



7 January 2009

The Manager,  
Australian Stock Exchange Limited  
Level 4  
20 Bridge Street  
Sydney, NSW 2000

Dear Sir,

#### **MARKET UPDATE ON ABML OPERATIONS**

Aditya Birla Minerals Limited provides the following update in respect to its operations.

#### **Birla Nifty Operations**

The Company is currently reviewing all costs associated with its operations and has embarked upon various cost saving initiatives which include procurement cost optimization, subcontractor cost optimization and manning cost optimization for the continuing economic viability of this operation.

Amongst other things, these initiatives also include a proposed change to the current rostering system which is expected to generate savings through the efficient and effective use of the Company's employees. The Company has engaged external consultants to provide advice in respect to this initiative and the scope of the engagement includes formulation of appropriate incentive schemes to motivate and reward the Company's employees.

#### **Birla Nifty Oxide Operations**

The Company advises that crushing and stacking at its Nifty Oxide Operations have been suspended. The Company will continue leaching to recover copper under leach.

The Company will continue to leach copper until such time as the leaching operations become uneconomic.

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#### **Aditya Birla Minerals Limited**

ABN: 37 103 515 037

Level 3, Septimus Roe Square, 256 Adelaide Terrace, Perth WA 6000

P O Box 3074, Adelaide Terrace, Perth WA 6832 AUSTRALIA

Telephone: +61 8 9366-8800 Fax: +61 8 9366-8805

The decision has been taken in light of the reduced margins and to mitigate any cash outflows of the Company.

### **Mt Gordon Operations**

Due to the significant fall in copper prices, the Company's Mt Gordon operations in its present form have been reviewed by the Board of ABML. After examining all options, the Mt Gordon operations will be run in the following manner:

- Certain quantity of already mined and surface stored copper bearing ore had been identified lying at Esperanza Low Grade waste dump. An extended trial will be undertaken to mill the said ore to assess the copper recovery and mill throughput. Total quantity of such ore availability would also be ascertained.
- The underground mine will be put under care and maintenance within the short term.
- The mill will be continued to run on mined ore and Esperanza Low Grade waste dump ore. The operations will be reviewed at the end of the March quarter.

Upon implementation of all of the above initiatives, net savings of approximately AUD 4.0 million to 5.0 million per month are expected throughout all ABML operations.

The Company continues to review and assess all aspects of its operations and will keep the market informed as and when other initiatives take place.

Yours faithfully



**Peter Torre**  
**Company Secretary**

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