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Industry SnapShots

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AUSTRALIA METALS AND MINING

22 January 2014

This week's News

Australian Mining - BGC wins \$100m iron ore contract - 16/1/2014

Mining and civil contracting firm BGC has been awarded a \$100 million contract to restart operations at Arrium Mining's.

For the complete story see:

([http://www.miningaustralia.com.au/news/bgc-wins-\\$100m-iron-ore-contract](http://www.miningaustralia.com.au/news/bgc-wins-$100m-iron-ore-contract))

Reuters - BHP in line to gain from Australian state's rising coal exports - 20/1/2014

BHP Billiton could show stronger-than-expected quarterly production of Australian coal.

For the complete story see:

(<http://in.reuters.com/article/2014/01/20/australia-bhp-idINL3N0KU1A820140120>)

The Motley Fool - The stock picker's guide to Newcrest Mining Limited in 2014 - 20/1/2014

For prospective Newcrest investors there are several key points to be aware of for the year ahead.

For the complete story see:

(<http://www.fool.com.au/2014/01/20/the-stock-pickers-guide-to-newcrest-mining-limited-in-2014/>)

Other Stories

Digital Journal.com - Silver, Lead and Zinc Ore Mining in Australia Industry Market Research Report Now Updated by IBISWorld - 20/1/2014

Australian Mining - NSW sees increased Chinese demand - 20/1/2014

Australian Mining - Shell sells its stake in Wheatstone project - 21/1/2014

Media Releases

Billiton Appoints New President Corporate Affairs – 15/1/2014

Rio Tinto announces record production for iron ore, bauxite and thermal coal in 2013 – 16/1/2014

Sims Metal Management Shares Household Scrap Metal Recycling Tips – 18/1/2014

Latest Research

Engaging Communities for Success: social impact assessment and social licence to operate at Northparkes Mines, NSW

By Grace Michell & Phil McManus

Industry Overview

The Metal and Mining Industry

Overview of Leading Companies

Arrium Ltd (ASE: ARI)
Alumina Ltd (ASE: AWC)
BHP Billiton Ltd (ASE: BHP)
Bluescope Steel Ltd (ASX: BSL)
Fortescue Metals Group (ASE: FMG)
Iluka Resources Ltd (ASX: ILU)
Newcrest Mining Ltd (ASE: NCM)
Regis Resources Ltd (ASX: RRL)
Rio Tinto Ltd (ASE: RIO)

News and Commentary

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Digital Journal.com - Silver, Lead and Zinc Ore Mining in Australia Industry Market Research Report Now Updated by IBISWorld - 20/1/2014

The Silver, Lead and Zinc Ore Mining are expected to generate revenue of \$4.3 billion in 2013-14.

For the complete story see:

(<http://www.digitaljournal.com/pr/1689299>)

Australian Mining - NSW sees increased Chinese demand - 20/1/2014

Despite the downturn seen across the coal sector NSW has recorded an increase in Chinese demand.

For the complete story see:

(<http://www.miningaustralia.com.au/news/nsw-sees-increased-chinese-demand>)

Australian Mining - Shell sells its stake in Wheatstone project - 21/1/2014

Shell has sold its stake in the Chevron-operated Wheatstone LNG project for \$US1.13 billion.

For the complete story see:

(<http://www.miningaustralia.com.au/news/shell-sells-its-stake-in-wheatstone-project>)

Media Releases

Billiton Appoints New President Corporate Affairs – 15/1/2014

BHP Billiton today announced the appointment of Mr Tony Cudmore as President, Corporate Affairs. Tony will join the Group Management Committee (GMC) and commence in his role on 3 March 2014. He will report to the Chief Executive Officer Andrew Mackenzie and will be based at the Company's headquarters in Melbourne, Australia.

Tony joins BHP Billiton from Exxon Mobil Corporation where he most recently led International Corporate Brand Communications and Asia Pacific Government Relations. He joined ExxonMobil in 2001 and has held various senior public and government affairs roles.

Between 2006 and 2012, Tony was based at ExxonMobil's head office in Dallas, Texas, with roles including Manager, Corporate Public Affairs, and Manager, Media Relations. Before relocating to the United States in 2006, he was based in Melbourne with responsibility for Communications as well as Government Relations for ExxonMobil's upstream business.

Tony has been based in Melbourne since November 2012 with global management accountability for ExxonMobil's corporate reputation advertising and brand communications for markets outside the United States. He also played an important role in ExxonMobil's US-based corporate advertising program supporting the company's brand communications, public policy advocacy and corporate social responsibility programs.

Before joining ExxonMobil Tony was the Assistant Director of the Australian Institute of Petroleum and prior to that, the Principal Adviser to the then Premier of Victoria, The Honourable Jeff Kennett MP.

Tony assumes direct responsibility for BHP Billiton Corporate Affairs from Karen Wood, who has been the acting head of Corporate Affairs since mid-2013 and led the search for the new function head. Karen is currently the longest-serving member of the BHP Billiton GMC. She will remain a key member of the GMC and will continue her work on a range of significant corporate and Board issues with Andrew Mackenzie, including GMC development and succession planning and executive remuneration. She will also retain accountability for the Company's office in London.

(<http://www.bhpbilliton.com/home/investors/news/Pages/Articles/BHP-Billiton-Appoints-New-President-Corporate-Affairs.aspx>)

Rio Tinto announces record production for iron ore, bauxite and thermal coal in 2013 – 16/1/2014

Rio Tinto chief executive Sam Walsh said "These are excellent fourth quarter operational results, demonstrating continued delivery on our commitments. We have set new records for iron ore production and shipments as we ramp up our 290 expansion, as well as achieving an impressive recovery in copper volumes and record annual production for both bauxite and thermal coal. We have exceeded our cost cutting targets for the year and announced or completed \$3.5 billion of non-core asset sales. These actions, together with lower capital expenditure in 2013 and beyond, will ensure that Rio Tinto is well positioned to deliver greater value to shareholders."

Highlights

		Q4 2013	vs Q4 2012	vs Q3 2013	2013	vs 2012
Global iron ore shipments	mt (100% basis)	72.4	+8%	+6%	259.0	+5%
Global iron ore	mt (100%	70.4	+6%	+3%	266.0	+5%

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production	basis)					
Mined copper	kt (RT share)	172.8	+5%	+6%	631.5	+15%
Bauxite	mt (RT share)	11.4	+7%	+2%	43.2	+10%
Aluminium	kt (RT share)	868	-4%	-1%	3,555	+3%
Hard coking coal	mt (RT share)	2.4	+25%	+7%	8.2	+2%
Semi-soft and thermal coal	mt (RT share)	6.5	-9%	-7%	26.8	+12%
Titanium dioxide feedstock	kt (RT share)	361	-20%	-3%	1,622	+2%

Record quarterly and annual iron ore production, shipments and rail volumes. Shipments from the Pilbara exceeded production by two million tonnes in the fourth quarter, despite impacts from cyclone Christine, which closed the ports for three days at the end of the year and affected the progressive recovery of rail and ports into January. The safe and efficient ramp up to 290 Mt/a nameplate capacity across mines, rail and ports remains on track for completion by the end of the first half of 2014.

Mined copper benefited from the ramp up of production at Oyu Tolgoi to full capacity and continued improvement in grades and throughput at Kennecott Utah Copper. The heavy equipment access road at Kennecott was completed in October giving renewed access to the entire open pit earlier than originally scheduled.

Record annual production and shipments for bauxite, with production records at both Australian mines and in Guinea.

Production of semi-soft and thermal coal improved significantly for the full year due to productivity improvement initiatives and the completion of brownfield mine developments.

Over \$2 billion of operating cash cost improvements achieved in 2013 compared with 2012.

Exploration and evaluation expenditure reduced by over \$1 billion in 2013 compared with 2012, exceeding the \$750 million target set for the year.

Non-core asset divestments totalling \$3.5 billion announced in 2013, of which \$2.5 billion completed in 2013.

On 8 January 2014, Turquoise Hill Resources announced the successful completion of its approximately \$2.4 billion rights offering which was fully subscribed. The proceeds of the rights issue will be used to repay loans outstanding to Rio Tinto, and will result in a \$1.2 billion reduction in Rio Tinto's consolidated net debt.

(http://www.riotinto.com/media/media-releases-237_9539.aspx)

Sims Metal Management Shares Household Scrap Metal Recycling Tips – 18/1/2014

Sims Metal Management, the world's largest metals and electronics recycler, recently released an infographic to help consumers know where to find household recyclable metal scrap. Although much material received at Sims Metal Management is from industrial companies, homeowners, who are typically unaware of recyclable scrap metal in their homes, are encouraged to recycle as well.

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According to the U.S. Environmental Protection Agency (EPA), only 35 percent of Americans recycle. As we start off the New Year, Sims Metal Management is promoting this visual to help consumers learn and understand what metals you can recycle and the enormous value generated from these efforts.

“While most have become familiar with the recycling of paper, plastics, glass, metal bottles, and cans, many are still not familiar with the recycling of other types of scrap metal,” stated Bob Kelman, president of Sims Metal Management, North America. “This infographic will help consumers identify what qualifies as scrap metal within their homes, to help jumpstart awareness of recycling and its benefits to the environment”.

Sims Metal Management has approximately 270 facilities on five continents, including more than 100 in North America. Some of the major North American locations include Chesapeake, Va., Chicago, Detroit, Memphis, Tenn., Morrisville (Philadelphia area), Pa., Newark, N.J., New York City, North Haven, Conn., Northwest, Ohio, Providence, R.I., Redwood City, Calif., Richmond, Calif., Richmond, Va., Sacramento, Calif., San Francisco, Trenton, N.J., Tulsa, Okla., and Worcester, Mass.

(<http://us.simsmm.com/Newsroom/Infographic>)

Latest Research

Engaging Communities for Success: social impact assessment and social licence to operate at Northparkes Mines, NSW

Grace Michell & Phil McManus

Abstract

Social issues are critical to the mining industry. This study investigates how social issues have been, and are being, assessed and managed within this industry through a case study of Northparkes Mines in central west New South Wales (NSW). The research involved 29 interviews with mining executives, environmental consultants and citizens of Parkes, plus a document analysis of four environmental impact statements prepared between 1990 and 2012. Where appropriate, findings were extrapolated to the wider mining industry. The standard for social impact assessment in NSW and emerging industry guidelines on social responsibility were analysed against internationally accepted good practice. Interviews indicated greater potential to recognise the social impacts of mining in NSW and identified good practice impact assessment as only one component of a successful community engagement strategy. Complementary strategies are essential to extend the benefits of development to local communities and for companies to establish a ‘social licence to operate’. The successful approach taken by Northparkes Mines combined good practice impact assessment with a localised workforce, an integrated management team and context-specific community engagement practices. This study highlights that local communities can be empowered through development, that benefits can extend to both the community and the business and that the ongoing management of social issues will increasingly be critical to the success of the mining industry.

(<http://www.tandfonline.com/doi/abs/10.1080/00049182.2013.852502#.Ut4iTBCwrIU>)

The Industry

Minerals Industry Will Need 18,000 New Employees To 2018

The release today of the Australian Workforce and Productivity Agency’s (AWPA) latest report on the resources sector’s skilled labour needs confirms that mining will continue to expand in the years ahead, providing a critical boost to the domestic economy.

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The AWPA's Resources Sector Skills Needs 2013 report shows that minerals industry operations will need around 18,000 more skilled workers through to 2018 – as the sector moves from the construction to production phase of the millennium mining boom.

The minerals industry has strong skills foundations in place and welcomes AWPA's acknowledgement of the sector's focus on the skilling and development of its workforce. This includes:

- Spending 5.5 per cent of payroll on training activities, with one in twenty employees being an apprentice or a trainee;
- the contribution to higher education outcomes, with the MCA-operated Minerals Tertiary Education Council (MTEC) contributing \$36 million since 1999 to tertiary minerals disciplines;
- Innovative efforts to overcome skills shortages via:
 - the MTEC Associate Degree program, designed to free up the time of engineers and geologists by producing a new cadre of educated technicians, who will have pathways to full degree status;
 - programs to cross-train workers in different industry disciplines such as the MCA/NFF/Commonwealth Skills MOU and the Regional Agriculture and Mining Integrated Training Initiative
- Efforts to encourage under-represented groups to take part in the industry – specifically the increase in indigenous participation (at 3.1 per cent, the highest workforce participation rate of all industries) and women (an increase in the percentage of female participants in the minerals workforce from 11 per cent in 2003 to 16 per cent in August 2013).
- The importance of Long Distance Commuting and skilled migration to the skills needs of the industry.

(http://www.minerals.org.au/news/minerals_industry_will_need_18000_new_employees_to_2018)

Leading Companies

Arrium Ltd (ASE: ARI)

Arrium Mining Quarterly Production Report For the quarter ended 30 September 2013

Summary

- Record quarterly shipments of 3.13Mt (dmt) up 0.4Mt on prior quarter and up 1.5Mt or 94% on the prior corresponding quarter
- The new higher capacity ship loader at the Inner Harbour was successfully commissioned mid- July and achieved its designed rate of 4,200tph within the first week of operations
- Successful commissioning of new locomotives and wagons resulted in record railings of ore in the quarter.
- Current run rate supports full year volume guidance of 12Mt.
- The Platts 62% Fe CFR market index price averaged US\$133/dmt, up US\$7/dmt on the prior quarter
- Arrium's average realised price was ~US\$113/t FOB (dmt), up US\$9/t on the prior quarter
- Average cash cost loaded on ship ~A\$49/wmt1 in line with guidance

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- The port expansion at the Inner Harbour was officially opened by Tom Koutsantonis MP, SA Minister for Mineral Resources and Energy on 30 July.
- Civil works in preparation for the recommencement of mining at the Iron Knob Mining Area later in the year started in July

Arrium Mining Total

		Sep Qtr	Jun Qtr	Variance	Variance % previous Qtr	FY 14 YTD	FY13 YTD
Ore mined ²	(wmt)	2,965k	2,408k	557k	23%	2,965k	2,661k
Ore Processed – DSO	(wmt)	2,727k	2,221k	506k	23%	2,727k	1,540k
Ore Processed - Beneficiated	(wmt)	464k	420k	44k	10%	464k	436k
Ore shipped ³							
• Fines		1,960k	1,586k	374k	24%	1,960k	939k
• Lump		1,165k	1,139k	26k	2%	1,165k	669k
Total	(dmt)	3,125k	2,725k	400k	15%	3,125k	1,608k
Average grade of ore shipped		60.3%	60.3%	0.0%	0.0%	60.3%	59.8%

Market

The Platts 62% Fe index averaged US\$133/t CFR (dmt), a US\$7/t increase compared to the prior quarter. Continued high levels of steel production, lower than average port stocks and stable economic conditions in China have underpinned strong demand for iron ore and the higher average price.

Arrium Mining's average price received for the quarter of US\$113/t FOB (dmt)⁴ was up US\$9/t compared to the prior quarter. The improvement was due to the increase in the market price as well as lower average freight costs. The timing of price settlements with customers continued to be a factor in maintaining a strong price recovery compared to the Platts 62% Fe index.

Our new Opal blend and Whyalla blend products have received strong customer support. Lower impurities and moisture provide sintering benefits to Mills utilising our ores. Arrium continues to market the blends to a broader range of customers, with a number of trials of our products underway with further prospective customers.

Freight rates moved up appreciably in late August and September due to factors including longer haul distance from increased Brazilian exports, increased Australian exports and the general slow steaming of most cape vessels to reduce fuel costs, which all reduced ship availability.

Production and Shipping

Hematite ore mined in the Middleback during the quarter of 2,155 (wmt) was 28% higher compared to the June quarter. Emphasis focused on crushing output to achieve the targeted sales rate with additional capacity added at the Iron Knight during the quarter.

Ore mined by Southern Iron at Peculiar Knob of 810k (wmt) was up by 13% compared to the prior quarter. Crushing volumes increased by 337k (wmt) to 1,075k (wmt) to meet the increase in sales capability with the completion of the new port at the inner harbour. Record railed tonnes were achieved in the quarter of 3,340k (wmt).

Arrium Mining's ore shipments of 3,125K (dmt) were in line with expectations and 15% higher than June quarter, reflecting the full commissioning of the expanded supply chain at the Inner Harbour. The combination of the self-

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powered barge and the existing transshipment fleet has created greater flexibility for the operations. The quarter also included 40kt of pellet sales.

Costs

Arrium Mining's average cost loaded on the ship (excluding royalties and depreciation) for the combined operations at Middleback and Southern Iron for the quarter of ~A\$49/wmt1 was in line with previous guidance of ~A\$50/wmt at the 12Mtpa rate.

Development

Whyalla Port Expansion

The Whyalla Port Expansion Project was completed in July with the commissioning of the high capacity travelling ship loader and port capacity has now doubled to ~13Mtpa. This brings to a close the company's successful ~\$600 million expansion to double the size of the Mining businesses' iron ore sales and Port capacity, which was delivered on time and on budget.

Iron Knob Mining Area

Arrium has started preparations for mining in the Iron Knob Mining Area as part of the company's strategy to deliver on its aim for sales of at least 12Mtpa over 10 years. Activity to date has focused on the building of road and office infrastructure prior to the commencement of pre strip mining later in the December Quarter. The investment in this project is expected to be approximately \$82 million in FY145 and includes three open cut mine pits (Monarch, Princess and Princess West). First ores are expected in the first half of FY15. The project is running to schedule and budget.

Magnetite Optimisation Project

Arrium has been a leader in the commercialisation and use of magnetite in Australia. This project includes installation of a tertiary grinder and modifications to the existing grinding circuit to allow the concentrator to treat a wider range of ores, as well as maximise product recovery through fine grinding technology and improved final concentrate washing. The project benefits include additional output (pellets, lump or concentrate) of ~400kt per annum with reduced mining activity based on the consumption of stockpiled materials.

The total cost of this investment is expected to be approximately \$86 million, with \$36 million incurred in FY13, and the remainder expected in FY14. The project is on schedule and budget with commissioning to occur in the December quarter. Operating benefits are expected to commence in the second half of FY14.

Exploration

Exploration activity continues to focus on:

- Adding to or extending the mine life of existing operations to utilise the full capacity of the Whyalla Port
- Investigating further ferrous opportunities across the Middleback Ranges and Southern Iron tenements.

Drilling activity in the September quarter generated 10,444m. The program included resource definition Reverse Circulation (RC) drilling, diamond drilling and specialist hydrogeological drilling.

At the northern end of the Middleback Ranges, diamond drilling south of Iron Princess supporting the Iron Knob Mining Area expansion continued, and then moved to resource drilling in the South Middleback Ranges. Results from the Iron Princess drilling were incorporated into updated resource models and mine design work. Drilling is expected to commence in the Iron Knob Mining Area in the second half of FY14.

In the northern portion of the South Middleback Ranges project area, resource definition and extension RC drilling continued at Iron Chieftain. Drilling focussed on inferred extensions north and south of the mineralised envelope, as well as infill drilling in the pit. Extension drilling was based on the enhanced understanding of the structural controls

on mineralisation developed over the last six months and assisted by the use of high resolution geophysical data. The extension drilling results are being progressively incorporated into the mine plan.

In the southern portion of the South Middleback Ranges project area, RC drilling commenced at Iron Duchess South, to test inferred extensions to the north and south of the existing Duchess South mineralisation.

In the Southern Iron project portfolio, resource definition and extension RC drilling continued and hydrological drilling commenced on the Hawks Nest project at the Buzzard hematite prospect. The hydrological drilling is being conducted with the aim of investigating dewatering requirements within the proposed pit shell.

In addition to drilling activities on the Southern Iron projects, interpretation of the recently acquired high resolution magnetic and radiometric data for each of the Mt Brady, Windy Valley and Hawks Nest projects is being used to define targets as part of the assessment of the potential for both iron ore and iron oxide copper gold (IOCG) mineralisation within these tenements. Subject to the result of heritage clearance surveys to be carried out in 2QFY14, aircore and RC drilling programs are planned to be carried out in the second half of FY14.

Important information

Arrium Mining is a division of Arrium Limited, a mining and materials group consisting of mining, mining consumables and steel and recycling businesses. This report has been prepared to provide additional information regarding Arrium Mining's activities related to the external sale of hematite iron ore. Due to its non-mining activities, Arrium Limited is not a 'mining entity' for the purpose of the ASX Listing Rules and therefore is not subject to the additional mandatory quarterly reporting requirements under Chapter 5 of the ASX Listing Rules. Arrium Limited is providing this report on a voluntary basis only and, accordingly, this report may not contain all of the information which would be required for an entity subject to such additional mandatory reporting requirements.

The information in this report that relates to Mineral Resources or Ore Reserves (Reserves and Resources Information) is based on information compiled by or under the supervision of Paul LeEVERS. Except as otherwise expressed, where a summary or extract of Reserves and Resources Information is included in this report, the basis for that summary or extract is the company's latest Resources Statement, which is attached to this report. Mr LeEVERS is a Member of The Australasian Institute of Mining and Metallurgy and is a full-time employee of OneSteel Manufacturing Pty Ltd. Mr LeEVERS has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr LeEVERS has consented to the inclusion in this report of the matters based on his information in the form and context in which it appears.

The information in this report that relates to Exploration Results is based on information compiled by or under the supervision of Geoff Johnson BSc (Hons), PhD, Grad Dip Env Sc. Dr Johnson is a Fellow of the Australian Institute of Geoscientists and a Fellow of the Australasian Institute of Mining and Metallurgy and is a full-time employee of the Company. Dr Johnson has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Dr Johnson has consented to the inclusion in this report of the matters based on his information in the form and context in which it appears.

This report contains certain forward-looking statements with respect to the financial condition, results of operations and business of Arrium Limited and its Arrium Mining division and certain plans and objectives of the management of Arrium Limited and its Arrium Mining division. Forward-looking statements can generally be identified by the use of words such as 'project', 'foresee', 'plan', 'expect', 'aim', 'intend', 'anticipate', 'believe', 'estimate', 'may', 'should', 'will' or similar expressions. All such forward looking statements involve known and unknown risks, significant uncertainties, assumptions, contingencies and other factors, many of which are outside the control of Arrium Limited, which may cause the actual results or performance of Arrium Limited to be materially different from any future results or performance expressed or implied by such forward looking statements. Such forward-looking statements speak

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only as of the date of this presentation. Factors that could cause actual results or performance to differ materially include without limitation the following: risks and uncertainties associated with the Australian and global economic environment and capital market conditions, previously undiscovered geological features, the cyclical nature of the steel industry globally, the level of activity in the construction and manufacturing industries in China, the occurrence of adverse weather events, the capacity, demand for and performance of the global shipping market, commodity price fluctuations, fluctuations in foreign currency exchange and interest rates, competition, Arrium Mining's relationships with, and the financial condition of, its suppliers and customers, legislative changes, regulatory changes or other changes in the laws which affect Arrium Mining's business, including environmental laws, a carbon tax, mining tax and operational risk. The foregoing list of important factors is not exhaustive. There can be no assurance that actual outcomes will not differ materially from these statements.

This report contains certain non-statutory financial measures including average loaded cost on ship per tonne, average realised price, measurements of royalties and depreciation in respect of specific operations and assets, development and exploration costs, cash expenses and unconsolidated expenditure, revenue and other measures. These measures are used to assist the reader understand the financial performance of the Arrium Mining division's activities covered by this report. Non-statutory financial information has not been audited or reviewed as part of the Arrium Limited audited accounts. However, a process has been agreed with Arrium Limited's auditor to agree the financial inputs utilised by Arrium Mining to derive the measures stated in the report.

(<http://www.arrium.com/~media/Files/ASX%20Announcements/FY2014/Arrium%20Mining%20Quarterly%20Production%20Report%2018%20Nov%202013.pdf>)

Alumina Ltd (ASE: AWC)

Alcoa Reports Third Quarter Profit Driven by Strong Operating Performance;
Net Income of \$0.02 Per Share; Excluding Special Items, Net Income of \$0.11 Per Share

Solid Revenue of \$5.8 Billion

Value-Add Businesses 57 Percent of Total Revenues

79 Percent Segment ATOI Year-to-Date

Strong Operating Performance Helps Offset Lower Aluminum Prices

2013 Forecast of 7 Percent Global Aluminum Demand Growth Reaffirmed

3Q 2013 Highlights

- Net income of \$24 million, or \$0.02 per share; excluding special items, net income of \$120 million, or \$0.11 per share
- Solid revenue of \$5.8 billion despite lower realized aluminum prices
- Engineered Products and Solutions after-tax operating income up 22 percent year-over-year; record quarterly adjusted EBITDA margin
- Primary Metals and Alumina after-tax operating income up sequentially and year-over-year
- Cash on hand of \$1.0 billion
- New third quarter low days working capital, 5 day improvement over prior year, equal to approximately \$300 million cash
- \$825 million in productivity gains year-to-date, exceeding \$750 million annual target
- 16 percent of Alcoa high cost global smelting capacity offline

New York, October 8, 2013 – Alcoa (NYSE:AA) today reported a sequential and year-over-year increase in third quarter profit for 2013 driven by strong operating performance and productivity gains, in spite of lower metal prices. Alcoa reported third quarter 2013 net income of \$24 million, or \$0.02 per share, which includes \$96 million of special items primarily tied to optimizing the Company's upstream portfolio.

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Excluding the impact of special items, net income was \$120 million, or \$0.11 per share. Results were led by continued strength in Engineered Products and Solutions and Global Rolled Products, despite traditional third quarter weakness. Global Primary Products overcame falling metal prices and lower premiums to deliver significant performance improvement through productivity gains.

The Company reported third quarter 2013 revenue of \$5.8 billion, steady compared to second quarter 2013 and the year ago period, despite a 3 percent sequential and 7 percent year-over-year decline in the London Metal Exchange (LME) cash price of aluminum. “Our performance this quarter shows our repositioning of the Company is on the right path,” said Klaus Kleinfeld, Alcoa Chairman and Chief Executive Officer. “We continued to build our value-add businesses, capturing demand for innovative material solutions across multiple markets. Our commodity business delivered better performance in a tougher market environment, and we continued to reshape the portfolio to lower the cost base. Across the board, productivity was exceptional – achieving our full year target in the first nine months.”

In the first three quarters of 2013, Alcoa’s value-add businesses, comprising Engineered Products and Solutions and Global Rolled Products, accounted for 57 percent of total revenues and 79 percent of segment after-tax operating income (ATOI). Over the last 10 years, Alcoa has grown its value-add businesses to be more meaningful contributors to the Company’s overall profitability. ATOI for the value-add businesses has nearly tripled since 2003.

Third quarter 2013 net income of \$24 million, or \$0.02 per share, compares to a net loss of \$119 million, or \$0.11 per share, in second quarter 2013, and a net loss of \$143 million, or \$0.13 per share, in third quarter 2012.

In third quarter 2013, Alcoa recorded \$109 million in after-tax restructuring related charges to improve upstream competitiveness. Alcoa completed the previously announced closure of the two Soderberg potlines at the Baie-Comeau smelter in Québec, representing 105,000 metric tons per year of smelting capacity. Alcoa also closed one Soderberg potline, representing 41,000 metric tons per year of smelting capacity, at the Massena East plant in New York.

Other special items in third quarter 2013 included an insurance recovery related to the March 2012 fire at the Massena, New York, location and a positive impact of mark-to-market changes on certain energy contracts, somewhat offset by a net discrete income tax charge. These items provided a net benefit of \$13 million.

Excluding special items, third quarter 2013 net income of \$120 million, or \$0.11 per share, rose 58 percent compared to \$76 million, or \$0.07 per share, in second quarter 2013, despite lower realized aluminum prices.

Year-over-year, third quarter 2013 net income excluding special items was up \$88 million compared to the same period last year. The year-over-year increase was driven by strong operating performance, productivity savings, and the favorable impact of foreign exchange rates, partially offset by cost increases and lower LME-based pricing.

Continued Growth Across End Markets

Alcoa reaffirms its 7 percent global aluminum demand growth forecast for 2013 and sees essentially balanced alumina and aluminum markets.

Alcoa continues to project global growth this year across the aerospace (9-10 percent), automotive (1-4 percent), packaging (1-2 percent), commercial building and construction (4-5 percent), and industrial gas turbine (3-5 percent) end markets. In the heavy truck and trailer market, Alcoa is raising its 2013 growth expectation, (5-9 percent, previously 3-8 percent), on improvements in the European market and a stronger Chinese market.

Strong Execution on Capital Investments and Against Strategic Goals

Alcoa made progress on its capital investments to capture value-add growth opportunities, and continued to take definitive actions in third quarter 2013 to improve its position on the aluminum cost curve.

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The \$300 million automotive expansion of Alcoa's Davenport, Iowa, plant is set to be completed by the end of 2013 with the commissioning process currently underway. Construction also began on the Company's \$275 million automotive expansion at its Alcoa, Tennessee, rolling mill. Both will support the growing demand for aluminum sheet for automotive production. Aluminum sheet per vehicle is expected to grow 10 fold by 2025 in North America alone. The projects will incorporate, through Alcoa's supply chain, the proprietary Alcoa 951 pretreatment bonding technology, enabling the mass production of aluminum-intensive vehicles. Much of the volume for the automotive expansions is secured under long-term supply agreements.

The Ma'aden-Alcoa joint venture project that will create the world's lowest-cost integrated aluminum facility is on time and on budget. The smelter is 99 percent complete and full operating capacity of 740,000 metric tons per year (mtpy) is expected in 2014. This smelter will be the lowest-cost in the world. It will contribute an estimated two percentage points toward the Company's 2015 goal of lowering its position on the world aluminum production cost curve by 10 percentage points overall.

The joint venture's 380,000 mtpy integrated rolling mill is 88 percent complete. First hot coil for the rolling mill is anticipated in the fourth quarter of this year. Construction of the alumina refinery and bauxite mine are also on schedule. First alumina out of the facility and bauxite out of the mine are expected in 2014. To further improve competitiveness in the upstream, Alcoa continues to review its global smelting capacity and take action on higher-cost plants and plants with long-term risk due to factors such as energy costs or regulatory uncertainties. In the first five months since announcing the 460,000 metric ton smelting capacity review, Alcoa has taken swift action and has closed or curtailed 274,000 metric tons, equal to 60 percent, of the capacity under review. Most recent actions include the permanent closure of one potline representing 41,000 metric tons at the Massena East plant in New York and the temporary curtailment of 128,000 metric tons of capacity in Brazil.

Alcoa now has 16 percent, or 651,000 metric tons, of smelting capacity offline.

Performance Against 2013 Financial Targets

In third quarter 2013, days working capital, which ultimately equates to cash, was a third quarter record low of 28 days, 5 days lower than third quarter 2012. This milestone was the 16th successive year-over-year improvement and equates to approximately \$300 million in cash. Cash from operations in third quarter 2013 was \$214 million. Free cash flow for the quarter was negative \$36 million after a \$173 million cash contribution to the Company's pension plan.

Through third quarter 2013, Alcoa achieved \$825 million in productivity savings against a \$750 million annual target; managed growth capital expenditures of \$289 million against a \$550 million annual plan; and controlled sustaining capital expenditures of \$482 million against a \$1.0 billion annual plan. Progress and expenditures on the Saudi Arabia joint venture project were on track with \$146 million year-to-date invested against a \$350 million annual plan. Alcoa's debt-to-capital ratio stood at 34.5 percent, flat with second quarter 2013, and 160 basis points lower than third quarter 2012. Net debt-to-capital stood at 31.6 percent. Alcoa ended the quarter with cash on hand of \$1.0 billion.

Segment Performance

Engineered Products and Solutions

ATOI was a third quarter record of \$192 million, essentially flat sequentially and up \$34 million, or 22 percent, year-over-year. Sequentially, continued productivity improvements across all market segments were offset by volume declines and cost increases. Innovation continues to drive share gains across all markets. This segment reported a record quarterly adjusted EBITDA margin of 22.5 percent, compared to 22.2 percent and 20 percent, respectively, for second quarter 2013 and the same quarter last year.

Global Rolled Products

ATOI in the third quarter was \$71 million compared to \$79 million in second quarter 2013 and \$89 million in third quarter 2012. Sequentially, lower metal prices continued to impact the segment, albeit less significantly than the prior quarter. Strong automotive and seasonal demand in packaging were offset by lower volume in aerospace and

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industrial markets and price pressures in packaging. Adjusted EBITDA per metric ton decreased to \$312 from \$322 in second quarter 2013. This segment reported its best third quarter ever in days working capital, which improved by 1 day compared with third quarter 2012.

Alumina

ATOI in the third quarter was \$67 million, up from \$64 million in second quarter 2013, and up from negative \$9 million in third quarter 2012. The sequential increase was driven by the favorable impact of foreign exchange rates, strong productivity savings, and sales at Alumina Price Index-based pricing, despite lower LME-based prices. Strong performance across the business also offset increased costs in mining due to the operation of two crusher sites in Australia and higher bauxite costs in Suriname. Adjusted EBITDA per metric ton was \$44, down from \$47 in second quarter 2013 and up from \$21 in third quarter 2012. Days working capital remained at record lows, improving by 11 days compared with third quarter 2012.

Primary Metals

ATOI in the third quarter was \$8 million compared to negative \$32 million in second quarter 2013 and negative \$14 million in third quarter 2012. Despite lower metal prices, the sequential improvement was driven by significant productivity gains, non-recurring power plant outages, and the favorable impact of foreign exchange rates. Third-party realized price in the third quarter was \$2,180 per metric ton, down 3 percent sequentially. Adjusted EBITDA per metric ton increased to \$154 from \$88 in second quarter 2013, and was up from \$111 in third quarter 2012. Days working capital improved by 2 days compared with third quarter 2012.

Alba Update

As previously disclosed, over five years ago, the Department of Justice (“DOJ”) and the Securities and Exchange Commission (“SEC”) commenced investigations of alleged corrupt payments in connection with contracts for the sale of alumina to Alba. In the past year Alcoa has been seeking settlements of both investigations. During the third quarter of 2013, settlement discussions with the DOJ and the SEC continued, although no settlements were reached. As previously reported, in the second quarter of 2013 Alcoa proposed to settle the DOJ matter by offering a cash payment of \$103 million and recorded a charge of \$103 million (\$62 million after non-controlling interest); there is a reasonable possibility of an additional charge of between \$0 and approximately \$200 million to settle the DOJ matter. Based on negotiations to date, Alcoa expects any such settlement will be paid over several years. Also, as previously reported, in the second quarter of 2013 Alcoa exchanged settlement offers with the SEC, but the SEC staff rejected Alcoa’s offer of \$60 million and no charge was recorded. Alcoa expects that any resolution through settlement with the SEC would be material to results of operations for the relevant fiscal period.

Although Alcoa seeks to resolve the Alba matter with the DOJ and the SEC through settlements, there can be no assurance that settlement will be reached. If settlements cannot be reached, Alcoa will proceed to trial. Under those circumstances, the final outcome cannot be predicted and there can be no assurance that it would not have a material adverse effect on Alcoa. Alcoa will hold its quarterly conference call at 5:00 PM Eastern Time on October 8, 2013 to present quarterly results. The meeting will be webcast via alcoa.com. Call information and related details are available at www.alcoa.com under “Invest.”

About Alcoa

Alcoa is the world’s leading producer of primary and fabricated aluminum, as well as the world’s largest miner of bauxite and refiner of alumina. In addition to inventing the modern-day aluminum industry, Alcoa innovation has been behind major milestones in the aerospace, automotive, packaging, building and construction, commercial transportation, consumer electronics, and industrial markets over the past 125 years. Among the solutions Alcoa markets are flat-rolled products, hard alloy extrusions, and forgings, as well as Alcoa® wheels, fastening systems, precision and investment castings, and building systems in addition to its expertise in other light metals such as titanium and nickel-based super alloys. Sustainability is an integral part of Alcoa’s operating practices and the product design and engineering it provides to customers. Alcoa has been a member of the Dow Jones Sustainability Index for

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12 consecutive years and approximately 75 percent of all of the aluminum ever produced since 1888 is still in active use today. Alcoa employs approximately 61,000 people in 30 countries across the world. For more information, visit www.alcoa.com, follow @Alcoa on Twitter at www.twitter.com/Alcoa, and follow Alcoa on Facebook at www.facebook.com/Alcoa.

	Quarter ended		
	September 30, <u>2012</u>	June 30, <u>2013</u>	September 30, <u>2013</u>
Sales	\$ 5,833	\$ 5,849	\$ 5,765
Cost of goods sold (exclusive of expenses below)	5,266	4,933	4,798
Selling, general administrative, and other expenses	234	254	248
Research and development expenses	51	46	44
Provision for depreciation, depletion, and amortization	366	362	348
Restructuring and other charges	2	244	151
Interest expense	124	118	108
Other (income) expenses, net	<u>(2)</u>	<u>19</u>	<u>(7)</u>
Total costs and expenses	6,041	5,976	5,690
(Loss) income before income taxes	(208)	(127)	75
(Benefit) provision for income taxes	<u>(33)</u>	<u>21</u>	<u>31</u>
Net (loss) income	(175)	(148)	44
Less: Net (loss) income attributable to noncontrolling interests	<u>(32)</u>	<u>(29)</u>	<u>20</u>
NET (LOSS) INCOME ATTRIBUTABLE TO ALCOA	<u>\$ (143)</u>	<u>\$ (119)</u>	<u>\$ 24</u>
EARNINGS PER SHARE ATTRIBUTABLE TO ALCOA COMMON SHAREHOLDERS:			
Basic:			
Net (loss) income	\$ (0.13)	\$ (0.11)	\$ 0.02
Average number of shares	1,067,000,575	1,069,480,834	1,069,565,824
Diluted:			
Net (loss) income	\$ (0.13)	\$ (0.11)	\$ 0.02
Average number of shares	1,067,000,575	1,069,480,834	1,079,332,302
Shipments of aluminum products (metric tons)	1,317,000	1,268,000	1,260,000

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	Nine months ended	
	September 30,	
	<u>2012</u>	<u>2013</u>
Sales	\$ 17,802	\$ 17,447
Cost of goods sold (exclusive of expenses below)	15,518	14,578
Selling, general administrative, and other expenses	720	753
Research and development expenses	141	135
Provision for depreciation, depletion, and amortization	1,098	1,071
Restructuring and other charges	27	402
Interest expense	370	341
Other expenses (income), net	<u>4</u>	<u>(15)</u>
Total costs and expenses	17,878	17,265
(Loss) income before income taxes	(76)	182
Provision for income taxes	<u>19</u>	<u>116</u>
Net (loss) income	(95)	66
Less: Net (loss) income attributable to noncontrolling interests	<u>(44)</u>	<u>12</u>
NET (LOSS) INCOME ATTRIBUTABLE TO ALCOA	<u>\$ (51)</u>	<u>\$ 54</u>
EARNINGS PER SHARE ATTRIBUTABLE TO ALCOA COMMON SHAREHOLDERS:		
Basic:		
Net (loss) income	\$ (0.05)	\$ 0.05
Average number of shares	1,066,482,064	1,069,253,636
Diluted:		
Net (loss) income	\$ (0.05)	\$ 0.05
Average number of shares	1,066,482,064	1,079,406,557
Common stock outstanding at the end of the period	1,067,152,804	1,069,590,973
Shipments of aluminum products (metric tons)	3,917,000	3,752,000

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	December 31, 2012	September 30, 2013
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 1,861	\$ 1,017
Receivables from customers, less allowances of \$39 in 2012 and \$21 in 2013	1,399	1,422
Other receivables	340	616
Inventories	2,825	2,893
Prepaid expenses and other current assets	<u>1,275</u>	<u>1,101</u>
Total current assets	<u>7,700</u>	<u>7,049</u>
Properties, plants, and equipment	38,137	37,326
Less: accumulated depreciation, depletion, and amortization	<u>19,190</u>	<u>19,465</u>
Properties, plants, and equipment, net	<u>18,947</u>	<u>17,861</u>
Goodwill	5,170	5,144
Investments	1,860	1,908
Deferred income taxes	3,790	3,621
Other noncurrent assets	<u>2,712</u>	<u>2,646</u>
Total assets	<u>\$ 40,179</u>	<u>\$ 38,229</u>
LIABILITIES		
Current liabilities:		
Short-term borrowings	\$ 53	\$ 59
Accounts payable, trade	2,702	2,816
Accrued compensation and retirement costs	1,058	1,019
Taxes, including income taxes	366	398
Other current liabilities	1,298	1,093
Long-term debt due within one year	<u>465</u>	<u>655</u>
Total current liabilities	<u>5,942</u>	<u>6,040</u>
Long-term debt, less amount due within one year	8,311	7,630
Accrued pension benefits	3,722	3,407
Accrued other postretirement benefits	2,603	2,527
Other noncurrent liabilities and deferred credits	<u>3,078</u>	<u>2,761</u>
Total liabilities	<u>23,656</u>	<u>22,365</u>
EQUITY		
Alcoa shareholders' equity:		
Preferred stock	55	55
Common stock	1,178	1,178
Additional capital	7,560	7,536
Retained earnings	11,689	11,611
Treasury stock, at cost	(3,881)	(3,810)
Accumulated other comprehensive loss	<u>(3,402)</u>	<u>(3,714)</u>
Total Alcoa shareholders' equity	<u>13,199</u>	<u>12,856</u>
Noncontrolling interests	<u>3,324</u>	<u>3,008</u>
Total equity	<u>16,523</u>	<u>15,864</u>
Total liabilities and equity	<u>\$ 40,179</u>	<u>\$ 38,229</u>

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	Nine months ended September 30,	
	<u>2012</u>	<u>2013</u>
CASH FROM OPERATIONS		
Net (loss) income	\$ (95)	\$ 66
Adjustments to reconcile net (loss) income to cash from operations:		
Depreciation, depletion, and amortization	1,099	1,072
Deferred income taxes	(195)	(102)
Equity (income) loss, net of dividends	(3)	40
Restructuring and other charges	27	402
Net gain from investing activities – asset sales	–	(7)
Stock-based compensation	54	59
Excess tax benefits from stock-based payment arrangements	(1)	–
Other	100	(10)
Changes in assets and liabilities, excluding effects of acquisitions, divestitures, and foreign currency translation adjustments:		
(Increase) in receivables	(174)	(347)
(Increase) in inventories	(65)	(141)
(Increase) decrease in prepaid expenses and other current assets	(27)	16
(Decrease) increase in accounts payable, trade	(109)	176
(Decrease) in accrued expenses	(81)	(395)
Increase in taxes, including income taxes	22	40
Pension contributions	(515)	(354)
Decrease (increase) in noncurrent assets	34	(114)
Increase in noncurrent liabilities	498	257
(Increase) in net assets held for sale	(3)	–
CASH PROVIDED FROM CONTINUING OPERATIONS	<u>566</u>	<u>658</u>
CASH USED FOR DISCONTINUED OPERATIONS	<u>(2)</u>	<u>–</u>
CASH PROVIDED FROM OPERATIONS	<u>564</u>	<u>658</u>
FINANCING ACTIVITIES		
Net change in short-term borrowings (original maturities of three months or less)	29	7
Net change in commercial paper	(181)	–
Additions to debt (original maturities greater than three months)	886	1,527
Debt issuance costs	(3)	(2)
Payments on debt (original maturities greater than three months)	(793)	(1,980)
Proceeds from exercise of employee stock options	12	1
Excess tax benefits from stock-based payment arrangements	1	–
Dividends paid to shareholders	(98)	(99)
Distributions to noncontrolling interests	(71)	(80)
Contributions from noncontrolling interests	132	12
CASH USED FOR FINANCING ACTIVITIES	<u>(86)</u>	<u>(614)</u>
INVESTING ACTIVITIES		
Capital expenditures	(863)	(771)
Proceeds from the sale of assets and businesses	13	8
Additions to investments	(241)	(242)
Sales of investments	11	–
Net change in restricted cash	51	130
Other	63	10
CASH USED FOR INVESTING ACTIVITIES	<u>(966)</u>	<u>(865)</u>
EFFECT OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS		
Net change in cash and cash equivalents	<u>(507)</u>	<u>(844)</u>
Cash and cash equivalents at beginning of year	<u>1,939</u>	<u>1,861</u>
CASH AND CASH EQUIVALENTS AT END OF PERIOD	<u>\$ 1,432</u>	<u>\$ 1,017</u>

(<http://www.aluminalimited.com/database-files/view-file/?id=6178>)

BHP Billiton Ltd (ASE: BHP)

We are a leading global resources company. Our purpose is to create long-term shareholder value through the discovery, acquisition, development and marketing of natural resources.

Across our global operations, we are committed to working in ways that are true to Our BHP Billiton Charter values of Sustainability, Integrity, Respect, Performance, Simplicity and Accountability. When we do, we continue to build on our success today and for tomorrow.

We are among the world's largest producers of major commodities, including aluminium, coal, copper, iron ore, manganese, nickel, silver and uranium, and have substantial interests in oil and gas. Our unrivalled portfolio of high quality growth opportunities will ensure we continue to meet the changing needs of our customers and the resources demand of emerging economies at every stage of their growth.

The diversification of the BHP Billiton portfolio continues to be our defining attribute. The quality of our people, our asset base and our unchanged strategy of owning and operating large, long-life, low-cost, expandable, upstream assets diversified by commodity, geography and market, together with our ability and commitment to investing through the cycle and delivering projects on budget and to schedule, is what sets us apart from our peers.

We can never take our performance for granted. Each day, we must safely operate all of our assets at capacity and continue to identify those resources we will leave to the next generation of BHP Billiton leaders. We are committed to the health and safety of our people, the environment and the communities in which we operate. The long-term nature of our operations allow us to establish long lasting relationships with our host communities where we work together to make a positive contribution to the lives of people who live near our operations and to society more generally. Our ability to grow our organisation safely and in an environmentally responsible way is essential.

Our corporate strategy is based on owning and operating assets diversified by commodity, geography and market. To achieve this, we also need a workforce that reflects diversity in all forms, including gender, skills, experience and ethnicity. Embracing openness, trust, teamwork, diversity and relationships that are mutually beneficial, reflects our core value of Respect and is the focus of our people strategy. In all our efforts, we aim to be inclusive and build pride and loyalty in our workforce.

(<http://www.bhpbilliton.com/home/aboutus/ourcompany/Pages/default.aspx>)

Bluescope Steel Ltd (ASX: BSL)

Summary

- FY2013 reported net loss after tax of \$84M, a \$960M improvement on FY2012
- \$30M underlying net profit after tax, a \$267M improvement on FY2012
- \$49M 2H FY2013 market guidance comparable NPAT1
- Major achievements in delivery of NS BlueScope Coated Products JV transaction and Coated & Industrial Products Australia turnaround
- Significant financial improvement after restructure
- Net debt of \$148M at 30 June 2013, being <0.4x FY2013 underlying EBITDA, and a reduction of \$436M from 30 June 2012 (after adjusting for the benefit of the timing of year-end cash flows)
- Building Products1 underlying EBIT improved to \$80M; growth of 57% over FY2012 driven by Thailand, Vietnam and North America improvement
- Global Building Solutions underlying EBIT result of \$34M (excludes one-off impact of prior period provision adjustment). Strong contribution from North America and Building Products China, offset by weaker earnings from Buildings Asia
- CIPA underlying EBITDA of \$150M in FY2013, of which \$71M in 2H. Improved spread; lower loss-making export despatches; cost reduction performance strong; domestic volume slightly weaker than FY2012

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- Building Components & Distribution Australia underlying EBIT loss of \$25M. Although there is more work to be done, this is a significant improvement on the \$46M EBIT loss in FY2012
- NZ Steel underlying EBIT improved to \$40M in 2H FY2013 (\$42M for full year), up from \$2M in 1H. Higher steel and iron ore prices in 2H, and fewer maintenance outages
- Hot Rolled NA underlying EBIT of \$67M, improved \$5M on FY2012. Continuing review of expansion opportunities

(<http://www.bluescopesteel.com/media/314696/fy2013%20results%20presentation.pdf>)

Fortescue Metals Group (ASE: FMG)

The September 2013 quarter has seen Fortescue consolidate its operational and financial positions. Peak net debt has now passed, with cash on hand at 30 September 2013 of US\$2.8 billion and commencement of the debt repayment programme. Fortescue is poised to deliver 155mtpa and its commitment to debt reduction.

HIGHLIGHTS

- Quarterly shipments of 25.9 million tonnes (mt), a four per cent increase from previous quarter and a 61 per cent increase on the previous corresponding period. Full year shipments remain within previously announced guidance of between 127mt and 133mt.
- Iron ore prices strengthened during the quarter, resulting in an average realised cost and freight (CFR) price of US\$121 per dry metric tonne (dmt), compared to US\$113/dmt in the prior quarter.
- C1 costs continued to decrease and were US\$33.17 per wet metric tonne (wmt) in the September 2013 quarter, reflecting lower strip ratios, cost reductions and the devaluation of the Australian dollar.
- First ore on ship was loaded from Fortescue's fourth berth (AP4) in July 2013, using the third shiploader and third outloading circuit.
- Commissioning of Kings is underway, with first ore to be delivered in November 2013. Sustainable production at the 155 million tonnes per annum (mtpa) rate will be achieved by the end of March 2014.
- Cash balance of US\$2.8 billion at the end of the September 2013 quarter reflected strong operational cash flows, rapidly declining capital expenditure and US\$470 million of customer prepayments.
- The Iron Bridge transaction was completed after the September 2013 quarter and US\$623 million was received by Fortescue in early October 2013.
- Debt reduction programme commenced with the voluntary redemption of A\$140 million in preference shares scheduled for November 2013 ahead of final maturity in February 2017

CORPORATE

Balance Sheet

Fortescue's net debt position at 30 September 2013 was US\$9.3 billion after taking into account cash on hand of US\$2.8 billion and excluding finance leases of US\$0.6 billion. Post balance date a further US\$623 million of cash was received from Formosa Plastics Group (Formosa) representing US\$500 million for prepaid port access and US\$123 million for the 31 per cent interest in the FMG Iron Bridge Joint Venture.

On 17 September 2013, Fortescue issued a voluntary Notice of Redemption to holders of the A\$140 million (US\$128 million) Redeemable Preference Shares. The redemption of the 9 per cent Preference Shares removes Fortescue's most expensive piece of debt and represents the first step in the Company's strategy to reduce debt and gearing

levels. Net cash flow generation is expected to continue through operational performance and the relative reduction in capital expenditure as the T155 project is completed. This will provide the funds to consider further voluntary debt repayments.

(<http://www.fmgil.com.au/UserDir/FMGReports/Documents/1266023190.pdf>)

Iluka Resources Ltd (ASX: ILU)

SUMMARY OF PHYSICAL AND FINANCIAL DATA

	Sep-12 Quarter	Jun-13 Quarter	Sep-13 Quarter	Sep-12 YTD	Sep-13 YTD	Sep-13 YTD vs Sep-12 YTD
	kt	kt	kt	kt	kt	%
<u>Production</u>						
Zircon	77.7	62.4	98.1	286.7	216.6	(24.5)
Rutile	60.0	34.8	44.2	163.6	104.8	(35.9)
Synthetic Rutile	64.4	30.0	-	195.6	59.0	(69.8)
Total Z/R/SR Production	202.1	127.2	142.3	645.9	380.4	(41.1)
Ilmenite	195.4	173.0	134.2	558.3	468.1	(16.2)
<u>Total Mineral Sands Production¹</u>	397.5	300.2	276.5	1,204.2	848.5	(29.5)
<u>Mineral Sands Revenue A\$ million</u>	224.5	241.8	147.0	887.3	528.7	(40.4)
Average AUD:USD cents	103.8	99.2	91.6	103.5	98.1	(5.2)

OVERVIEW

- Iluka's combined production of zircon, rutile and synthetic rutile (Z/R/SR) in the September quarter was 142.3 thousand tonnes, 11.9 per cent higher than June 2013 quarter production of 127.2 thousand tonnes. This mainly reflects the company's decision to increase the processing of zircon-rich concentrate from Jacinth-Ambrosia in the context of lower levels of finished goods available and strengthening of zircon demand in the first half. Iluka produced no synthetic rutile in the September quarter, as previously foreshadowed and in the context of its production curtailment measures.
- Combined Z/R/SR production on a year-to-date basis was 380.4 thousand tonnes, 41.1 per cent lower than the 645.9 thousand tonnes recorded for the same period in 2012. This lower production reflects Iluka's ability to flex production downwards in response to lower demand at the low point of the business cycle, both to facilitate a progressive draw down of finished goods inventory, as well as to reduce total operating costs.
- Mineral sands revenue for the three months to 30 September 2013 was \$147.0 million. Revenue on a year-to-date basis was \$528.7 million, compared with \$887.3 million in the same period in 2012, a 40.4 per cent decline, mainly reflecting lower received prices period on period, as conveyed in the half year results.
- The average Australian/US dollar exchange rate for the quarter was 91.6 cents, down from 99.2 cents in the June quarter. The majority of Iluka's revenue is denominated in US dollars. A lower Australian/US dollar exchange rate is favourable for revenues translated into the reporting currency.

MINERAL MARKET CONDITIONS

After a first half recovery in demand for zircon in a number of markets, especially China, the third quarter saw more subdued market conditions in most markets relative to their robust first half run rate, reflecting both normally quarterly variations and continuing fragile business confidence levels, with the latter still impacted by prevailing and new economic and political uncertainties. This was reflected in a more cautious approach to ordering by customers during the quarter.

Demand in the United States, which is mainly manufacturing related, remained on the whole robust, while demand in other regions - while higher than 2012 - is still volatile reflecting the aforementioned business confidence levels and fragile consumer sentiment.

Iluka previously advised that it did not expect the typical second half zircon sales weighting to be evident in 2013 sales volumes and this has now been confirmed, with lower demand in the third quarter unlikely to be offset in full by stronger sales volumes in the fourth quarter.

As the company has previously indicated, the pre-conditions for a recovery in pigment, and in turn high grade feedstock demand, are becoming evident. This is reflected in pigment producer commentary in relation to the reduction of pigment inventories to more usual levels and the intention, over time, to move back to higher yields at pigment plants and pursue higher prices.

However, seasonal factors in the northern hemisphere mean that the industry is entering its typical lower demand period and it remains Iluka's expectation that clear signs of recovery in high grade feedstock demand may not become evident until late 2013 or into 2014.

Iluka's expectation is supported by increased customer inquiry levels regarding future supply, especially for 2014, which are at levels not seen for over 12 months.

Iluka's full year sales expectations for high grade feedstock volumes are subject to further discussions with customers but remain at this stage as previously indicated, which is roughly in line with annual production of rutile and synthetic rutile of approximately 200 thousand tonnes combined.

While year-to-date rutile prices to the end of September are in line with the commentary provided by Iluka at the half, the current pricing environment has weakened, based on some producers unable or unwilling to await demand recovery, to a level approximately 20 per cent below the first half rutile weighted average price level of approximately US\$1,200 per tonne.

PRODUCTION

Lower production levels are in line with Iluka's previously announced operational adjustments, which reflect a major operational response to a cyclical low in market demand and the company's objective to draw down finished goods inventory, while preserving capacity to respond quickly to market demand recovery. On an annualised run rate, production levels to the end of September reflect an approximate 60 per cent utilisation rate relative to typical "mid cycle" production settings across the main products of zircon, rutile and synthetic rutile.

Zircon production on a year-to-date basis was 216.6 thousand tonnes, which reflects the processing of lower levels of heavy mineral concentrate, principally from the Jacinth-Ambrosia operation in South Australia. Rutile production was also constrained to 104.8 thousand tonnes year-to-date, mainly reflecting lower utilisation rates and the build of concentrate in the Murray Basin, Victoria. All of Iluka's four synthetic rutile kilns remained idle and there was no production of synthetic rutile in the September quarter following the idling of the last remaining operational kiln in the second quarter of 2013. This capacity will be reactivated as high grade titanium dioxide demand recovers. Ilmenite production year-to-date was 468.1 thousand tonnes, with some of this material available for sale and some held in inventory as a feed source for the synthetic rutile kilns when reactivated.

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At the Jacinth-Ambrosia mining operation, normal mining operations continued during the September quarter. During the quarter, heavy mineral concentrate shipping to the company's two Australian mineral separation plants at Narngulu, Western Australia and Hamilton, Victoria increased in response to a lower level of finished goods available, and will continue to be adjusted to meet demand whilst minimising cash expenditure. During the quarter approximately 120 thousand tonnes of Jacinth-Ambrosia concentrate was shipped. Over the same period approximately 100 thousand tonnes was processed in Western Australia and 25 thousand tonnes in Victoria.

At the Murray Basin operations, mining and processing operated continuously across the quarter, with the Hamilton mineral separation plant product mix adjusted toward higher zircon, lower rutile production by utilising an approximate 20 per cent blend of Jacinth-Ambrosia heavy mineral concentrate. In terms of forthcoming operational settings, a number of arrangements are likely which may entail continued lower utilisation rates for the mineral separation plant to provide a steady production rate and production continuity, in light of market demand recovery, while also allowing inventories to be worked down.

In Western Australia, the Tutunup South mine remains idled, as does the Eneabba mine in the Mid West.

At Iluka's Virginia operations in the United States mining continues in a lower grade part of the deposit. During the quarter, the Concord mining unit was successfully relocated to a new area. Due to mining being in the lower grade part of the deposit currently as part of the normal mining schedule, heavy mineral concentrate production was lower than capacity at the mineral separation plant.

Appendix 1 shows physical movements on a year-to-date basis. In relation to heavy mineral concentrate produced to that processed the year-to-date figures indicate a concentrate build of approximately 380 thousand tonnes. In the September quarter, concentrate produced and processed was more aligned with approximately 375 thousand tonnes of concentrate produced and approximately 310 thousand tonnes processed.

(<http://www.iluka.com/docs/default-source/asx-releases/september-2013-quarterly-production-report>)

Newcrest Mining Ltd (ASE: NCM)

Newcrest is one of the largest gold companies in the world with a world class portfolio of operating mines, substantial gold reserves and a strong pipeline of growth options located primarily in the Asia Pacific region.

Newcrest dates back to 1966, when Newmont Mining Limited established an Australian subsidiary, Newmont Holdings Limited, which subsequently changed its name to Newmont Australia Limited. In 1990, Newmont Australia Limited acquired Australmin Holdings Ltd, subsequently merged with BHP Gold Limited and changed its name to Newcrest Mining Limited. Newcrest's shares are listed on the Australian Stock Exchange (ASX), the Port Moresby Stock Exchange (POMSoX) and the Toronto Stock Exchange (TSX). Newcrest has been listed on the ASX since 1987 (as Newmont Australia Limited until 1990).

The company's portfolio is comprised predominantly of low cost, long life mines and a strong pipeline of brownfields and greenfields exploration projects. Newcrest has interests in six production provinces in four countries, with a geographic focus in Australia, the Pacific region and Asia. With gold reserves currently representing more than 25 years of production, Newcrest is well-placed to generate strong cash margins from high quality gold assets over the long-term.

Newcrest has experience developing and commissioning both large scale and smaller operations. A range of low cost bulk open pit and underground mining methods are predominantly used to optimize recovery of higher grade epithermal deposits.

In recent years, Newcrest has placed significant focus on investing in strategic research and development of underground bulk-mining technologies from early concept studies to full-scale trials. Through this investment,

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Newcrest has advanced the technical development of caving mining methods with current application at Ridgeway and Telfer, and planned application at Cadia East and Wafi-Golpu.

Discovery of new ore bodies remains an important element in Newcrest's strategy. A key objective of Newcrest's exploration activities is to secure large mineral districts, or provinces, in order to establish long-term mining operations, while enhancing the potential for further discoveries. The principal targets are large porphyry related gold-copper deposits, epithermal gold-silver deposits plus orogenic and sediment-hosted gold deposits. Newcrest has a strong track record of discovering major deposits over the past 15 years, including the deposits at Cadia Hill, Cadia East, Ridgeway, Gosowong, and the O'Callaghans tungsten and base metals deposit.

In addition to the development projects located within provinces where Newcrest already has mining operations, Newcrest is currently evaluating two major prospects with significant metal endowments, namely Wafi-Golpu in Papua New Guinea (PNG) and Namosi in Fiji. Greenfield exploration activities at other sites are also ongoing in Australia, Indonesia, PNG, Fiji and Côte d'Ivoire.

As an unhedged gold producer with a sound balance sheet and strong operating cash flow, Newcrest's financial strength, coupled with extensive technical capability and a pipeline of organic growth opportunities, ensures the company is well placed to deliver competitive returns to shareholders over the long term.

(<http://www.newcrest.com.au/investors/company-summary>)

Regis Resources Ltd (ASX: RRL)

HIGHLIGHTS

GOLD PRODUCTION

- Total gold production for the quarter of 69,878 ounces at a cash cost of production A\$701 per ounce prior to royalties.

MOOLART WELL OPERATIONS

- Gold production of 25,403 ounces for the quarter (Jun 13 qtr: 26,031 oz).
- Cash cost of production A\$605 per ounce prior to royalties (Jun 13 qtr: A\$580/oz).
- Record quarterly throughput of 720,795 tonnes at an annualised throughput rate of 2.9 million tonnes, 45% above the nameplate design capacity of 2mtpa.

GARDEN WELL OPERATIONS

- Gold production of 44,475 ounces for the quarter (Jun 13 qtr: 46,103 oz).
- Cash cost of production A\$755 per ounce prior to royalties (Jun 13 qtr: A\$718/oz).
- Annualised throughput rate for the September 2013 quarter was 5.2 million tonnes, 30% above the nameplate design capacity of 4mtpa.

ROSEMONT GOLD PROJECT

- Rosemont Stage 1 construction completed and commissioning commenced in October 2013.
- Mobilisation of equipment and contractors for the commencement of Rosemont Stage 2 plant expansion.

EXPLORATION

- Significant drill results from RC drilling programme at the Rosemont Gold Project including:

Oceania – Australia Metals and Mining

14 metres @ 4.71 g/t gold from 96 to 110m	24 metres @ 7.79 g/t gold from 163 to 187m
21 metres @ 3.36 g/t gold from 67 to 88m	7 metres @ 9.44 g/t gold from 212 to 219m
23 metres @ 8.17 g/t gold from 140 to 163m	5 metres @ 12.17 g/t gold from 85 to 90m

CORPORATE

- Gold sales of 72,079 ounces at a delivered price of A\$1,477 per ounce (Jun 13: 76,313 oz at A\$1,563/oz).
- Cash flow from operations for the quarter was \$57.1 million (Jun 13: \$63.5m).
- Cash and gold bullion holding at 30 September 2013 was \$92.5 million (Jun 13: \$80.8m).
- Record pre-tax profit of \$201 million announced for 2013 financial year.
- Regis declared a 15 cent per share fully franked dividend in relation to the 2013 financial year, payable on 25th October 2013.
- Appointment of experienced gold mining industry director, Mr Frank Fergusson to the Board of Regis in October 2013.

MOOLART WELL OPERATIONS

Production

Moolart Well Gold Mine operating results for the September 2013 quarters were as follows:

	Sep 2013	Jun 2013	Mar 2013
Ore mined (tonnes)	743,892	653,959	605,355
Ore milled (tonnes)	720,795	664,594	618,749
Head grade (g/t)	1.19	1.32	1.43
Recovery (%)	92	93	92
Gold production (ounces)	25,403	26,031	26,158
Cash cost per ounce (A\$/oz) – pre royalties	A\$605	A\$580	A\$562
Cash cost per ounce (A\$/oz) – incl royalties	A\$666	A\$643	A\$626

During the September 2013 quarter Regis produced 25,403 ounces of gold from the Moolart Well Gold Mine at a pre-royalty cash cost of production of A\$605 per ounce. Production was slightly lower than the previous quarter due to a 10% lower milled head grade, partially offset by an 8% higher mill throughput. The lower head grade was a result of mining and milling a higher proportion of oxide ore which is slightly lower grade than the laterite ore. This was in accordance with the mining schedule and budget for the quarter. The mine and mill grade for the December 2013 quarter is expected to return to around 1.30g/t gold.

The higher oxide blend had a positive effect on throughput for the quarter with the plant operating at the equivalent of 2.9 million tonnes per annum, 45% above nameplate design capacity. The cash cost on a per tonne basis, at \$21.32 per tonne milled, was lower than the prior quarter of \$22.74/t.

During the quarter 362,000 bcm of ore and 1,091,000 bcm of waste were mined from the Moolart Well open pits for a total material movement of 1.45 million bcm. Of the total material mined, 810,000 bcm was mined from laterite pits and 642,000 bcm was mined from the Lancaster and Stirling oxide deposits.

Milling

Operations at Garden Well for the September 2013 quarter produced 44,475 ounces of gold at a pre-royalty cash cost of A\$755 per ounce. Gold production was 3.5% lower than the prior quarter due to the lower grade of ore processed (refer mining reconciliation section below). As a result the cash cost per ounce was higher than the

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previous quarter, however the cost per tonne milled of \$25.70/t, was actually lower than 26.03/t in the June 2013 quarter.

Mill throughput (at 5.22mtpa equivalent) and mill gold recovery of 88% during the quarter were both affected by a short term limitation in the gravity circuit capacity. The plant is currently being run at over 30% above its nameplate capacity of 4mtpa and in due course it is expected that throughput rates will continue to increase to close to 6mtpa. However, over the last quarter it has been established that the current secondary gravity recovery circuit is not able to fully handle the slurry flow at the current throughput rate. At times as much as half of the slurry product from the primary gravity circuit is bypassing the secondary cyclone gravity circuit.

As a result coarse gold particles that should be extracted by the knelson concentrators are required to be recovered in the leaching circuit. With the reduced residence time in the leaching circuit due to the higher throughput, some of this coarse gold has not been fully recovered by the time of tailings discharge. This has resulted in compromised recovery (88%) for the quarter and an inability to push the throughput rates further in spite of the plant having additional crushing and grinding capacity.

Given that all ongoing test-work confirms that the gold in the tail is cyanide extractable the solution is to increase the capacity of the secondary gravity circuit. To this end two new knelson concentrators have been purchased and will be installed within the next three weeks to run in conjunction with the one current secondary knelson concentrator. This will provide significant additional capacity and further redundancy when one concentrator is offline at any time. It is expected to facilitate better throughput and significantly improved recovery going forward. The positive effects of the installation should be seen in the latter part of the December 2013 quarter.

The cost of this installation is expected to be in the order of \$550,000. This cost was already budgeted as part of the Rosemont stage 2 development but the installation has now been brought forward.

Mining

During the September 2013 quarter 631,290 bcm of ore and 3.38 million bcm of waste (inclusive of pre-strip) were mined from the Garden Well open pit for a total material movement of 4.01 million bcm. Mining of ore was largely in the Stage 3 transitional zone of the open pit down to the 410m RL and the transitional / fresh zone of the stage 1 pit. Small lower grade blocks were also mined from the stage 4 and 5 cutbacks to the open pit. In addition a total of 2.33 million bcm of pre-strip waste was mined from the stage 4 and 5 cutbacks to the open pit down to the 483m RL.

Mining Reconciliation

The reconciliation between actual mine production and the geological reserve has been problematic for the first 12 months of the project (as reported a number of times previously) and remained an issue during the September 2013 quarter. The reconciliation for the quarter was as follows:

Actual Mine Output			Reserve		
Tonnes	Grade (g/t)	Ounces	Tonnes	Grade (g/t)	Ounces
1,514,271	1.13	54,889	1,401,042	1.61	72,341

Mined output underperformed the reserve by 24% for total contained gold during the quarter. Although the mined tonnes exceeded the reserve (+8%) the grade underperformed (-30%). The grade differential is primarily believed to be the result of the reserve drill density (40m x 40m) being insufficient to adequately define and quantify the depletion zone currently being mined in the stage 3 pit.

Reserve Definition Drilling

Recognising the mining reconciliation as an ongoing issue for the project and in order to provide greater certainty regarding gold production in the short to medium term, the Company has expedited the drilling of infill reserve definition holes to tighten the drill spacing from 40m x 40m down to 20m x 20m for the reserve to be mined for approximately the next year. This drilling provides greater confidence in the block model by significantly increasing the drill and sample density and may allow reclassification of a significant portion of this in pit resource from Indicated to Measured category. The additional drilling will also be utilised in grade control programmes when these areas are mined in due course.

The ore that has been drilled is the bulk of the mining schedule through until December 2014. The drilling has been completed and analysed against the reserve as follows:

Infill Drilling			Reserve		
Tonnes (millions)	Grade (g/t)	Ounces	Tonnes (millions)	Grade (g/t)	Ounces
7.27	1.20	279,622	6.39	1.32	270,703

DEVELOPMENT PROJECTS

ROSEMONT GOLD PROJECT

The Rosemont Gold Project is located approximately 9 kilometres north-west of the Garden Well Gold Mine at Duketon. The construction of Stage 1 of the Rosemont Gold Project achieved practical completion after the end of the quarter with only minor ancillary construction tasks remaining to be finalised. Stage 1 of the project has been developed as a crushing and grinding circuit at the Rosemont pit with the milled ore product to be pumped to the CIL circuit at Garden Well at the rate of 1.5mtpa for leaching and gold production. Commissioning is now well advanced and the project will shortly move in to operations. The construction has been completed materially in line with the \$55 million budget and the construction schedule. \$39.1 million of the forecast construction costs had been spent by the end of the quarter.

Commissioning of the crushing circuit and ball mill commenced on 19 October 2013 with the plant continuously running from 21 October 2013. First ore was pumped through to the Garden Well processing facility on 20 October 2013.

Transition from commissioning to full scale operations will now be the focus of the development team over the next month. Complete hand over of the project to the operations team is anticipated to take place during this time. It is expected that the first pour of Rosemont gold from the Garden Well processing facility will be late October 2013.

In July 2013 Regis announced that it would build the balance of a full processing plant for Rosemont upon the completion of Stage 1. Stage 2 of the Rosemont development is expected to cost \$20 million and to be completed in the June 2014 quarter. Mobilisation of equipment and contractors for Stage 2 works commenced late in the September 2013 quarter.

Pre Production Mining

Pre-production mining continued at Rosemont during the September 2013 quarter. A total of 2,388,038 bcm of pre-strip waste material was mined during the quarter from the 510 mRL down to the 490 mRL. Total waste material moved to the end of September 2013 is 7 million bcm. It is expected that a total of 10.5 million bcm of overburden

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pre-strip will be mined over the life of the project. The first ore was mined from the project during the quarter with 62,674 bcm of material being mined and stockpiled ready for treatment in October 2013.

Overview

The RC and Diamond drilling programme which commenced in January 2013 at the McPhillamys Gold Project in the Central West region of New South Wales was completed in the June 2013 quarter. No further drilling was conducted at the McPhillamys deposit during the September 2013 quarter as geological interpretation and wireframing of the McPhillamys mineralised ore zone commenced as part of the programme to update the Resource and allow the estimation of a maiden Reserve.

Exploration activities at the Duketon Gold Project in Western Australia focussed on the Rosemont and Moolart Well deposits with only minor water exploration conducted at Garden Well.

Exploration drilling during the quarter totalled 16,085 metres (including 1,788 metres of water exploration drilling), broken down as follows:

By Drilling Type			By Project	
Type	No. Holes	Metres	Project	Metres
Aircore	35	2,648	Rosemont	8,747
RC	95	13,437	Moolart Well	5,140
Total	130	16,085	Garden Well	813
			Petra	1,385
			Total	16,085

(<http://www.regisresources.com.au/reports-2/quarterly-reports#>)

Rio Tinto Ltd (ASE: RIO)

Rio Tinto announces strong third quarter production results

Highlights

		Q3 2013	vs Q3 2012	vs Q2 2013	9 mths 2013	vs 9 mths 2012
Global iron ore shipments	mt (100% basis)	68.0	+4%	+11%	186.6	+4%
Global iron ore production	mt (100% basis)	68.3	+2%	+3%	195.5	+4%
Mined copper	kt (RT share)	162.3	+23%	+11%	458.7	+19%
Aluminium	kt (RT share)	878	+3%	-3%	2,686	+5%
Hard coking coal	kt (RT share)	2,253	-6%	+18%	5,805	-5%
Semi-soft and thermal coal	kt (RT share)	7,070	+14%	-1%	20,287	+21%
Titanium dioxide feedstock	kt (RT share)	373	-7%	-19%	1,261	+10%

- Record quarter for iron ore production, shipments and rail volumes. First shipments through Cape Lambert wharf B were made in late August, four months ahead of the original timeframe. The safe and efficient ramp-up schedule is on track to reach a full run-rate production of 290 Mt/a by the end of the first half of 2014.
- Production at Oyu Tolgoi continued to ramp up and is now consistently producing at design capacity. Shipments of copper concentrate to China commenced on 9 July. Oyu Tolgoi's customers are making good progress with Chinese customs officials to obtain the necessary approvals to allow collection of purchased concentrate from the bonded warehouse.

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- 2013 expectations for mined copper at Kennecott Utah Copper have been upgraded to 185,000 tonnes. The new heavy vehicle access road is expected to be operational in the next few weeks.
- First hot metal was produced at the AP60 plant in Quebec. Once fully commissioned, the 60,000 tonne per year plant will produce 40 per cent more aluminium per cell than the previous generation of AP technology.
- Production of semi-soft and thermal coal improved following the completion of recent brownfield mine expansions and substantial productivity gains through operational improvements from load and haul fleets.
- On track to exceed our \$750 million exploration and evaluation spend reduction target for 2013, having achieved \$729 million in lower exploration and evaluation spend during the nine months to September compared to the same period in 2012.

Rio Tinto share of production (million tonnes)

	Q3 2013	vs Q3 2012	vs Q2 2013	9 mths 2013	vs 9 mths 2012
Pilbara Blend Lump	13.3	+7%	0%	38.5	+6%
Pilbara Blend Fines	19.2	+3%	+4%	56.0	+7%
Robe Valley Lump	1.7	+19%	+20%	4.3	+8%
Robe Valley Fines	3.1	-2%	+1%	8.8	+6%
Yandicoogina Fines (HIY)	13.8	-5%	+4%	39.2	-2%
IOC (pellets and concentrate)	2.4	-1%	0%	6.7	+12%

CORPORATE

The previously announced divestments of the Eagle nickel project and Palabora Mining Company completed on 17 and 31 July 2013, respectively.

On 8 August, Rio Tinto entered into an agreement to provide a bridge facility for up to US\$600 million to its majority owned subsidiary Turquoise Hill Resources. The facility matures on 31 December 2013 and is intended to fund the continued ramp up of phase one of the Oyu Tolgoi mine development. In addition, in the event that Turquoise Hill is required to raise equity to repay this new bridge facility and the existing US\$1.8 billion interim funding facility provided by Rio Tinto, which also matures on 31 December, 2013, Rio Tinto has also agreed, subject to certain conditions being satisfied, to provide a firm stand-by commitment for a fully underwritten rights offering by Turquoise Hill.

EXPLORATION AND EVALUATION

Pre-tax and pre-divestment expenditure on exploration and evaluation charged to the profit and loss account in the first three quarters of 2013 was \$774 million compared with \$1,503 million in the same period in 2012. Of this 2013 expenditure, approximately 40 per cent was incurred by the Copper group, seven per cent by Iron Ore, 19 per cent by Energy, 13 per cent by Diamonds & Minerals (which now includes the Simandou project), one per cent by Rio Tinto Alcan and the balance was incurred by Central Exploration.

During the first nine months of 2013, the Group realised \$12 million (pre-tax) from the divestment of central exploration properties, compared with \$11 million in the same period in 2012. This included the divestment of Murindo (Colombia) site.

Exploration highlights

In the Pilbara, data processing and interpretation of the airborne geophysical surveys continued. Drilling continued on the planned 2013 targets.

Oceania – Australia Metals and Mining

In the Bowen Basin (Queensland, Australia), a 2D seismic survey was completed at Winchester South and Hillalong. Drilling continued at Winchester South and commenced at Hillalong.

In Montana (USA) drilling continued at the Copper Cliff porphyry copper project following up targets from identified from geophysical modelling.

In Chile, drilling commenced at the Olimpo project, and geophysical surveys commenced at the Queen Elizabeth target (an alliance project with Codelco).

In Russia, RTX and its partner, ICT, won a tender for the Kirganik copper exploration project located in the southern Kamchatka peninsula.

In Uzbekistan, geological mapping and ground geophysics targeting copper mineralisation commenced at the Gava prospect.

In China CRTX, the Chinalco Rio Tinto Exploration Joint Venture, signed a cooperation agreement in the Xinjiang Province for copper exploration on the Kalaxianger No. 1 Project.

At Tamarack (USA) summer drilling commenced and was aimed to follow-up significant zones of nickel mineralisation intersected across the project area.

On the Saskatchewan Potash project in Canada, a joint venture with North Atlantic Potash Inc., a subsidiary of JSC Acron, processing and interpretation of the 2012 3D seismic survey continued.

At Rössing (Namibia) resource estimation was completed incorporating the third phase of drilling at the Z20 uranium project.

In Brazil in the Amargosa Orbit, field mapping and auger drilling continued across several targets.

At the Suriapet diamond project in India, gravel sampling continued, but was hampered by monsoonal rains.

About Rio Tinto

Rio Tinto is a leading international mining group headquartered in the UK, combining Rio Tinto plc, a London and New York Stock Exchange listed company, and Rio Tinto Limited, which is listed on the Australian Securities Exchange.

Rio Tinto's business is finding, mining, and processing mineral resources. Major products are aluminium, copper, diamonds, thermal and metallurgical coal, uranium, gold, industrial minerals (borax, titanium dioxide and salt) and iron ore. Activities span the world and are strongly represented in Australia and North America with significant businesses in Asia, Europe, Africa and South America.

(http://www.riotinto.com/documents/PR819g_RioTinto_announces_strong_third_quarter_production_results.pdf)

- China Petroleum and Chemicals
- China Information Technology
- China Biotechnology
- China Banking
- China Automotive
- China Mining
- China Cement
- India Information Technology
- India Banking
- Australia Vanadium
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- US Automotive
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- US Petroleum and Gas
- US Armaments
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- US Textiles Industry
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- Russia Armaments
- France Armaments
- German Automotive
- German Shipbuilding
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