

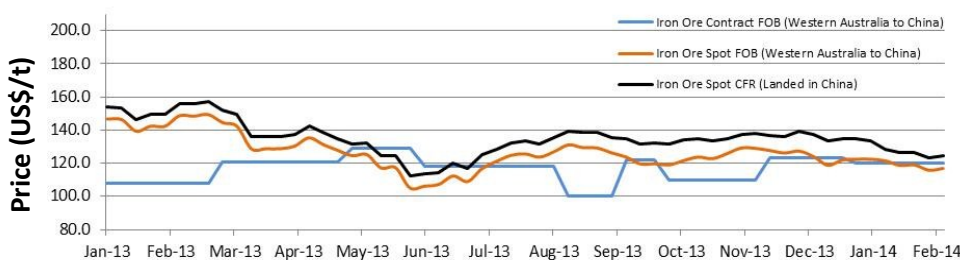
**Labrador Trough gets third transmission line** – A new transmission line for Labrador West means a new iron ore mine will follow. Natural Resources Minister Derrick Dalley, Premier Tom Marshall, and Labrador and Aboriginal Affairs Minister Nick McGrath visited Labrador West Thursday to announce a new transmission line for the area that will bring hydro power for future industrial developments. The line will supply power from Churchill Falls to Western Labrador, providing enough power for Champion Iron Mines Fire Lake mine and Alderon's Kami mine. The third line has had many proponents, including the Wabush and Labrador City town councils and the Labrador West Chamber of Commerce. It will supply 160 megawatts for future developments and industrial growth, as well as improved reliability for customers in Labrador West. The transmission line is expected to create 2,300 jobs during construction, which is expected to begin in spring. The St. John's Board of Trade welcomed the announcement, as well, with Chairwoman Sharon Horan saying the need for more power in Labrador West is indisputable. "The third line is desperately needed, not only to maintain existing operations industrially, commercially and for residents, but the new power is needed for new mining developments that are on Labrador West's doorstep".

**Beijing Urges Steelmakers to Pursue Overseas Iron-Ore Assets** – China is urging its steel companies to buy more iron-ore assets abroad. China imports around two-thirds of its iron ore, an ingredient in steel. Breakneck economic development and a flood of new wealth drove an overseas spending spree in recent years by Chinese steelmakers hungry for assets that produce iron ore. Many of those ventures have been plagued with expensive delays, however. The National Development and Reform Commission on Monday said Chinese steelmakers should keep building up stakes in global iron ore assets in the interests of China's strategic security and "speaking rights", or influence, in global trade. China's ore imports rose 10% last year to a record 819 million metric tons, according to customs data. "China's iron-ore demand will still rise, its reliance on imports won't change, and the degree of monopoly in global iron-ore resources will still keep increasing", the NDRC said. The commission, Beijing's top economic-planning agency, suggested that Chinese steelmakers offer to build mines, mills, ports, railways and energy facilities. A renewed push abroad could bring bargains for China.

**Rio chief downplays seaborne iron ore surplus story** – A large surplus is unlikely to emerge in the seaborne iron ore market this year in spite of increased output from mines in Australia, according to the chief executive of Rio Tinto. Sam Walsh said forecasts by analysts for a 90m tonne surplus were likely to prove too pessimistic and could turn out to be "less than half that". While the "numbers" showed the market "trending to a surplus", Mr Walsh said a number of factors were likely to impact supply, including weather events in Australia and Brazil and some of the new capacity not coming on as "strongly" as expected. High cost Chinese production was also being "impacted" by cheaper seaborne supply, he said. Iron ore prices averaged \$135 a tonne last year, up 4 per cent on 2012, as a much feared wave of fresh supply failed to materialise and Chinese steel output rose by a larger-than-expected 7.5 per cent. It was one of just a handful of commodities that saw a year-on-year increase in prices and its performance was in stark contrast to industrial metals such as aluminium and zinc.

Source: www.TheTelegram.com, Wall Street Journal, Financial Times.

## Iron Ore Prices<sup>1</sup> (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
<b>ASX LISTED Producers</b>			
Atlas Iron Ltd	AGO	1.14	-3.0%
BC Iron Ltd	BCI	5.44	3.0%
Fortescue Metals Group	FMG	5.98	0.8%
Gindalbie Metals Ltd	GBG	0.10	-4.8%
Grange Resources Ltd	GRR	0.28	12.0%
IMX Resources Ltd	IXR	0.05	-5.7%
Mount Gibson Iron	MGX	1.20	15.9%
Murchison Metals Ltd	MMX	0.04	-
Northern Iron Ltd	NFE	0.20	-13.3%
AVERAGE PERFORMANCE Producers			0.6%
<b>ASX LISTED Explorers/Developers</b>			
Athena Resources Ltd	AHN	0.04	12.5%
Apollo Minerals Ltd	AON	0.02	-15.8%
Aquila Resources Ltd	AQA	2.78	17.8%
Australasian Resources Ltd	ARH	0.03	-40.0%
Avonlea Minerals Ltd	AVZ	0.01	-12.5%
Amex Resources Ltd	AXZ	1.25	-3.8%
Brockman Mining Limited	BCK	0.06	-12.5%
Cape Lambert Ltd	CFE	0.11	-15.4%
Centaurus Metals Ltd	CTM	0.17	-17.1%
Cullen Resources Ltd	CUL	0.01	-12.5%
Eastern Iron Ltd	EFE	0.04	-4.8%
Equatorial Resources Ltd	EQX	0.55	-19.1%
Flinders Mines Ltd	FMS	0.03	-
Ferrowest Ltd	FWL	0.01	-30.0%
Gladiator Resources Ltd	GLA	0.01	42.9%
Golden West Resources	GWR	0.15	-3.3%
Haranga Resources Ltd	HAR	0.07	4.8%
Ironclad Mining Ltd	IFE	0.11	-40.5%
Iron Ore Holdings Ltd	IOH	0.92	3.4%
Iron Road Ltd	IRD	0.33	10.0%
Kogi Iron Limited	KFE	0.10	-3.0%
Latin Resources Ltd	LRS	0.05	-35.7%
Magnetic Resources NL	MAU	0.15	36.4%
Mamba Minerals	MAB	0.54	-10.0%
Mindax Ltd	MDX	0.07	-4.0%
Meteoric Resources NL	MEI	0.03	55.0%
Nemex Resources Ltd	NXR	0.02	5.6%
Pepinini Minerals Ltd	PNN	0.02	-5.6%
Radar Iron Ltd	RAD	0.03	-2.9%
Red Hill Iron Ltd	RHI	0.80	-21.6%
Sundance Resources Ltd	SDL	0.11	10.5%
Sherwin Iron Ltd	SHD	0.11	-12.0%
Sphere Investments Ltd	SPH	3.10	-
Strike Resources Ltd	SRK	0.04	-10.6%
Venus Metals Corp	VMC	0.10	11.8%
Western Desert Resources Ltd	WDR	0.64	-13.6%
WPG Resources Ltd	WPG	0.03	3.4%
West Peak Iron Ltd	WPI	0.03	-
AVERAGE PERFORMANCE Exp/Dev			-3.8%
ASX ALL ORDINARIES		5,402.20	0.6%

<b>TSX LISTED</b>			
Adriana Resources	ADI	0.22	2.4%
Alderon Iron Ore Corp	ADV	2.03	20.8%
Beaufield Resources Inc.	BFD	0.05	-9.1%
Cap-Ex Ventures Ltd	CEV	0.05	-23.1%
Century Iron Mines Corporation	FER	0.49	8.9%
Champion Iron Mines Limited	CHM	0.34	19.6%
Labrador Iron Mines	LIM	0.19	-27.5%
Macarthur Minerals Limited	MMS	0.27	80.0%
New Millenium Capital Corp	NML	0.56	-13.8%
Oceanic Iron Ore Corp	FEO	0.09	-10.0%
Rogue Iron Ore Corp	RRS	0.19	85.0%
West Melville Metals Inc.	WMM	0.11	-31.3%
AVERAGE PERFORMANCE			8.5%
TSX COMPOSITE INDEX		14,054.76	3.4%

<b>Kasey Nelson</b>			
+61 8 9421 2111		kasey@cipartners.com.au	