortisation and Impairment during the year	(393,202)	(371,102)	-	-
	3,750	140,905	-	-
Capital Work in Progress				
Capital work in progress, at cost	-	3,581	-	-
Total Property, Plant & Equipment	29,825	215,815	-	-

Reconciliation

Reconciliation of the carrying amounts for each class of property, plant and equipment are set out below:

	CONSOLIDATED 2016 $'000	CONSOLIDATED 2015 $'000	PARENT 2016 $'000	PARENT 2015 $'000
Plant and Equipment				
Carrying amount at beginning of the year	71,329	142,433	-	-
Amount related to discontinued operations	(8,270)	-	-	-
Additions	716	875	-	-
Transfer from capital works in progress	4,345	3,191	-	-
Impairment during the year (see note 26)	(29,424)	(64,252)	-	-
Depreciation	(12,621)	(10,918)	-	-
Carrying amount at end of the year	26,075	71,329	-	-

13. Property, Plant and Equipment (continued)

	CONSOLIDATED		PARENT	
	2016 $'000	2015 $'000	2016 $'000	2015 $'000
Reconciliation (continued)				
Mine Properties (in production or Under Care & Maintenance)				
Carrying amount at beginning of the year	118,529	172,518	-	-
Impairment of discontinued operations	(28,646)	-	-	-
Amount related to discontinued operations	(30,913)	-	-	-
Expenditure incurred/Additions during the year	1,060	2,984	-	-
Increase/decrease in rehabilitation costs	(623)	6,505	-	-
Transfer from capital works in progress	790	-	-	-
Impairment during the year (see note 26)	(44,726)	(59,372)	-	-
Amortisation	(11,721)	(4,789)	-	-
Carrying amount at end of the year	3,750	118,529	-	-
Deferred Mining				
Carrying amount at beginning of the year	22,376	36,466	-	-
Expenditure incurred during the year	6,284	8,455	-	-
Impairment during the year (see note 26)	(19,513)	(18,188)	-	-
Amortisation	(9,147)	(4,357)	-	-
Carrying amount at the end of the year	-	22,376	-	-
Total carrying amount of mine properties at the end of the year	3,750	140,905	-	-
Capital Work In Progress				
Carrying amount at beginning of the year	3,581	3,607	-	-
Amount related to discontinued operations	(551)	-	-	-
Additions	2,105	3,848	-	-
Transfer to plant and equipment	(4,345)	(3,191)	-	-
Transfer to mine properties	(790)	(683)	-	-
Carrying amount at end of the year	-	3,581	-	-

Assets are encumbered to the extent as detailed in note 17. Refer to note 26 for details on impairment of assets

14. Deferred Exploration and Evaluation Expenditure

	CONSOLIDATED		PARENT	
	2016 $'000	2015 $'000	2016 $'000	2015 $'000
Exploration and evaluation costs carried forward in respect of mining areas of interest				
Pre-production - Exploration and evaluation phases				
Carrying amount at beginning of the year	15,545	15,545	-	-
Impairment of discontinued operations	(889)	-	-	-
Amount related to discontinued operations	(1,266)	-	-	-
Impairment during the year (see note 26)	(11,390)	-	-	-
Carrying amount at end of the year	2,000	15,545	-	-

The ultimate recoupment of costs carried forward for exploration and evaluation phases is dependent on the successful development and commercial exploitation or sale of the respective areas.

15. Investment in Controlled Entities

	CONSOLIDATED		PARENT	
	2016 $'000	2015 $'000	2016 $'000	2015 $'000
Non-Current - at cost less impairment				
Birla Maroochydore Pty Ltd	-	-	964	964
Birla Nifty Pty Ltd	-	-	229,151	229,151
Less: Allowance for impairment loss	-	-	(155,029)	(18,160)
Birla Mt Gordon Pty Ltd	-	-	-	-
	-	-	75,086	211,955

Further details of investments in controlled entities are set out in note 20(a). Refer to note 5(f) for further details on tax consolidation adjustments.

16. Trade and Other Payables

	CONSOLIDATED		PARENT	
	2016 $'000	2015 $'000	2016 $'000	2015 $'000
Current				
Trade creditors	5,925	10,397	-	-
Payables to related entities	-	-	12,255	26,870
Other creditors and accruals	13,480	10,042	1,823	1,032
Payable to customer - related parties	-	2,066	-	-
	19,405	22,505	14,078	27,902

Terms and conditions

Trade and other creditors are normally settled in accordance with the terms of trade.

Payable to customers are on account of 3MAMA movement in Copper prices post shipment (Also refer to note 9(a) for open quantity).

17. Interest-Bearing Liabilities

(a) Current				
Bank overdraft	-	629	-	-
Payables to related entities – (a) (i)	-	650	-	650
	-	1,279	-	650

17. Interest-Bearing Liabilities (continued)

(b) Financing facilities

	CONSOLIDATED 2016 $'000	CONSOLIDATED 2015 $'000
The Group had access to the following financing facilities at balance date:		
Total facilities available:		
- Multiple advance, overdraft, bank guarantees, letter of credit line - (i)	16,264	59,000
	16,264	59,000
Facilities utilised at balance date:		
- Multiple advance, overdraft, bank guarantees, letter of credit line - (i)	7,620	50,111
	7,620	50,111
Facilities not utilised at balance date:		
- Multiple advance, overdraft, bank guarantees, letter of credit line - (i)	8,644	8,889
	8,644	8,889

The financing facilities are available to the Group as combined facilities.

(i) Multiple advance, overdraft, bank guarantees and/or letter of credit line

The multiple advance and overdraft line is to facilitate the Group's working capital requirements.

Bank guarantees to the amount of $7.620 million have been provided mainly to the following parties:

- West Australian regulatory bodies for mining leases of Birla Nifty Pty Ltd; and
- Gas and other service providers.

All the bank guarantees are secured against the cash deposited with the bank. The guarantees provided to regulatory bodies do not have an expiry date. The guarantees provided to other suppliers ($1.620 million) have expiry dates falling between 5-28 months from the date of this report.

(c) Defaults and breaches

There were no defaults or breaches on any of the loans during the current and previous years.

18. Provisions

	CONSOLIDATED 2016 $'000	CONSOLIDATED 2015 $'000	PARENT 2016 $'000	PARENT 2015 $'000
Current				
Employee entitlements	5,370	3,675	-	-
Provision for penalties	500	-	-	-
	5,870	3,675	-	-
Non-Current				
Employee entitlements	876	1,232	-	-
Rehabilitation	38,373	75,183	-	-
	39,249	76,415	-	-

The nature of the provisions is described in note 1(o), 1(u) and 1(w).

The rehabilitation provision represents the present value of rehabilitation costs relating to mine sites, which are expected to be incurred over the life of the mines. However, the timing of rehabilitation expenditure is dependant on the life of the mines which may vary in the future. Refer note 1 (aa) (i) for details.

Movements in Provisions

	Rehabilitation $'000
Consolidated	
Carrying amount at the beginning of the year	75,183
Amount related to discontinued operations (see note 28)	(36,911)
Additional provision recognised during the year (net)	(621)
Amount utilised during the year	(97)
Increase in value due to time passage	819
Carrying amount at the end of the year	38,373

Refer note 1 (aa)(i) for key inputs used in the calculation of provision

19. Contributed Equity and Reserves

	2016 $'000	2015 $'000
Issued and Paid Up Capital		
313,372,551 Ordinary shares (2015: 313,372,551 Ordinary shares)	450,663	450,663

	Shares	Shares
Movement in ordinary shares on issue		
At 31 March 2016 and 31 March 2015	313,372,551	313,372,551

Terms and conditions

Ordinary shares

Ordinary shares have the right to receive dividends as declared and, in the event of winding up the company, to participate in the proceeds from the sale of all surplus assets in proportion to the number of and amounts paid up on shares held.

Ordinary shares entitle their holder to one vote, either in person or by proxy, at a meeting of the Company.

Effective from 1 July 1998, the Corporation legislation in place abolished the concept of authorised capital and par value shares. Accordingly, the Company does not have authorised capital nor par value in respect of its issued shares.

Capital Management

The primary objective of the Company's capital management is to seek to maximise cash returns to shareholders whilst having regard to ensuring a solid financial structure for the Company and providing for value accretive development and exploration activities and targeted growth opportunities. Management also aims to maintain a capital structure through a combination of debt and equity that ensures the lowest cost of capital available to the Company.

The payment of dividends by the Company in the future will be at the complete discretion of the Directors and will depend upon the Company's available distributable earnings, franking credit balance, operating results, available cash flow, financial condition, outlook, taxation position and future capital requirements, as well as general business and financial conditions, the Directors' view of the appropriate payout ratio from time to time and any other factors the Directors may consider relevant.

The Group is not subject to any externally imposed capital requirements.

Nature and purpose of reserve

Cash flow hedge reserve

This reserve records the portion of the gain or loss on a hedging instrument in a cash flow hedge that is determined to be an effective hedge.

20. Related Parties

(a) Interests in Controlled Entities

Aditya Birla Minerals Limited	Country of Incorporation	% Shares Held 2016	% Shares Held 2015
Birla Nifty Pty Ltd	Australia	100%	100%
Birla Maroochydore Pty Ltd	Australia	100%	100%
Birla Mt Gordon Pty Ltd	Australia	-	100%

(b) Ultimate Holding Company - Hindalco Industries Limited

The Group has a secure, long-term relationship with its ultimate parent entity, Hindalco Industries Limited, a company incorporated in India. The Group's copper in concentrate production is sold to Hindalco Industries Limited under contract at arm's length terms. These contractual arrangements extend to the life of mine of the Nifty operations and the Mt Gordon operation (the Nifty Concentrate Sales Agreement and the Mt Gordon Concentrate Sales Agreement). The price for the copper sold to Hindalco is based on the average LME copper price for the Quotational Period (refer to note 27). Treatment and Refining Charges (Tc/Rc) are negotiated annually with reference to the published benchmark set by major Japanese smelters and include standard industry Price Participation (PP) levels. For the year ended 31 March 2016, Tc was averaged at US$105 (2015: US$92) per dry metric tonne of copper concentrate and Rc was averaged at US$0.105 (2015: US$0.092) per pound of payable copper, which is 95.70% of contained copper in copper concentrate for FY2016 (2015 : 95.67%). The percentage of payable copper is dependant upon the concentrate grade which varies each year. There were no price participation charges in the current and previous year.

During the year ended 31 March 2016, transactions between the Group and Hindalco Industries Limited consist of sales and advances made as per the terms and conditions under the concentrate offtake agreement as disclosed in note 27.

The value of transactions with Hindalco Industries Limited during the year and the balances outstanding at the balance date has been set out in the table below:

	CONSOLIDATED		PARENT	
	2016 $'000	2015 $'000	2016 $'000	2015 $'000
Trade and other receivables/(payable)	31,353	(2,066)	-	-
Transactions during the year:				
- Sales of copper concentrate *	197,614	57,888	-	-

* During the year ended 31 March 2016, the Group sold 36,826 tonnes of copper contained in concentrate to Hindalco (2015: 9,338 tonnes). Sales of copper concentrate have been reported net of Tc/Rc charges and fluorine penalty of $33.789 million (2015: $6.539 million).

(c) Key Management Personnel

Details relating to Key Management Personnel, including remuneration paid, are included in note 21.

(d) Related Entity - Birla Resources Pty Ltd

Aditya Birla Minerals Limited has repaid the loan of $650,000 in current year (2015: $650,000) to Birla Resources Pty Ltd, a subsidiary of Hindalco Industries Limited. This loan was interest-bearing with no security.

(e) Wholly Owned Group

The non-current loans to controlled entities shown in note 9 are unsecured and are repayable on demand. Interest is charged based on BBSY for A$ or LIBOR for US$ for the portion of loans that are interest-bearing. Certain advances from subsidiary companies bear interest at the appropriate cash deposit rates.

The Company also enters into derivative contracts with counter-parties on behalf of its subsidiaries. The Company has entered into back to back agreements with its subsidiaries for all such transactions.

For the year ended 31 March 2016, the Parent has made allowances for impairment losses relating to amounts owed by its controlled entities and its investments in its controlled entities to reflect the amounts it expects to recover based on the applicable net assets of each controlled entitiy at balance date (refer to notes 3 (e), 9 and 15). An impairment assessment is undertaken each financial year by examining the financial position of the related entities and the market in which the related entity operates to determine whether there is objective evidence that the related entity receivable or investment is impaired. When such objective evidence exists, the Company recognises an allowance for the impairment loss which it has done in the current year.

21. Key Management Personnel

(a) Details of Key Management Personnel

Directors

Name	Position	Date of Appointment	Date of Resignation
Mr D Bhattacharya	Non-Executive Chairman	18 April 2003	-
Mr N M Patnaik	CEO and Managing Director	10 February 2015	-
Mr M Prasanna	Independent Non-Executive Director	20 January 2003	-
Dr S Bhargava	Independent Non-Executive Director	21 August 2007	-
Mr M Anghie	Independent Non-Executive Director	21 November 2007	-
Mr N Krishnan	Independent Non-Executive Director	21 November 2007	-
Mr J C Laddha	Non-Executive Director	15 October 2015	-

Executives

Name	Position	Date of Appointment	Date of Resignation
Mr S L Dugar	Chief Financial Officer	1 August 2012	-
Mr S Dugar	Corporate Finance Manager	1 August 2006	-
Mr G Hota	Group Chief Mining Engineer	26 July 2004	-
Mr V Phan	Head of Engineering & Projects	12 December 2011	-
Mr Valentine Utete	General Manager – Birla Nifty Pty Ltd	1 November 2011	17 August 2015

(b) Compensation of Key Management Personnel

	CONSOLIDATED		PARENT	
	2016 $	2015 $	2016 $	2015 $
Short term employee benefits	2,727,686	2,701,550	-	-
Long term employee benefits	161,859	176,897	-	-
Post employment benefits	203,973	195,587	-	-
Total	**3,093,518**	**3,074,034**	-	-

(c) Shareholdings of Key Management Personnel (Consolidated)

No key management personnel held any shares or undertook any equity transactions during the current or previous year.

(d) Transactions and Balances with Key Management Personnel and their Related Parties

Services
Mr N Krishnan, non-executive director, received consulting fees for professional services they provided to the Group outside their normal Board and Committee duties. These fees were paid as per rates agreed and approved by the Board. An amount of A$5,000 was outstanding as at 31 March 2016 (31 March 2015: Nil).

The value of the consulting fees paid to the directors has been set out in the table below:

	2016 $	2015 $
Consulting fees		
Mr N Krishnan	20,000	29,450
Total	20,000	29,450

22. Segment Reporting

The Group is organised into business units based on its mining activities and its products.

The Group has identified its operating segments based on the internal reports that are reviewed and used by the CEO (the chief operating decisions maker) in assessing performance and in determining the allocation of resources.

For management purposes, the Group has identified three reportable segments as follows:

- The Nifty Sulphide segment develops and mines sulphide ore that is processed and sold as copper concentrate.
- The Nifty Oxide segment develops and mines oxide ore that is processed and sold as copper cathode. The oxide operations are currently under care and maintenance.
- Exploration and evaluation segment includes activities associated with the determination and assessment of the existence of commercial economic reserves.

Mt Gordon, previously reported as a separate segment, has been classified as a discontinued operation as per note 28.

Following a review of the Group's operations in the current period, the composition of the reportable segments has changed and the comparative information has been restated.

All the Group's assets and operations are located in Australia. The Group has an offtake agreement with Hindalco for life of the mine production from all its current operations in Australia (refer note 27)

Segment performance is evaluated based on operating profit or loss and cash flows and is measured in accordance with the Group's accounting policies.

Group financing (including finance costs and finance revenue), corporate costs and income taxes are not allocated to operating segments as they are not considered a direct part of the core operations of any segment and are managed on a Group basis.

	Nifty Sulphide	Nifty Oxide	Exploration and Evaluation	Total
	$'000	$'000	$'000	$'000
Year ended 31 March 2016				
Revenue				
External sales	206,428	-	-	206,428
Total segment revenue	206,428	-	-	
Interest revenue	-	-	-	1,473
Total revenue				207,901
Segment result	(122,814)	(13,160)	(212)	(136,186)
Interest revenue	-	-	-	1,473
Other revenue	-	-	-	910
Corporate costs	-	-	-	(7,787)
Finance costs	-	-	-	(1,014)
Loss before income tax from continuing operations				(142,604)
Income tax benefit	-	-	-	(14,860)
Net (Loss)/Profit for the year from continuing operations				(157,464)
Depreciation and amortisation	(33,489)	-	-	(33,489)
Net profit on disposal of plant and equipment	163	-	-	163
Assets impaired/ written off	(95,490)	(13,077)	(11,190)	(119,757)
Segment operating assets *	83,181	900	2,000	86,081
Unallocated assets **				75,817
Total assets				161,898
Capital expenditure	10,165	-	-	10,165
Segment liabilities	(65,913)	-	(3)	(65,916)
Corporate liabilities				(1,835)
Total liabilities				(67,751)

*All common plant and machinery at Nifty mine site has been allocated to Nifty sulphide

**includes cash balance of $67.642 million, $7.620 million of security deposit to bank

22. Segment Reporting (continued)

	Nifty Sulphide	Nifty Oxide	Exploration and Evaluation	Total
	$'000	$'000	$'000	$'000
Year ended 31 March 2015				
Revenue				
External sales	57,124	-	-	57,124
Total segment revenue	57,124	-	-	
Interest revenue	-	-	-	1,893
Total revenue				59,017
Segment result	(154,301)	(81,656)	(144)	(236,101)
Interest revenue	-	-	-	1,894
Corporate costs	-	-	-	(7,815)
Finance costs	-	-	-	(1,425)
Loss before income tax from continuing operations				(243,447)
Income tax benefit	-	-	-	45,130
Net (Loss)/Profit for the year from continuing operations				(198,317)
Depreciation and amortisation	(18,268)	(653)	-	(18,921)
Net profit on disposal of plant and equipment	-	-	-	-
Assets impaired/ written off	(117,190)	(80,716)	-	(197,906)
Segment operating assets *	204,337	12,978	13,509	230,824
Unallocated assets **				161,488
Total assets				392,312
Capital expenditure	15,726	-	-	15,726
Segment liabilities	(68,733)	-	(1)	(68,734)
Unallocated liabilities ***				(39,040)
Total liabilities				(107,774)

*All common plant and machinery at Nifty mine site has been allocated to Nifty sulphide

**includes cash balance of $55.226 million, $19.023 million of security deposit to bank, deferred tax assets of $14.860 million and Mt Gordon assets of A$72.027 million

*** includes Mt Gordon liabilities of A$37.839 million

23. Commitments

	CONSOLIDATED		PARENT	
	2016 $'000	2015 $'000	2016 $'000	2015 $'000
Capital Expenditure				
Capital expenditure contracted for at reporting date, but not provided for:				
Payable not later than one year	990	467	-	-
Payable later than one not later than five years	-	-	-	-
Payable later than five years	-	-	-	-
	990	467	-	-

The Group had contractual obligations in relation to various projects of $0.990 million (2015: $0.467 million).

	CONSOLIDATED		PARENT	
	2016 $'000	2015 $'000	2016 $'000	2015 $'000
Operating Leases				
The Group has entered into contracts for the provision of vehicle fleet and infrastructure as follows:				
Payable not later than one year	371	1,172	-	-
Payable later than one not later than five years	22	247	-	-
Payable later than five years	-	-	-	-
	393	1,419	-	-

The Group has entered into operating leases on certain motor vehicles, mining equipment and portable infrastructure.

There are no restrictions placed upon the Group by entering into these leases.

Other Commitments

In order to maintain current rights of tenure to exploration tenements, the Group is required to outlay lease rentals and to meet the minimum expenditure requirements of the relevant regulatory bodies per annum. Minimum expenditure requirements excluding lease rentals are $2,008,480 (2015: $3,015,900). These commitments are subject to renewal of the leases, renegotiation upon expiry of the exploration leases or when application for a mining lease is made. These commitments are not provided for in the financial statements.

For the transportation of gas from Port Hedland to Nifty, the Group has agreed to pay minimum transportation charges of $2,410,000 per annum (2015: $2,410,000), subject to inflationary adjustments. The gas transportation agreement is valid until 6 December 2019.

24. Contingent Liabilities

There are no material contingent liabilities at balance date.

25. Notes to the Statement of Cash Flows

	CONSOLIDATED		PARENT	
	2016 $'000	2015 $'000	2016 $'000	2015 $'000
(a) Reconciliation of net (loss)/profit after income tax to net cash flows from operating activities				
Net (loss)/profit from ordinary activities after income tax	(190,391)	(219,712)	(175,162)	(204,960)
Adjustments for:				
Depreciation of plant and equipment	12,621	10,918	-	-
Amortisation of mine properties and deferred mining	20,868	9,146	-	-
Net gain on disposal of plant and equipment	(163)	-	-	-
Net foreign exchange differences	(204)	(8,485)	3	(6,178)
Provision for interest payable to suppliers	-	(596)	-	-
Write-down of inventories	386	15,120	-	-
Impairment of Assets	149,292	219,022	172,678	193,394
Changes in assets and liabilities:				
(Increase)/decrease in trade and other receivables	(32,593)	8,576	(572)	5,789
(Increase)/decrease in prepayments	177	592	28	3
(Increase)/decrease in inventories	31,597	(38,496)	-	-
(Increase)/decrease in deferred derivative assets	192	8,584	-	-
Increase/(decrease) in deferred derivative liabilities	(673)	-	-	-
(Increase)/decrease in other financial assets	-	-	-	-
(Increase)/decrease in deferred tax assets	14,860	(14,860)	-	11,523
Increase/(decrease) in deferred tax liabilities (net)	-	(45,959)	-	(7,024)
Increase/(decrease) in income tax payable	-	1,536	-	1,535
Increase/(decrease) in trade and other payables	(2,322)	(1,944)	(626)	(261)
Increase/(decrease) in provision for employee entitlements	1,490	(6,026)	-	-
Increase/(decrease) in provision for penalties	500	-	-	-
Increase/(decrease) in provision for rehabilitation	722	1,331	-	-
Net cash from/(used in) operating activities	6,359	(61,253)	(3,651)	(6,179)

25. Notes to the Statement of Cash Flows (continued)

(b) Reconciliation of Cash

For the purpose of the Statement of Cash Flows, cash and cash equivalents comprise the following at 31 March:

	CONSOLIDATED		PARENT	
	2016 $'000	2015 $'000	2016 $'000	2015 $'000
Cash at bank and in hand	67,642	5,458	23,927	3,952
Short-term deposits	-	49,768	-	41,667
	67,642	55,226	23,927	45,619
Bank overdrafts	-	(629)	-	-
	67,642	54,597	23,927	45,619

(c) Disclosure of financing facilities

Details of financing facilities are included in note 17(b).

26. Impairment of Assets

The Company reviewed the carrying value of its assets and cash generating units due to the following material events that took place during the period ended 31 March 2016 –

Nifty Sulphide

- A reduction in Reserves by ~39kt of contained copper resulting from lower stope recovery, higher dilution in grade based on recent experience and change in resource to reserve conversion.
- Change in macro-economic conditions (copper price and AUD/USD exchange rate).

Nifty Oxide

- Change in macro-economic conditions (copper price and AUD/USD exchange rate)
- The results of the metallurgical test work conducted by an independent laboratory demonstrate that the recovery of copper from the heap leach pad is not economically viable under the prevailing copper price.

Marrochydore

- Change in macro-economic conditions which had an impact on the latest resource valuation report from independent expert

Considering the above events/information, the following impairment losses have been recognised in the financial report for each CGU:

	CONSOLIDATED	
	2016 $'000	2015 $'000
Nifty – Sulphide	95,490	117,190
Nifty Oxide	13,077	80,716
Maroochydore	11,190	-
Total loss on impairment of assets	**119,757**	**197,906**

The above impairment losses have been allocated to the Group's non-current assets as below:

	Carrying value ('000)	Impairment loss ('000)	Recoverable amount ('000)
Nifty Sulphide			
Plant and Equipment	53,439	28,264	25,175
Mine properties	66,843	63,093	3,750
Deferred Exploration and Evaluation expenditure	259	259	-
Inventory of spares and consumables *	20,520	3,874	16,646
Total	**141,061**	**95,490**	**45,571**
Nifty Oxide			
Copper and ore under leach	10,830	10,830	-
Mine properties	1,147	1,147	-
Plant and Equipment **	2,000	1,100	900
Total	**13,977**	**13,077**	**900**
Maroochydore			
Deferred Exploration and Evaluation expenditure	13,130	11,130	2,000
Plant and Equipment **	60	60	-
Total	**13,190**	**11,190**	**2,000**

*Inventory of spares and consumables has been impaired to their estimated recoverable amount with regard to the age, nature and current purchase price of the inventory. This value is classified as level 3 in the fair valuation hierarchy.

**The oxide processing plant has been written down to estimated market value based on an independent valuation of the plant as the plant is not going to be used for processing oxide ore.

The Group assessed each asset or cash generating unit (CGU) for the year ended 31 March 2016 to determine whether any indication of impairment exists. Where an indicator of impairment exists, a formal estimate of the recoverable amount was made, which is considered to be the higher of the fair value less costs to sell (FVLCS) and Value In Use (VIU). The Group has used FVLCS for Nifty Sulphide, Maroochydore and Nifty Oxide. The Group has used the following methodologies and assumptions:

Nifty Sulphide (FVLCS)

For the year ended 31 March 2016, the Group has impaired the assets of Nifty Sulphide based on fair values determined by independent experts less expected costs of disposal. This method has been adopted as it results in a higher recoverable amount than a VIU assessment given the current copper price assumptions for the life of mine. The commodity price forecasts are ranging from A$6,902 to A$7,683 per MT of copper over the life of mine derived from a range of external global commodity and currency forecasters. The mine properties have been valued using a market approach known as the yardstick valuation method which is based on a market multiple for copper contained in the mineral resource. Plant and Equipment have been valued using estimated market values adjusted for present condition and location. All fair values are classified as level 3 in the fair valuation hierarchy.

Key inputs – Mine Properties

Price multiple ranging from $5 to $15 per ton of contained copper with a preferred price of $6 per ton has been derived from market observed multiples and from transactions that were completed in 2015 and 2016 in Australia. Total copper contained in mineral resource of 0.477 million tons and cost of disposal equivalent to ~5% of total value.

Sensitivity

	Impact on impairment ('000)
Price multiple of $5 per ton of contained copper	(453)
Price multiple of $10 per ton of contained copper	1,813
Price multiple of $15 per ton of contained copper	4,078

Nifty Oxide (FVLCS)
For the year ended 31 March 2016, the Group has impaired the assets of Nifty Oxide based on fair values determined by independent experts less expected costs of disposal. The mine properties have been valued using a market approach known as the yardstick valuation method which is based on a market multiple for copper contained in the mineral resource. Plant and Equipment have been valued using estimated market values adjusted for condition or location. All fair values are classified as level 3 in the fair valuation hierarchy

Key inputs – Mine Properties
Price multiple ranging from \$3 to \$15 per ton of contained copper with preferred price of \$5 per ton has been derived from market observed multiples and from transactions that were completed in 2015 and 2016 in Australia. Total copper contained in mineral resource of 0.061 million tons and cost of disposal equivalent to ~5% of total value. Given the low fair value, the mine properties have been fully impaired.

Sensitivity
At the balance date, no reasonably possible changes in the copper price will result in the reversal of impairment for Nifty Oxide.

Maroochydore (FVLCS)
For the year ended 31 March 2016, the Group has impaired the assets of Maroochydore based on fair values determined by independent experts less expected costs of disposal. The mine properties have been valued using a market approach known as the yardstick valuation method which is based on a market multiple for copper contained in the mineral resource. Plant and Equipment have been valued using estimated market values adjusted for condition or location. All fair values are classified as level 3 in the fair valuation hierarchy

Key inputs – Deferred Exploration and Evaluation Expenditure
Price multiple ranging from \$2 to \$10 per ton of contained copper with preferred price of \$3 per ton has been derived from market observed multiples and from transactions that were completed in 2015 and 2016 in Australia. Total copper contained in mineral resource of 0.486 million tons and cost of disposal equivalent to ~5% of total value.

Sensitivity

	Impact on impairment ('000)
Mine properties	
Price multiple of \$2 per ton of contained copper	(462)
Price multiple of \$5 per ton of contained copper	923
Price multiple of \$10 per ton of contained copper	3,232

27. Copper in Concentrate off-take agreement

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 memoranda of agreement (which are negotiated prior to commencement of the contract year). The price payable is the sum of the payments for payable Copper in Concentrate minus TC/RCs. Whereas the Nifty Concentrate Sales Agreement determines the price payable in relation to the components of the Copper in Concentrate; the memoranda of agreement govern the treatment and refining charges that Hindalco is entitled to recoup.

The TC/RCs agreed in the yearly memoranda of agreement 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 dated 22 February 2016
The memorandum of agreement governing the TC/RCs applicable to the Nifty Concentrate Sales Agreement for the contract year 1 January 2016 to 31 December 2016 inclusive, records the following terms:
TC – US$97.35 per dmt of Copper Concentrates
RC – US$0.09735 per pound of payable copper.

Quotational Period - 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).

28. Discontinued Operation

The Company sold the Mt Gordon operations to Lighthouse Minerals Holdings Pty. Limited ("Lighthouse") during the year by way of sale of its 100% shareholding to Lighthouse. The signing of the sale transaction occurred on 20 September 2015 and the completion of the transaction took place on 27 October 2015 subsequent to fulfilment of all conditions precedent. With Mt Gordon classified as adiscontinued operation, the segment is no longer presented in the segment note.

The results of Mt Gordon for the period are presented below:

	2016 $'000	2015 $'000
Revenue	185	313
Expenses	(2,886)	(9,342)
Finance Costs	(691)	(426)
Impairment recognised	(29,535)	(21,116)
Loss before income tax from discontinued operations	**(32,927)**	**(30,571)**
Income Tax	-	9,176
Loss after income tax from discontinued operations	**(32,927)**	**(21,395)**
Earnings /(loss) per share from discontinued operations (cents per share)		
- basic and diluted	(10.51)	(6.83)

The net cash flow incurred by the Mt Gordon business is as follows:

	2016 $'000	2015 $'000
Net cash inflow/ (outflow) from operating activities	(2,913)	(9,627)
Net cash inflow/ (outflow) from investing activities	(479)	(345)
Net increase/ (decrease) in cash generated	**(3,392)**	**(9,972)**

The major classes of assets and liabilities of Mt Gordon as at the date of sale were as follows:

	$'000
Assets	
Property Plant & Equipment	40,182
Deferred exploration & evaluation expenditure	1,266
Inventory – stores & consumables	559
Trade & other receivable	73
Other	10
	42,090

Liabilities	
Trade Creditors & other accruals/ provision	137
Rehabilitation & other non-current provision	37,301
	37,438
Net Assets	**4,652**

Consideration Received

	$'000
Proceeds of Sale	5,000
Costs related to sale	(348)
Net consideration	**4,652**

The fair value of the contingent & conditional cash payment of A$ 10 million is immaterial at balance sheet date

Parent Entity

	2016 $'000	2015 $'000
Impairment of Receivables from Mt Gordon	30,308	163,340
	30,308	**163,340**

29. Events Subsequent to Balance Date

There are no material subsequent events after the balance date.

Directors' Declaration

In accordance with a resolution of the Directors of Aditya Birla Minerals Limited, we state that:

1. In the opinion of the Directors:

   a) the financial statements, notes, and the additional disclosures included in the Directors' Report designated as audited, of the Company and of the consolidated entity are in accordance with the Corporations Act 2001, including:

      (i) giving a true and fair view of the Company's and consolidated entity's financial position as at 31 March 2016 and of their performance for the year ended on that date; and

      (ii) complying with Accounting Standards and Corporations Regulations 2001; and

   b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

2. This declaration has been made after receiving the declarations required to be made to the Directors in accordance with section 295A of the Corporations Act 2001 for the financial year ended 31 March 2016.

Signed in accordance with a resolution of the directors.

Debu Bhattacharya
Chairman

Neela Madhab Patnaik
CEO and Managing Director

Perth, 30 May 2016

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Auditor's Independence Declaration to the Directors of Aditya Birla Minerals Limited

As lead auditor for the audit of Aditya Birla Minerals Limited for the financial year ended 31 March 2016, I declare to the best of my knowledge and belief, there have been:

a) no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and

b) no contraventions of any applicable code of professional conduct in relation to the audit.

This declaration is in respect of Aditya Birla Minerals Limited and the entities it controlled during the financial year ended 31 March 2016.

Ernst & Young

Ernst & Young

Gavin Buckingham

Gavin Buckingham
Partner
30 May 2016

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Independent auditor's report to the members of Aditya Birla Minerals Limited

Report on the financial report

We have audited the accompanying financial report of Aditya Birla Minerals Limited, which comprises the statement of financial position as at 31 March 2016, the income statement, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration of the company and the consolidated entity comprising the company and the entities it controlled at the year's end or from time to time during the financial year.

Directors' responsibility for the financial report

The directors of the company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal controls as the directors determine are necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error. In Note 1, the directors also state, in accordance with Accounting Standard AASB 101 *Presentation of Financial Statements*, that the financial statements comply with *International Financial Reporting Standards*.

Auditor's responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal controls relevant to the entity's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Independence

In conducting our audit we have complied with the independence requirements of the *Corporations Act 2001*. We have given to the directors of the company a written Auditor's Independence Declaration, a copy of which is included in the directors' report.

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Opinion

In our opinion:

a. the financial report of Aditya Birla Minerals Limited is in accordance with the *Corporations Act 2001*, including:

    i giving a true and fair view of the company's and consolidated entity's financial positions as at 31 March 2016 and of their performance for the year ended on that date; and

    ii complying with Australian Accounting Standards and the *Corporations Regulations 2001*; and

b. the financial report also complies with *International Financial Reporting Standards* as disclosed in Note 1.

Report on the Remuneration Report

We have audited the Remuneration Report included in pages 15 to 19 of the directors' report for the year ended 31 March 2016. The directors of the company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

Opinion

In our opinion, the Remuneration Report of Aditya Birla Minerals Limited for the year ended 31 March 2016, complies with section 300A of the *Corporations Act 2001*.

Ernst & Young

Ernst & Young

Gavin Buckingham

Gavin Buckingham
Partner
Perth
30 May 2016