Aditya Birla Minerals Limited

ASX RELEASE

Mt Gordon Scoping Study Results

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For Further Information

Aditya Birla Minerals Limited

Sunil Kulwal – Managing Director
Shanti Dugar – Chief Financial Officer
Peter Torre – Company Secretary

Telephone +61 8 9366 8800
Facsimile: +61 8 9366 8805
Email: investorrelations@adityabirla.com.au
• Completion of scoping study for Mt Gordon operations based upon the sublevel cave (SLC) mining method.

• Key results of the scoping study include:
  - Potential operating life of approximately 16 years
  - Mine production rate of approximately 4 million tonnes per annum (Mtpa) for 9 years
  - Production target total tonnes: 49 Mt
  - Production target average copper (Cu) grade: 1.4%
  - Cut-off grade: 0.9% Cu

• The mineral resources underpinning the above production target have been prepared by competent persons (Mr Peter Ball and Mr Sean Sivasamy) in accordance with JORC Code requirements. The mineral resource model was publically released on the ASX on 12 November 2012 (Mt Gordon Project Mineral Resource at 30 September 2012).

• No Ore Reserves, in accordance with the JORC Code or other similar reporting codes have been generated by this scoping study.

• The scoping study includes development of Mammoth Surrounds, Mammoth Deep, Mammoth North, Esperanza Pluto, Esperanza South and Green Stone deposits.

• The scoping study suggests capital development of 29 km, operating development of 183 km, and 31 km of raises and shafts.

• The scoping study estimates, based on the production rate and typical operating and capital costs for trucks and shafts, suggests that a central hoisting shaft might be more economically attractive than a trucking operation. The study recommends further work on a material handling study on these deposits.

• The management has appointed Corporate Advisory Division of ANZ Bank to undertake strategic review and provide advice on strategic options based on this scoping study. This review is expected to take several months.
Aditya Birla Minerals Ltd. (“ABML”) is pleased to announce the completion of the scoping study (study) for its Mt Gordon operations in Queensland.

The study was carried out by AMC Consultants Pty Ltd (AMC).

In the study, the Mineral Resource estimate of November 2012 was used to develop the mine design. This design extends over the Mammoth Surounds, Mammoth Deeps, Mammoth North, Esperanza Pluto, Esperanza South and Green Stone deposits as shown in the following figure.

**Mt Gordon Mineral Resource above a 0.9% Cu Cut-off**

The mineralisation in Mammoth Deeps extends to 1.5 km depth and Esperanza South extends to 0.8 km depth.
The scoping study demonstrates that a 4 Mtpa mechanised SLC underground mine may be economically feasible.

The mine design contemplates underground extraction by the SLC method, with a level interval of 25 vertical metres and drawpoint crosscuts at 15 m spacing. The mining sequence will be top-down which allows early production with limited pre-development. In the SLC method there is no requirement for high cost cemented backfill. The major infrastructure at Mt Gordon operations is located outside the assumed subsidence zones, hence adopting the SLC method should not incur any additional infrastructure replacement cost.

The production target includes 11% measured mineral resource, 26% indicated mineral resource, 57% inferred mineral resource, and 6% exploration targets.

There is a low level of geological confidence associated with inferred mineral resources and there is no certainty that further exploration work will result in the determination of indicated mineral resources or that the production target itself will be realised.

The potential quantity and grade of an exploration target is conceptual in nature, there has been insufficient exploration to determine a mineral resource and there is no certainty that further exploration work will result in the determination of mineral resources or that the production target itself will be realised. The exploration targets do not contribute materially to the production target (6% of the total).

The cut-off grade is based on a metal price of USD3.25 per pound payable copper, an exchange rate of USD0.9:AUD1.0, on-site costs that might reasonably be expected in a 4 Mtpa SLC operation at Mt Gordon, and concentrate transport and treatment charges consistent with Mt Gordon's existing operation.

No Ore Reserves, in accordance with the JORC Code or other similar reporting codes have been generated by this scoping study.

AMC concludes that:

- A lower cut-off grade, higher tonnage operation based on SLC mining might be an alternative to the pre-feasibility study long-hole open stoping (PFS LHOS) option.
- The total tonnes and grade contained in the SLC production target is significantly higher than the PFS LHOS production target.
- SLC might achieve a significantly higher annual production rate than LHOS. The SLC annual production rate is dependent on all the deposits being economically viable. If ABML’s economic analysis shows that any of the deposits are not economically viable, this will remove a discrete mining area from the mine plan and reduce the annual production rate.
- The Mammoth Surrounds will be a difficult deposit to mine due to the proximity of existing mine workings. Detailed engineering design might identify a substantially lower mining inventory than the estimate contained in the scoping study.
To establish a mine capable of a 4 Mtpa production rate, development might peak at 20 to 24 km per year for a period of three years. This is a high development rate, and would require substantial technical and infrastructure support.

AMC recommends further work is carried out including:

- Geotechnical analysis on the applicability of the SLC method, possible caving exclusion zones around caving areas, and preparation of an estimate of the impact of caving on surface facilities and the open pit walls.
- Reviews of the mine design including site operating costs, viability of SLC mining the Mammoth Surrounds, the potential to bring forward production from Mammoth Deeps, and open pit mining the top part of Esperanza South. Mine designs should be updated relative to the caving exclusions zones from an updated geotechnical analysis.
- An economic analysis to determine if there are areas of the SLC’s that are uneconomic and should be excluded from the mining inventory. The areas that should be checked include the lower levels of Mammoth Deeps and Esperanza South, the level strike extents in Esperanza Pluto, and all levels in Mammoth North and Green Stone.
- Studies for larger process plant capacities including the impact on mill operating costs.
- Consideration of environmental issues such as dewatering the Esperanza pit and subsidence.
- A material handling study. Initial estimates based on the production rate considered in the scoping study, and typical operating and capital costs for trucks and shafts, suggest that a central hoisting shaft might be more economically attractive than a trucking operation. But this decision is sensitive to how soon a central hoisting system could be commissioned.

The completion of the scoping study marks a significant milestone for Mt Gordon operations and Aditya Birla Minerals Ltd. As mentioned the study indicates that Mt Gordon might produce approximately 4 Mtpa for 9 years with a total life of mine of 16 years.

Corporate Advisory Division of ANZ Bank has been appointed to carry out a strategic review of the Mt Gordon operations and advise management on various strategic options based on the scoping study results. The strategic review includes considering corporate and operational strategies for Mt Gordon, including examining all options available to ABML. This is expected to take several months. The Board will consider the need to carry out the additional work recommended by AMC only after receiving the results of the strategic review to be undertaken by the ANZ Bank. An appropriate release will be made once any decision is taken based on the strategic options being studied.

ABML cautions that there can be no assurance that the Strategic Review will result in any specific transaction or change in operational strategy. ABML does not intend to release additional information in relation to the strategic review until after the Board of Directors has completed its deliberations or unless there is a related development that merits immediate disclosure.