

Rio trims iron ore forecasts — RIO Tinto has dramatically lowered the bottom end of its Australian iron production guidance over the next five years, raising the possibility it may not approve any new mines or expansions after current projects are finished despite healthy demand. Rio, the nation's biggest producer of iron ore, told analysts in Perth yesterday that the potential production range had widened at its vast network of mines, railways and ports in Western Australia's Pilbara region.

- ◆ Iron ore development chief David Joyce told analysts that annual exports from its most profitable business, WA iron ore, could range from 300 million tonnes to 375 million tonnes in 2018. This compares with the range of 360–375 million tonnes provided in May by Rio chief executive Sam Walsh. The change indicates annual mine production in a worst-case scenario would only rise fractionally from the 290 million tonne level it plans to reach next year after a \$US10 billion (\$11.15bn) expansion is finished.

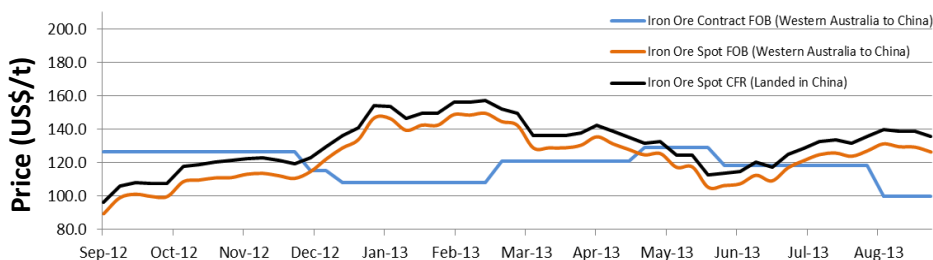
Russia's Severstal opts out of two iron projects to cut capex — Russian steel and mining group Severstal has withdrawn from further participation in Amapa, its iron ore mining joint venture in northern Brazil with SPG Mineracao, and an iron plant project in North America to cut capital expenditure, chief financial officer Alexei Kulichenko, told a press conference Thursday. Two years ago, Severstal moved to buy a 25% stake in Amapa from SPG Mineracao, with the \$49 million transaction

- ◆ agreed to be paid in instalments. So far Severstal has contributed \$24 million, which guaranteed it about a 10% stake, but now has canceled the remaining transactions. The company is yet to decide whether it will hold to the 10% or divest it. The project was to use the innovative Finesmelt technology developed by IIBC's other parent company, South Africa-based Iron Mineral Beneficiation Services, to convert superfine 62% plus iron bearing material into granulated reduced iron for electric arc furnace steelmaking.

Ban high-grade iron-ore exports in India: standing committee — Exports of high-grade, if not all, iron ore should be slashed —preferably banned altogether—in order to preserve the “scarcely available national asset” and boost the domestic steel industry, the standing committee on coal and steel in India said in a policy review. The committee, in its review of iron ore export policy tabled in Parliament on Thursday, urged the government to take immediate measures to ban the export of high grade iron ore (with more than 64% iron content) and “if possible ... total banning of export of iron ore.” The committee headed by Kalyan Banerjee, a Lok Sabha member from the Trinamool Congress, virtually questions the rationale for exports, quoting the Planning Commission as saying “large scale exports of iron ore have raised serious concerns about future availability”. The report also recommended that all upcoming steel plants and expansion of existing steel plants should be based on technologies that can use low grade iron ore (fines).

Source: London Commodity News. & FT.com

Iron Ore Prices¹ (US\$ per tonne)



Source: Bloomberg

1) Prices based on Iron Ore Fines 62% Fe

Market Snapshot

Iron Ore Companies

Company Name	Code	Price	% Change since Jan 2	
ASX LISTED Producers				
Atlas Iron Ltd	AGO	0.87	-53.0%	
BC Iron Ltd	BCI	4.29	20.2%	
Fortescue Metals Group	FMG	4.56	-3.0%	
Gindalbie Metals Ltd	GBG	0.14	-46.2%	
Grange Resources Ltd	GRR	0.20	-45.2%	
IMX Resources Ltd	IXR	0.08	-52.1%	
Mount Gibson Iron	MGX	0.80	-7.5%	
Murchison Metals Ltd	MMX	0.04	2.5%	
Northern Iron Ltd	NFE	0.18	-67.0%	
AVERAGE PERFORMANCE Producers				-27.9%

ASX LISTED Explorers/Developers

Athena Resources Ltd	AHN	0.03	-28.9%	
Apollo Minerals Ltd	AON	0.03	-10.5%	
Aquila Resources Ltd	AQA	2.16	-15.0%	
Australasian Resources Ltd	ARH	0.07	-1.4%	
Avonlea Minerals Ltd	AVZ	0.01	-70.0%	
Amex Resources Ltd	AXZ	1.10	12.2%	
Brockman Mining Limited	BCK	0.06	-12.3%	
Cape Lambert Ltd	CFE	0.13	-54.5%	
Centaurus Metals Ltd	CTM	0.17	-48.5%	
Cullen Resources Ltd	CUL	0.01	-45.5%	
Eastern Iron Ltd	EFE	0.04	-40.0%	
Equatorial Resources Ltd	EQX	0.63	-51.4%	
Flinders Mines Ltd	FMS	0.05	-33.8%	
Ferrowest Ltd	FWL	0.03	36.8%	
Gladiator Resources Ltd	GLA	0.01	-70.0%	
Golden West Resources	GWR	0.16	-16.2%	
Haranga Resources Ltd	HAR	0.08	-53.5%	
Ironclad Mining Ltd	IFE	0.17	-46.8%	
Iron Ore Holdings Ltd	IOH	0.90	15.4%	
Iron Road Ltd	IRD	0.28	-15.2%	
Jupiter Mines Ltd	JMS	0.08	-17.3%	
Kogi Iron Limited	KFE	0.11	-62.1%	
Latin Resources Ltd	LRS	0.07	-53.3%	
Magnetic Resources NL	MAU	0.12	84.6%	
Mamba Minerals	MAB	0.48	43.3%	
Mindax Ltd	MDX	0.12	35.3%	
Meteoritic Resources NL	MEI	0.04	65.4%	
Nemex Resources Ltd	NXR	0.03	-31.0%	
Pepinini Minerals Ltd	PNN	0.02	-56.8%	
Radar Iron Ltd	RAD	0.03	-62.5%	
Red Hill Iron Ltd	RHI	0.80	-23.8%	
Sundance Resources Ltd	SDL	0.08	-79.5%	
Sherwin Iron Ltd	SHD	0.08	20.0%	
Sphere Investments Ltd	SPH	3.10	3.3%	
Strike Resources Ltd	SRK	0.08	-55.9%	
Venus Metals Corp	VMC	0.06	-80.0%	
Western Desert Resources Ltd	WDR	0.74	4.2%	
WPG Resources Ltd	WPG	0.04	-41.7%	
West Peak Iron Ltd	WPI	0.03	-60.0%	
AVERAGE PERFORMANCE Exp/Dev				-23.5%
ASX ALL ORDINARIES		5,214.70	10.4%	

ASX ALL ORDINARIES

5,214.70 10.4%

TSX LISTED

Adriana Resources	ADI	0.21	-47.5%	
Alderon Iron Ore Corp	ADV	1.45	-21.2%	
Beaufield Resources Inc.	BFD	0.10	-24.0%	
Cap-Ex Ventures Ltd	CEV	0.08	-72.7%	
Century Iron Mines Corporation	FER	0.40	8.1%	
Champion Iron Mines Limited	CHM	0.23	-65.9%	
Golden Dory Resources Copr	GDR	0.01	-60.0%	
Labrador Iron Mines	LIM	0.47	-60.8%	
Macarthur Minerals Limited	MMS	0.18	-65.4%	
New Millenium Capital Corp	NML	0.66	-50.0%	
Oceanic Iron Ore Corp	FEO	0.09	-47.1%	
Rockex Mining Corp	RXM	0.06	-64.7%	
Rogue Iron Ore Corp	RRS	0.03	-73.7%	
West Melville Metals Inc.	WMM	0.045	-71.9%	
AVERAGE PERFORMANCE				-51.2%

TSX COMPOSITE INDEX 12,701.05 1.3%

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