

# Fortnightly Update : Iron Ore Report

## Corporate

**New Millennium working towards iron ore production in Canada** - New Millennium Iron Corp (NML) is on its way to becoming a significant direct shipping ore producer as well as holding the largest iron ore Resource base in Canada. NML's DSO Project, located in northern Quebec, contains 64 million tonnes of Proven and Probable Reserves at an average grade of 58.8% Fe with production expected to begin in late 2012. In addition, NML is developing two advanced magnetite projects, LabMag and KeMag, in northern Quebec which combined hold 5.6 billion tonnes of Proven and Probable Reserves at an average grade of 30% Fe.

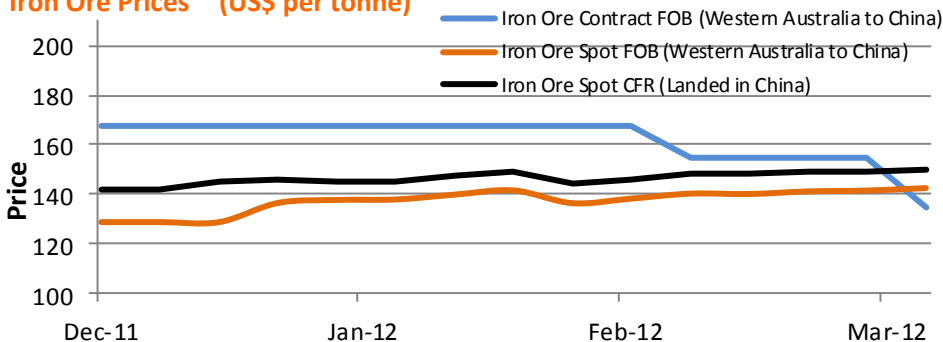
**Hancock divests 30% of Roy Hill for A\$3.6 billion to Asian consortium** - Marubeni Corp of Japan, POSCO, and STX, both of Korea, will buy 30% of the Roy Hill iron ore project for A\$3.6 billion. Hancock Prospecting is expecting annual DSO production of 55 million tonnes, with the first shipments due in 2014. It is set to become one of the largest mines in Australia. For their A\$3.6 billion investment, the consortium will receive 16.5 million tonnes of iron ore per year. The majority of the investment in will be used to construct a 342 kilometre railway from the mine to Port Hedland.

**Shandong completes US\$1.5bn Tonkolili investment** - China's Shandong Iron & Steel Group (SISG) has completed a US\$1.5 billion acquisition of a 25% stake in AIM-listed African Minerals' Tonkolili iron-ore project, in Sierra Leone. The investment includes off take arrangements for iron-ore produced at the Tonkolili mine, which would see SISG purchase two million tonnes a year during the first phase of the operation.

**South African companies pursue Canadian iron ore opportunities** - Two South African companies are pursuing iron refining opportunities in Canada; JSE-listed Petmin and unlisted Iron Mineral Beneficiation Services (IMBS). Petmin's focus is to establish a 0.5 million tonne per annum pig-iron plant at Goose Bay, in Canada's Labrador province, and IMBS is studying the economic feasibility of building a 2 million tonne per annum pig-iron plant at Sept-Iles, in Quebec. Both companies are targeting the use of clean, low-cost Canadian hydropower.

Source: London Commodity News

## Iron Ore Prices<sup>1</sup> (US\$ per tonne)



Source: Bloomberg

1) Prices based on Iron Ore Fines 62% Fe

Capital Investment Partners AFSL 292416

## Market Snapshot

### Iron Ore Companies

ASX LISTED Producers			Chg (%)
Atlas Iron Ltd	AGO	2.80	-1.1%
BC Iron Ltd	BCI	2.94	10.5%
Fortescue Metals Group	FMG	5.68	28.8%
Gindalbie Metals Ltd	GBG	0.61	14.2%
Grange Resources Ltd	GRR	0.56	5.7%
IMX Resources Ltd	IXR	0.34	6.3%
Mount Gibson Iron	MGX	1.09	-5.2%
Murchison Metals Ltd	MMX	0.48	11.8%
Northern Iron Ltd	NFE	0.95	45.0%

### ASX LISTED Explorers/Developers

Athena Resources Ltd	AHN	0.08	-4.8%
Apollo Minerals Ltd	AON	0.06	31.1%
Aquila Resources Ltd	AQA	5.18	-14.7%
Australasian Resources Ltd	ARH	0.16	-15.8%
Avonlea Minerals Ltd	AVZ	0.05	-10.0%
Amex Resources Ltd	AXZ	1.22	25.8%
Brockman Resources Ltd	BRM	2.51	16.7%
Cape Lambert Ltd	CFE	0.50	4.2%
Centaurus Metals Ltd	CTM	0.55	11.1%
Cullen Resources Ltd	CUL	0.03	-16.7%
Eastern Iron Ltd	EFE	0.07	-50.0%
Energio Ltd	EIO	0.18	9.4%
Equatorial Resources Ltd	EQX	2.41	37.7%
Flinders Mines Ltd	FMS	0.22	-22.8%
Ferrowest Ltd	FWL	0.06	20.0%
Gladiator Resources Ltd	GLA	0.06	-56.2%
Golden West Resources	GWR	0.36	10.9%
Haranga Resources Ltd	HAR	0.45	55.2%
Ironclad Mining Ltd	IFE	0.74	3.5%
Iron Ore Holdings Ltd	IOH	1.44	2.9%
Iron Road Ltd	IRD	0.60	9.1%
Jupiter Mines Ltd	JMS	0.24	-17.5%
Latin Resources Ltd	LRS	0.32	10.3%
Magnetic Resources NL	MAU	0.09	-14.3%
Mindax Ltd	MDX	0.15	31.8%
Meteoritic Resources NL	MEI	0.06	-
Nemex Resources Ltd	NXR	0.15	-6.3%
Pepinnini Minerals Ltd	PNN	0.07	-2.7%
Radar Iron Ltd	RAD	0.33	20.4%
Red Hill Iron Ltd	RHI	2.11	-4.1%
Scandinavian Resources Ltd	SCR	0.23	15.0%
Sundance Resources Ltd	SDL	0.45	15.4%
Sherwin Iron Ltd	SHD	0.07	20.0%
Sphere Investments Ltd	SPH	3.00	-
Strike Resources Ltd	SRK	0.18	-12.5%
Venus Metals Corp	VMC	0.27	-10.0%
Western Desert Resources Ltd	WDR	0.90	100.0%
Wah Nam Int Holdings Ltd	WNI	0.05	-11.7%
WPG Resources Ltd	WPG	0.09	15.6%
West Peak Iron Ltd	WPI	0.22	59.3%

AVERAGE PERFORMANCE 7.9%

ASX ALL ORDINARIES 4,361.70 5.0%

Kasey Nelson

+61 8 9421 2111

kasey@cipartners.com.au