HD	**INDUSTRY SNAPSHOTS; OCEANIA - AUSTRALIA - METAL AND MINING**
WC	18,368 words
PD	15 October 2014
SN	Industry Snapshot
SC	ACQIND
LA	English
CY	

LP

LATEST COMPANY NEWS

News and Commentary

TD

Australia's coal sector defies all comers to keep on mining - 13/10/2014

Australian coal output is hitting record highs and producers are pressing on with plans to open new mines.

For the complete story see:

(http://in.reuters.com/article/2014/10/12/coal-australia-idINL3N0S702H20141012)

Bidness ETC - Rio's Acquisition of Freeport Could Ward off Rio-Glencore Merger - 12/10/2014

Rio Tinto is deliberating over purchasing another mining company.

For the complete story see:

(http://www.bidnessetc.com/27122-rios-acquisition-of-freeport-could-ward-off-rioglencore-merger/)

Business Today - Lanco in talks to sell stake in Griffin coal mine - 11/10/2014

Lanco is in talks with investors to sell a stake in its Griffin coal mine in Australia.

For the complete story see:

(http://businesstoday.intoday.in/story/lanco-in-talks-to-sell-stake-in-griffin-coal-mine/1/211277.html)

ABC Online - China's push for coal import tariff could cost Australian mining jobs - 10/10/2014

China's decision to impose tariffs on coal imports could cause mine closures and job losses in Australia.

For the complete story see:

(http://www.abc.net.au/news/2014-10-10/chinas-push-for-coal-import-tariff-could-cost-jobs/5803494)

SteelGuru - Mining efficiency drops 40pct in Australian iron ore mines - 10/10/2014

PricewaterhouseCoopers said that its studies have shown efficiency of use of mining equipment in Australia has dropped.

For the complete story see:

(http://www.steelguru.com/international_news/Mining_efficiency_drops_40pct_in_Australian_iron_ore_mines/350678.html)

Media Releases

BHP Billiton Opens Caval Ridge Metallurgical Coal Mine in Central Queensland – 13/10/2014

Today BHP BillitonCoal President, Dean Dalla Valle, was joined by the Hon. Tony Abbott MP, Prime Minister of Australia, and joint venture partner Mitsubishi in a ceremony to open the US$3.4 billion Caval Ridge Mine, which has created around 500 jobs in Queensland.

Caval Ridge Mine is the BHP Billiton Mitsubishi Alliance's (BMA)1 eighth operation in the region and will initially produce up to 5.5 million tonnes per annum of premium quality metallurgical coal. The mine was delivered below budget, and produced its first coal three months ahead of schedule.

Mr Dalla Valle said the official opening was an opportunity for BHP Billiton and Mitsubishi to showcase a world class new mine in Queensland, which will contribute to Australia's coal export industry.

"Today's opening of the Caval Ridge Mine is a significant milestone for BHP Billiton. The operation will produce metallurgical coal for the steel industry and has been constructed with the latest technology to be one of the most productive, sustainable and highly performing metallurgical coal mines in the world," he said.

"Energy efficiency is a key focus for the mine and was built into its design and management system. This includes the use of highly efficient equipment and the optimisation of truck, shovel and dragline movements. This improves the efficiency of our energy use and helps minimise our greenhouse gas emissions.

"Since commencing operation, the Caval Ridge team has already achieved an Australian record for the amount of overburden moved by a shovel in one week."

Mr Dalla Valle noted that recently BHP Billiton's Coal business has needed to make some difficult decisions to ensure its operations remain sustainable.

"We are confident that if we maintain our productivity focus then we will continue to have a globally competitive business that will provide employment opportunities for generations to come," he said.

Mr Dalla Valle said he was proud of the diverse workforce at Caval Ridge Mine, which helps shape a positive and productive culture at site.

"Caval Ridge Mine's workforce, who commute from Cairns and Brisbane, include 21 per cent females, three per cent Indigenous and 43 per cent new-to-industry employees. We have invested considerably in recruiting and training new entrants to the **coal** industry who will work alongside some of our experienced operators," he said.

"Having a FIFO operation enabled us to reach a wider potential employee pool across the State, not only bringing greater diversity but also enabling us to share the economic benefits of the mine more broadly. Over 30,000 people applied for around 950 roles at Caval Ridge and its sister mine Daunia."

BHP Billiton, in partnership with Mitsubishi, is the largest employer in the Bowen Basin region, with over 7,000 employees. Of the eight **operations**, six have a **residential** workforce and FIFO is just one part of the **company**'s workforce offering, enabling choice for employees on where they would like to work and live.

(
http://www.bhpbilliton.com/home/investors/news/Pages/Articles/BHP-Billiton-Opens-Caval-Ridge-Metallurgical-**Coal**-Mine-in-Central-Queensland.aspx)

Statement regarding press speculation – 7/10/2014

The **board** of Rio Tinto notes the recent press speculation regarding a possible combination of Rio Tinto and Glencore.

The Rio Tinto**board** confirms that no discussions are taking place with Glencore.

In July 2014, Glencore contacted Rio Tinto regarding a potential merger of Rio Tinto and Glencore.

The Rio Tinto**board**, after consultation with its financial and legal advisers, concluded unanimously that a combination was not in the best interests of Rio Tinto's shareholders.

The **board**'s rejection was communicated to Glencore in early August and there has been no further contact between the companies on this matter.

Rio Tinto remains focused on the successful execution of its strategy, which the **board** of Rio Tinto is confident will continue to deliver significant and sustainable value for shareholders.

Rio Tinto chairman Jan du Plessis said "Under the leadership of Sam Walsh and Chris Lynch, Rio Tinto has made significant progress in refocusing and strengthening its business.

"The **board** believes that the continued successful execution of Rio Tinto's strategy will allow Rio Tinto to increase free cash flow significantly in the near term and materially increase returns to shareholders. Rio Tinto's shareholders stand to benefit from the very considerable value that this will generate."

(
http://www.riotinto.com/media/media-releases-237_12910.aspx)

Company Response Iluka's Sustainabilty Credentials – 6/10/2014

Iluka Resources Limited (Iluka) is confident of its sustainability credentials. It is not apparent on what bases the research commissioned by the ANU would have determined Iluka is other than an ethical and environmentally responsible company. The company operates a Governance framework in compliance with ASX Corporate Governance Principles and has a commitment to the highest standards of health, safety and environmental performance. The company has a track record of responsible rehabilitation of areas disturbed by mining.

Iluka was recognised by the South Australian Government for its environmental performance, awarded the 2014 Premier’s Award for Environmental Excellence and partners with the University of Western Australia through funding a professorial chair for the restoring of a unique bio diverse environment in Western Australia. The company has likewise been accorded external recognition for its approach to social inclusion relating to indigenous employment, business development and mentoring programmes.

The materials which Iluka mines and processes are used in a myriad of daily applications: paint and coatings, including for pills and foodstuffs; titanium metal; ceramics and in a range chemical applications. Iluka recognises the need for, and ensures it conducts its activities, to meet the highest sustainability standards.

Some examples of Iluka’s sustainability credentials are provided below.

Environment

Iluka was awarded the SA Premier’s Award for Environmental Excellence in 2014 in relation to environmental management practices at its Jacinth-Ambrosia mine in South Australia.

The attached link provides information on the mineral sands mining process, with examples under the Rehabilitation relating to company practices in the Murray Basin, Victoria and Eucla Basin, South Australia.

Iluka also has a collaboration with the University of Western Australian and sponsors a professorial chair in bio diversity

Diversity and Social Inclusion

Iluka achieved a South Australian Award for Social Inclusion in 2013 its commitment to indigenous employment, education and business development programs implemented in partnership with the Far West Coast Native Title Claimant Group associated with its Jacinth-Ambrosia mineral sands operation in South Australia."

Water management award – Western Australia

Iluka gained the Women in Resources Award (Western Australia), 2014 from the Chamber of Minerals and Energy’s Women in Resources Awards, for achieving improved site female representation and the introduction of a values-based recruitment process.

Iluka awarded the Gender Diversity Champion in Australian Resources, at the inaugural Women in Resources National Awards, September 2014.

Safety

Following the implementation of a safety leadership programme in mid 2013, Iluka has materially improved its safety performance and would be considered to have a leading safety performance for a resources **company**.

(http://www.iluka.com/docs/default-source/media-releases/media-release---**company**-response-iluka's-sustainability-credentials-(6-oct-2014))

Latest Research

Conservation and Access to Land for **Mining** in Protected Areas: The Conflict Over **Mining** in South Australia's Arkaroola Wilderness Sanctuary

Alexandra Wawryk

Abstract

This article discusses the continuing legal complexities and challenges that exist in balancing the interests of **mining** and conservation in protected areas, through an exploration and critical analysis of the law relating to **mining** and protected areas in South Australia, and a case study of the recent controversy over **mining** in the Arkaroola Wilderness Sanctuary. The analysis of the legal regime demonstrates a hierarchy in procedural protection, with areas of public land with very high conservation values at the top of the hierarchy, and private land generally at the bottom. The resolution of the conflict over **mining** in Arkaroola, and reforms subsequently proposed to South Australia's system of protected areas, suggest new ways to better protect conservation from **mining** on private land.

(http://jel.oxfordjournals.org/content/early/2014/05/19/jel.equ008.abstract)

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.

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 June 2014

• Shipments of 3.16Mt (dmt), up 0.13Mt on prior quarter

• Record sales of 3.32Mt (dmt), up 0.13Mt on prior quarter

• Record full year shipments of 12.5Mt (dmt), up 4.4Mt on prior year

• Annualised shipment rate of ~13Mt (dmt) expected to be achieved in 1Q FY15

• Average Platts market index price (62% Fe CFR) US$103/dmt, down US$18/dmt on prior quarter

• Average realised price ~US$85/t CFR (dmt), down US$25/t on prior quarter

• Average grade of shipments 59.6% Fe, average for full year 59.9% Fe

• Average cash cost loaded on ship A$45.9/wmt, down from A$47.4/wmt in prior period

• New tug fleet commissioned May – greater operational weather resilience and faster barge towage

• Re-development of Iron Knob Mining Area progressing in line with schedule and budget

• Completed ramp up of Magnetite expansion project

Market

The Platts 62% Fe index averaged US$103/t CFR (dmt), a US$18/t decrease compared to the prior quarter. Arrium's average price of US$85/t CFR (dmt) was down USS$25/t compared to the prior quarter. On an FOB basis, Arrium's average price was down US$23/t to US$71/t (dmt) 4

.

In Australian dollars, Arrium's average price for the quarter was $92/t CFR (dmt), and $77/t (dmt) on an FOB basis. Market prices were under pressure in the quarter due to factors including increased discounting related to additional supply (particularly lower grade ores), the tightening of credit in China and higher port stocks in China. Arrium's realised CFR price as a percentage of the Platts average price decreased compared to the prior quarter, reflecting a significantly lower premium for lump ores, increased shipments of medium grade ores (largely related to the impact of adverse weather on Southern Iron volumes), increased market discounting for medium grade ores, and some pricing adjustments for contract customers. Arrium has a range of pricing arrangements with its contract customers, some of which settle in subsequent periods.Lower prices in the June quarter led to adjustments for some prior period shipments. The impact in the quarter of the prior period price adjustments on Arrium's average CFR price was US$2/t. Excluding the impact of prior period adjustments, Arrium's Opal Blend and Whyalla Blend products, which averaged ~60% Fe, achieved average prices for the quarter of above 90% of the Platt 62% Fe index.

For the full year, Arrium's average price was US$111/t CFR (dmt), or ~91% of the average Platts 62% index price. Arrium is continuing to broaden its customer base in the North Asian region, both in and outside China.

Production and Shipping

Hematite ore mined for export in the Middleback Ranges was 1,944k (wmt) for the quarter, up 20% on the prior quarter. The higher output related to increased mining at the Iron Chieftain.

Ore mined at Peculiar Knob in our Southern Iron operation was 854k (wmt), down 18% compared to the prior quarter. A significant rain deluge in April halted mining and trucking for almost a week, resulting in the loss of rail paths to Whyalla. However, increased supply chain flexibility related to the recent expansion enabled lost production from Southern Iron to be largely supplemented with material from the Middleback region, albeit at a slightly lower grade.

Ore shipments of 3,159k (dmt) for the quarter were 133k (dmt) above ore shipments in the prior quarter. An upgraded tug fleet was commissioned in May enabling transhipping to cope with a broader range of operational and weather conditions. The quarter also included a number of Port records, including a record cape loading rate of 3.9 days, and a record vessel lift of 201,160 (wmt) on the vessel MV Yuan Wang Hai. Utilising larger vessels reduces sea freight on a $/t basis as it reduces the number of vessels required.

Costs

Arrium Mining’s average cash cost loaded on the ship (excluding royalties and depreciation) was A$45.9/wmt for the quarter, A$1.5/wmt lower than for the prior period. This was achieved partly through cost benefits at the Middleback Ranges operation from increased mining volumes, the utilisation of lower valued stockpiled materials and improved efficiencies and cost management processes. The average cost also reflects a reduced proportion of higher cost Opal Blend in the sales mix.

Development

Iron Knob Mining Area

Arrium is continuing its re-development of the Iron Knob Mining Area as part of its focus on utilising the expanded port capability of ~13mtpa. The project comprises three open cut mine pits (Monarch, Princess East and Princess West). The project is continuing to run to schedule and budget. The tender for the rail reinstatement to the site was issued in March and design work on the crushing plant circuit design is continuing. The pit mining sequence is on plan and drilling and blasting is also on schedule. First ores are expected in the first half of FY15.

Magnetite Optimisation Project

This project includes the 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. 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 construction phase of the project was completed in November ahead of schedule and budget. Focus is now on delivering further operational benefits including increased output of magnetite concentrate.

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 and non-ferrous opportunities across the Middleback Ranges and Southern

Iron tenements

Drilling activity in the June quarter totalled 13,867m. The program included resource definition and extension Reverse Circulation (RC) drilling and specialist hydrogeological drilling. Up to four rigs were allocated to the Hematite stream, with a strong focus on the Middleback Ranges projects.

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 to the mineralised envelope over a 700m long zone to the north of the Chieftain pit.

In the **Iron** Baron area, RC drilling commenced at prospects adjacent to the **Iron** Queen pit. At Queen Outlier, immediately to the south west of the Queen pit, drilling commenced to test an area of ferruginous material identified in outcrop during field mapping.

In the **Iron** Monarch area, RC drilling was carried out to test the potential for mineralisation immediately to the north of the Monarch pit and at **Iron** Princess. In addition, hydrological drilling comprising pump testing and analysis to support mine planning commenced at **Iron** Princess.

In the Southern **Iron** project portfolio, resource definition and extension RC drilling continued on the Hawks Nest project at the Buzzard and Tui hematite prospects. Drilling focussed particularly on new hematite targets to the south west of Buzzard, identified by the high resolution ground gravity survey completed in late 2013. Beyond the immediate Buzzard-Tui area, a further ground gravity survey was completed over all interpreted prospective **iron** formation within the Hawks Nest project area.

Drilling and assay results from these programs are being progressively incorporated into the mine plan.

In addition, planning for further high resolution ground gravity surveys to assist in targeting for both the ferrous and non-ferrous programs was finalised in the Middleback Ranges and the Southern **Iron** tenements. A number of areas considered prospective for non-ferrous opportunities related to the Gawler Craton **Iron** Oxide **Copper Gold** mineralising event have been defined across the project portfolio.

(http://www.arrium.com/~/media/Files/ASX%20Announcements/FY2014/Arrium%20Mining%20Quarterly%20Production%20Report%2021%20July%202014.pdf)

Alumina Ltd (ASE: AWC)

Alcoa Second Quarter Earnings Results

Alumina Limited notes Alcoa Inc's ("Alcoa") quarterly earnings release and attaches it for reference. Relevant market data to assist readers in understanding the market, operational and **commercial** matters of Alcoa World **Alumina** & Chemicals ("AWAC") are also attached.

Alumina Limited's CEO Peter Wasow, commented, "Margins for the **alumina** segment declined over the second quarter from the first quarter predominately due to a higher Australian dollar and Brazilian Real, the timing of maintenance, and higher **oil** costs. Industry conditions remained challenging due to long refining positions in the Atlantic region and China as smelter curtailments in those areas reduced demand."

AWAC's production of alumina was 3.9 million tonnes for the second quarter.

Alumina Limited received capital and income repayments from AWAC of $20 million in the second quarter bringing the total receipts to $54 million for the first half of this year. Alumina Limited's capital contributions to AWAC were $14 million during the second quarter and $32 million for the first half.

Alumina Limited's net debt was $134 million at the end of June 2014.

Alcoa Reports Strong Second Quarter 2014 Profits Driven By Continued Portfolio Transformation

2Q 2014 Highlights

• Net income of $138 million, or $0.12 per share; excluding special items, net income of $216 million, or $0.18 per share, up sequentially and year-over-year

• Revenue of $5.8 billion, up 7 percent sequentially, steady from the prior year period

• Engineered Products and Solutions delivers highest after-tax-operating income in history of $204 million; record adjusted EBITDA margin of 23.1 percent

• Global Rolled Products after-tax-operating income up 34 percent sequentially

• Upstream business improves performance for 11th consecutive quarter

• $302 million in productivity gains across all segments year-over-year

• Lowest net debt since third quarter 2007; cash on hand of $1.2 billion

• $518 million cash from operations; $260 million positive free cash flow

• Global aluminum demand growth forecast of 7 percent in 2014 reaffirmed; global aluminum deficit increasing; global alumina surplus shrinking

2Q 2014 Portfolio Transformation Highlights

• Announced agreement to acquire Firth Rixson, global jet engine component leader; expected to contribute $1.6 billion in incremental revenues and $350 million EBITDA in 2016

• Investing $125 million in Alcoa Power and Propulsion (APP) to expand advanced jet engine component offerings;

APP revenues to reach $2.2 billion in 2016

• Expansion in Davenport, Iowa ramping up production to serve automotive demand; Tennessee auto expansion on track

• Safely completed previously announced curtailments of 147,000 metric tons of smelting capacity in Brazil

• Letter of intent signed to pursue sale of ownership stake in Alcoa Minerals of Jamaica bauxite mine and alumina refinery

Lightweight metals technology, engineering and manufacturing leader Alcoa (NYSE:AA) today announced that profits surged in the second quarter as the Company's portfolio transformation continues accelerating. Alcoa is aggressively transforming its portfolio by building out its value-add businesses to capture profitable growth and by creating a lower cost, very competitive commodity business.

In second quarter 2014, Alcoa reported net income of $138 million, or $0.12 per share, which includes $78 million in special items largely tied to a previously announced restructuring aimed at reducing the cost base of the commodity business.

Excluding the impact of special items, net income was $216 million, or $0.18 per share, more than double sequentially and nearly triple year-over-year.

"Our second quarter results prove Alcoa's transformation is in high gear," said Klaus Kleinfeld, Alcoa Chairman and Chief Executive Officer. "We are taking the downstream business to new profitability heights, capturing midstream demand as auto lightweighting accelerates, while continuing to relentlessly improve upstream performance. Our strategy of building a lightweight multi-material innovation powerhouse and a highly competitive commodities business is driving compelling and sustainable shareholder value."

Second quarter 2014 revenues climbed sequentially to $5.8 billion and held steady from the same period last year. The sequential improvement resulted from stronger volumes in the mid and downstream, improved metal pricing, and higher energy sales.

All of Alcoa's business segments were profitable during the quarter. Engineered Products and Solutions (EPS), the downstream business, achieved its best ever results, delivering $204 million in after-tax operating income (ATOI). The midstream business, Global Rolled Products (GRP), continued to capture increasing demand for automotive sheet. The upstream business, comprising Alumina and Primary Metals, improved performance for the 11th consecutive quarter. Primary Metals' results reflect a more competitive business, the positive impact of energy sales, and higher regional premiums due to robust aluminum demand.

Sequentially, second quarter 2014 results compare to a net loss of $178 million, or $0.16 per share, in first quarter 2014. Excluding special items, second quarter 2014 results compare to net income of $98 million, or $0.09 per share, in the sequential period.

Year-over-year, second quarter 2014 results compare to a net loss of $119 million, or $0.11 per share, in second quarter 2013. Excluding special items, second quarter

2014 results compare to net income of $76 million, or $0.07 per share, in the year-ago period.

Special items in second quarter 2014 included the previously announced restructuring associated with the closure of the Point Henry smelter in Australia and the Australian rolling mills. There were also costs associated with the Firth

Rixson acquisition agreement and the recently completed U.S. labor contract negotiations.

Continued Growth Across End Markets

Alcoa continues to project 2014 global aerospace growth of 8 to 9 percent driven by robust demand for both large commercial aircraft and regional jets. The Company's projected 2014 automotive growth of 1 to 4 percent, packaging growth of 2 to 3 percent, and building and construction growth of 4 to 6 percent, remain unchanged. In the industrial gas turbine market, the Company's projected decline of 8 to 12 percent, on lower orders for new gas turbines and spare parts, also remains unchanged.

Alcoa increased its 2014 estimate for the North America commercial transportation market to a range of 10 to 14 percent, from a previous range of 5 to 9 percent in the first quarter. The higher estimate is based in part on rising truck orders and backlogs. Globally, Alcoa continues to expect a steady commercial transportation market in 2014 of -1 to 3 percent due to weakness in the European market.

Additionally, Alcoa reaffirmed its 7 percent global aluminum demand growth projection for 2014.

For 2014, the Company sees a global aluminum deficit of 930,000 metric tons, an increase from a deficit of 730,000 metric tons estimated in the first quarter. Alcoa also sees a tightening of the alumina market with a surplus declining from 2,257,000 metric tons in the first quarter to 824,000 metric tons in second quarter 2014.

Value-Add Portfolio Transformation

Alcoa's strategy to build out its value-add businesses took a major step forward in the second quarter with the signing of a definitive agreement to acquire Firth Rixson, a global leader in aerospace jet engine components. The $2.85 billion cash and stock acquisition will further strengthen Alcoa's robust aerospace portfolio, positioning the Company to capture additional aerospace growth with a broader range of multi-material, value-add jet engine components.

Firth Rixson's revenues are expected to grow 60 percent over the next three years, from $1 billion in 2013 to $1.6 billion, and contribute $350 million EBITDA in 2016. Firth Rixson's sales are expected to grow 12 percent annually through 2019, a rate more than double the expanding global aerospace market. Approximately 70 percent of Firth Rixson's revenue growth is secured by long-term agreements.

In the second quarter, Alcoa also announced two organic investments in its Power and Propulsion (APP) business in the EPS segment totaling $125 million to meet increasing demand for next-generation jet engine components. In La Porte, Indiana, Alcoa is investing $100 million to build a new state-of-the-art 320,000-square-foot facility. It will expand Alcoa's reach in structural engine components for military, business and regional jets to large commercial aircraft, including narrow-and wide-body airplanes. In Hampton, Virginia, Alcoa is scaling-up technology at an existing plant to cut the weight of its highest-volume jet engine blades by 20 percent. The lighter blade will enhance aerodynamic performance for increased fuel efficiency. Both expansions are expected to be complete by fourth quarter 2015 and will contribute towards APP's expected $2.2 billion revenues in 2016.

In Alcoa's GRP segment, the automotive expansion in Davenport, Iowa, is complete and will continue to ramp up production in the third quarter to serve growing demand for aluminum intensive vehicles. Alcoa's second automotive expansion in Tennessee is on schedule for completion in mid 2015. The amount of aluminum body sheet content in North American vehicles is expected to quadruple by 2015 and increase tenfold by 2025 from 2012 levels. In addition, the rolling mill at the Ma'aden-Alcoa joint venture in Saudi Arabia produced its first production-grade coil on schedule.

Upstream Portfolio Transformation

The Company continues to execute previously announced portfolio actions to lower the cost base of its commodity business and take further decisive action to optimize its portfolio.

In the second quarter, Alcoa completed the curtailment of 147,000 metric tons of smelting capacity in Brazil at São Luís (Alumar) and Poços de Caldas. In August, Alcoa will permanently close the 190,000 metric ton Point Henry aluminum smelter in Australia.

The Saudi Arabia joint venture is also integral to the Company's strategy of increasing the cost competitiveness of its commodity portfolio. In the second quarter, the start up of the Saudi Arabia smelter, the lowest cost aluminum production facility in the world, was completed.

To further optimize the Alumina business, Alcoa signed a non-binding letter of intent to pursue a sale of its ownership stake in Alcoa Minerals of Jamaica, L.L.C (AMJ), which operates the Jamalco bauxite mining and alumina refining joint venture. Jamalco is owned jointly by AMJ (55%) and Clarendon Alumina Production Ltd. (45%). AMJ is part of the Alcoa World Alumina & Chemicals (AWAC) group of companies and is owned 60% by Alcoa and 40% by Alumina Ltd. Clarendon Alumina Production Ltd. is a company wholly owned by the Government of Jamaica.

The above actions are consistent with the Company's goal of lowering its position on the world aluminum production cost curve to the 38th percentile and the alumina cost curve to the 21st percentile, by 2016.

Financial Performance

Alcoa continues to drive strong performance across all businesses, delivering $302 million in second quarter productivity gains across all segments and $556 million in year-over-year productivity gains in the first half of 2014 against an $850 million annual target. Productivity gains have been driven by process improvements and procurement savings across all businesses. Alcoa managed growth capital expenditures of $206 million against a $500 million annual target and controlled sustaining capital expenditures of $261 million against a $750 million annual plan. Contributions in the Saudi Arabia joint venture project were on track at $64 million invested against a $125 million annual plan.

Free cash flow for the quarter was $260 million, with cash from operations generating $518 million. Alcoa ended the quarter with cash on hand of $1.2 billion, up from $665 million in first quarter 2014.

The Company reported an average of 33 days working capital for the quarter, up 4 days from second quarter 2013. The increase was primarily due to inventory build to support automotive growth and third quarter 2014 sales expectations, as well as to fulfill stocking requirements for both the recently-completed labor negotiations and curtailments. Sequentially, average days working capital was 3 days higher primarily due to longer customer terms and inventory build to support the automotive growth.

Alcoa's net debt decreased sequentially from $7.1 billion to $6.9 billion in second quarter 2014, the lowest since 2007. Alcoa's debt totaled $8.1 billion. The Company's debt-to-capital ratio stood at 35.4 percent, while net debt-to-capital ratio stood at 31.8 percent.

Segment Performance Engineered Products and Solutions

ATOI was a quarterly record of $204 million, up $15 million, or 8 percent, sequentially and up $11 million, or 6 percent, year-over-year. Sequentially, higher volumes across all businesses and favorable productivity drove the improvement. This segment reported a record adjusted EBITDA margin of 23.1 percent, compared to 22.2 percent for both first quarter 2014 and the same quarter last year.

Global Rolled Products

ATOI in the second quarter was $79 million compared to $59 million in first quarter 2014, a 34 percent improvement, and $79 million in second quarter 2013. Sequentially, the improvement in ATOI was driven by higher seasonal demand for can sheet and strengthening orders for brazing sheet, industrial and commercial transportation products due to recovering economies in Europe and the United States, as well as the absence of a first quarter charge related to the planned permanent shutdown of the Australia rolling operations. This segment also continues to capture automotive demand. These favorable impacts were partially offset by costs associated with recently completed U.S. labor contract negotiations.

Alumina

ATOI in the second quarter was $38 million, down $54 million sequentially, and down $26 million year-over-year. The decline in sequential ATOI was primarily due to the first quarter benefit from the sale of Alcoa's Suriname gold mine interest, unfavorable foreign exchange rates, lower Alumina Price Index (API) pricing, and additional costs due to outages and maintenance. Adjusted EBITDA per metric ton fell $10 from first quarter 2014 to $39 per metric ton in second quarter 2014.

Primary Metals

ATOI in the second quarter was $97 million, up $112 million sequentially from negative $15 million, and up $129 million from negative $32 million in second quarter 2013. Third-party realized price in second quarter 2014 was $2,291 per metric ton, up 4 percent sequentially, and up 2 percent year-over-year. Sequential results were driven by higher London Metal Exchange (LME) pricing and regional premiums, increased power sales, and the absence of special charges recorded in the first quarter. Results were partially offset by unfavorable foreign exchange rates. Adjusted EBITDA per metric ton was $337, $187 per metric ton higher than first quarter 2014.

(http://www.aluminalimited.com/database-files/view-file/?id=6562)

BHP Billiton Ltd (ASE: BHP)

Strong operating performance delivered a 9% increase in Group production with annual records achieved across 12 operations and four commodities.

Western Australia Iron Ore achieved a fourteenth consecutive annual production record as volumes increased to 225 Mt (100% basis), significantly exceeding initial full-year guidance. We now expect production of 245 Mt (100% basis) from the Pilbara in the 2015 financial year.

Metallurgical coal production of 45 Mt exceeded full-year guidance as Queensland Coal achieved record production and sales volumes.

Copper production increased to 1.7 Mt as an improvement in mill throughput and concentrator utilisation offset grade decline at a number of operations.

Petroleum production increased by 4% to a record 246 MMboe with an 18% increase in liquids volumes underpinned by significant growth at Onshore US and Atlantis.

Six major projects were completed and another two projects achieved first production, including the Caval Ridge coal mine which was completed ahead of schedule and under budget in the June 2014 quarter.

BHP Billiton Chief Executive Officer, Andrew Mackenzie, said: "Our focus on productivity has resulted in a significant improvement in operating performance at each of our major businesses this year, with a nine per cent1increase in Group production and record output at

12 operations. Western Australia Iron Ore and Queensland Coal annual production exceeded guidance, with both rising by more than 20 per cent as we delivered more tonnes from existing infrastructure and growth projects ahead of schedule. At Escondida, an increase in mill throughput and concentrator utilisation offset copper grade decline, while our Onshore US business delivered a 73 per cent increase in petroleum liquids production.

“We expect to maintain strong momentum and remain on track to generate Group production growth of 16 per cent1 over the two years to the end of the 2015 financial year. In Petroleum, we are investing in our highest-return acreage while a broader improvement in productivity is expected to underpin stronger iron ore, copper and metallurgical coal volumes. We will remain focused on value over volume as we prioritise our brownfield development options and consider the next phase of portfolio simplification.”

Strong operating performance in the 2014 financial year delivered a nine per cent increase in Group production as records were achieved across 12 operations and four commodities. Group production growth of 16 per cent is expected over the two years to the end of the 2015 financial year.

Western Australia Iron Ore (WAIO) significantly exceeded initial full-year production guidance as the early commissioning of Jimblebar and our productivity agenda raised the capacity of our integrated supply chain. The ramp-up of Jimblebar to 35 Mtpa (100 per cent basis) is now expected before the end of the 2014 calendar year and will support a further 20 Mt increase in WAIO production to approximately 245 Mt (100 per cent basis) in the 2015 financial year. A low-cost option to expand Jimblebar to 55 Mtpa (100 per cent basis) and broader debottlenecking of the supply chain are expected to underpin further growth in capacity towards 270 Mtpa (100 per cent basis).

Metallurgical coal production exceeded full-year guidance as Queensland Coal achieved record production and sales volumes. This included first production from Caval Ridge, the successful ramp-up of Daunia and record production at Peak Downs, Saraji, South Walker Creek and Poitrel. Metallurgical coal production is forecast to increase by four per cent in the 2015 financial year to 47 Mt as the ramp-up of Caval Ridge is completed.

Escondida copper production increased by two per cent as an improvement in mill throughput and concentrator utilisation offset declining ore grades. With further improvements in productivity anticipated, Escondida is on track to produce approximately 1.27 Mt of copper in the 2015 financial year, while Group copper production is forecast to increase by five per cent to 1.8 Mt.

Energy coal volumes were broadly unchanged in the 2014 financial year as a fifth consecutive production record at

New South Wales Energy Coal and record volumes at Cerrejón were offset by lower production at South Africa Energy Coal and Navajo Coal. Energy coal production for the 2015 financial year is expected to remain broadly unchanged at 73 Mt.

Petroleum production of 246 MMboe marginally exceeded revised full-year guidance as liquids volumes in our Onshore US business increased by 23 per cent in the June 2014 quarter. Petroleum production is forecast to increase by five per cent in the 2015 financial year to 255 MMboe with high-margin liquids volumes expected to increase by 16 MMboe. We remain confident that Onshore US will be strongly EBIT positive in the 2015 financial year as the liquids contribution is forecast to rise to approximately 40 per cent of total shale production.

Major development projects

At the end of the 2014 financial year, BHP Billiton had eight low-risk, largely brownfield major projects under development with a combined budget of US$14.1 **billion**.

During the 2014 financial year we successfully completed six projects, namely: Macedon; North West Shelf North Rankin **B** Gas Compression; WAIO Jimblebar Mine Expansion; WAIO Port Blending and Rail Yard Facilities; Samarco Fourth Pellet Plant; and Caval Ridge. Caval Ridge was completed in the June 2014 quarter, ahead of

schedule and under budget, and will not be reported in future Operational Reviews. Another two projects, Newcastle Third Port Stage 3 and Cerrejón P40, delivered first **coal** during the year.

A US$212 **million** increase in the budget of the Escondida Oxide Leach Area project to US$933 **million** has been approved. The project is now expected to be completed in the second half of the 2014 calendar year with no associated impact to production.

Corporate update

BHP Billiton expects Underlying EBIT in the June 2014 half year to include additional charges in a range of approximately US$0.9 **billion** to US$1.3 **billion** related to: impairments and mine **site** rehabilitation; and redundancies and the closure of **operations** associated with our productivity agenda. Items include impairments (related to the Port of Vancouver and small Gulf of Mexico petroleum assets) and mine **site** rehabilitation costs in Petroleum and Potash, and the impairment of assets at South Africa **Energy Coal**. Redundancy costs will be recognised in our **Coal**, **Iron Ore** and Aluminium, Manganese and Nickel Businesses, while additional costs will be recognised following the closure of aluminium smelting activities at Bayside. This guidance will be updated should material information or events arise as the **Company** finalises its financial statements.

We continued to simplify our portfolio during the 2014 financial year with the successful completion of numerous **transactions**, including Jimblebar and Pinto Valley. In the last two years alone, the **Group** has completed **transactions** exceeding US$6.7 **billion** in Australia, the United States, Canada, South Africa and the United Kingdom, including petroleum, **copper**, **iron ore**, **coal**, mineral sands, **uranium** and diamonds assets. We continue to actively study the next phase of simplification, including structural options, but we will only pursue options that maximise value for BHP Billiton shareholders.

Marketing update

The average realised prices achieved for our major commodities are summarised in the table below. Iron ore shipments, on average, were linked to the index price for the month of shipment, with price differentials reflecting product quality. The majority of metallurgical coal and energy coal exports were linked to the index price for the month of shipment or sold on the spot market, with price differentials reflecting product quality.

Total petroleum production – Petroleum production increased by four per cent in the 2014 financial year to 246 MMboe and included strong performance from Onshore US, which delivered a 73 per cent increase in liquids volumes. Petroleum production is forecast to increase by five per cent in the 2015 financial year to 255 MMboe as continued growth at Onshore US contributes to a 16 MMboe increase in total liquids production. Conventional volumes for the 2015 financial year are forecast to remain broadly unchanged, consistent with prior guidance.

Crude oil, condensate and natural gas liquids – Crude oil, condensate and natural gas liquids production increased by 18 per cent in the 2014 financial year to 106 MMboe. Onshore US liquids production increased by 23 per cent in the June 2014 quarter and we expect to carry strong momentum into the 2015 financial year as shale liquids volumes are forecast to increase by over 17 MMboe in the period. We remain confident that Onshore US will be strongly EBIT positive in the 2015 financial year as the liquids contribution is forecast to rise to approximately 40 per cent of total shale production.

In our conventional business, a near doubling of production at Atlantis was achieved ahead of prior guidance as the early completion of two production wells brought forward volumes into the 2014 financial year. While production at Pyrenees declined by 12 per cent as a result of major maintenance, volumes recovered strongly in the second half ofthe financial year following the completion of five new production wells.

Natural gas – Natural gas production declined by four per cent in the 2014 financial year to 839 bcf. The delivery of first gas from Macedon partially offset lower demand at Bass Strait and natural field decline at Haynesville.

Copper – Total copper production increased by two per cent in the 2014 financial year to 1.7 Mt as planned. Total copper production is forecast to increase by five per cent in the 2015 financial year to 1.8 Mt.

Escondida copper production increased by two per cent in the 2014 financial year to 1.2 Mt as an improvement in mill throughput and concentrator utilisation offset declining ore grades. With further improvements in productivity anticipated, Escondida is on track to produce approximately 1.27 Mt of copper in the 2015 financial year. A power outage throughout Northern Chile in July 2014 and a six-day maintenance shutdown at the Laguna Seca concentrator will impact production in the September 2014 quarter. Commissioning of Organic Growth Project 1 is scheduled for the June 2015 quarter.

Pampa Norte copper production of 233 kt for the 2014 financial year was unchanged from the prior period. Production is forecast to remain at a similar level in the 2015 financial year as higher grades and recoveries at Spence offset declining grades and recoveries at Cerro Colorado. A 12-day maintenance shutdown at Cerro Colorado and tertiary crusher maintenance at Spence is expected to impact production in the September 2014 quarter.

Record mining rates at Olympic Dam underpinned an 11 per cent increase in copper production in the 2014 financial year to 184 kt. While an annualised production rate of 219 kt in the June 2014 quarter indicates the degree of improvement achieved in the existing underground operation, volumes in the 2015 financial year are expected to remain broadly unchanged as a result of the current smelter maintenance program which is expected to be completed early in the September 2014 quarter. A major smelter maintenance campaign is scheduled to commence in the June 2015 quarter.

Antamina achieved records for mill throughput and copper production in the 2014 financial year. Average copper grades at Antamina in the 2015 financial year are expected to remain at a similar level to the June 2014 quarter, leading to lower copper production, consistent with the mine plan.

Lead/silver – Lead and silver production decreased by 12 per cent and 11 per cent, respectively, in the

2014 financial year as lower average ore grades at Cannington were partially offset by a record mining rate.

Zinc – Total zinc production decreased by 14 per cent in the 2014 financial year and reflected lower grades at

Antamina, consistent with the mine plan.

Uranium – The production of uranium oxide concentrate was broadly unchanged in the 2014 financial year.

Iron ore – Iron ore production increased by 20 per cent in the 2014 financial year to a record 204 Mt, exceeding initial full-year guidance by more than eight per cent. Total iron ore production is forecast to increase by 11 per cent in the 2015 financial year to 225 Mt.

Western Australia Iron Ore production of 225 Mt (100 per cent basis) represents a fourteenth consecutive annual record and was underpinned by the early commissioning of Jimblebar and our productivity agenda, which raised the capacity of our integrated supply chain. Production from the Wheelarra Joint Venture, which was previously processed through Newman, was permanently connected to the Jimblebar processing hub during the period. The spare capacity created at Newman is now being utilised by existing operations. The ramp-up of Jimblebar to 35 Mtpa (100 per cent basis) is now expected before the end of the 2014 calendar year.

In the 2015 financial year WAIO production is expected to increase by a further 20 Mt to approximately 245 Mt (100 per cent basis). Yet another year of record performance will be supported by additional productivity gains despite the tie-in of shiploaders 1 and 2 during the period. A low-cost option to expand Jimblebar to 55 Mtpa (100 per cent basis) and broader debottlenecking of the supply chain are expected to underpin further growth in capacity towards 270 Mtpa (100 per cent basis).

Samarco production of 22 Mt (100 per cent basis) was broadly unchanged in the 2014 financial year. The fourth pellet plant was commissioned in the March 2014 quarter and the ramp-up to 30.5 Mtpa (100 per cent basis) is expected before the end of the 2015 financial year.

Major increase in Mineral Resource at Western Australia Iron Ore

BHP Billiton also confirms a 13 per cent increase in the Mineral Resource at WAIO compared to the previous 30 June 2013 estimate (Table 2). The increase reflects the inclusion of 500 km of infill drilling and revised resource estimates that have continued to delineate orebodies primarily with Brockman (67 per cent of the increase) and Marra Mamba (33 per cent of the increase) ore types, with changes after consideration of mining depletion in the 2014 financial year. BHP Billiton ownership averages 88 per cent but varies between 85 per cent and 100 per cent. Information pertaining to the orebodies that contribute to the increase in Mineral Resource is contained in Appendix 1.

WAIO is located within the Pilbara region of Western Australia. The geology of the region, comprising the Hamersley and North East Pilbara Provinces, has been extensively studied and is well documented based on extensive mapping, exploratory drilling and mining. The Hamersley Group forms the central part of the Mt Bruce Supergroup and contains two iron bearing stratigraphic sequences, with major bedded ores hosted by the Brockman Iron Formation and Marra Mamba Iron Formation. The Nimingarra Iron Formation in the North East Pilbara, hosts the Yarrie-Nimingarra iron ore deposits. Another important iron bearing sequence is the Marillana Formation which is a detrital derived Channel Iron Deposit currently mined at Yandi.

WAIO Mineral Resources contain the ore types: BKM – Brockman, CID – Channel Iron Deposits, MM – Marra Mamba and NIM – Nimingarra.

Mineral Resource estimates are largely based upon three metre samples obtained from 140 millimetre Reverse Circulation (RC) drill holes and to a lesser extent 0.3 metre to three metre samples obtained from HQ3 and PQ3 type Diamond Drill holes and three metre samples obtained from 140 millimetre open Percussion holes.

RC and Percussion samples are either riffle or static cone split whereas diamond core is typically sampled as a whole. Samples are crushed to 90 per cent minus 2.8 millimetres and then pulverised to 95 per cent minus 0.16 millimetres. Pulp (200 grams) is then used for chemical analysis by X-Ray Fluorescence (XRF) for Fe, SiO_2, Al_2O_3, P, MnO, CaO, K_2O, MgO, S and TiO_2 and Robotic Thermo-Gravimetric Analysis (ROBTGA) for Loss on Ignition (LOI).

Resource estimation is typically performed by Ordinary Kriging (OK) interpolation which uses search criteria consistent with geostatistical models separately developed for both Fe and associated deleterious elements such as SiO_2, Al_2O_3 and P according to the appropriate geological controls. To a lesser extent some deposits contributing Inferred Resources have been estimated using Inverse Distance Weighted (IDW) interpolation or Cross Sectional Area of Influence techniques reflecting data density.

Metallurgical **coal** – Metallurgical **coal** production increased by 20 per cent in the 2014 financial year to a record

45 Mt, exceeding full-year guidance. Metallurgical **coal** production is forecast to increase by four per cent in the

2015 financial year to 47 Mt as the ramp-up of Caval Ridge is completed.

Queensland **Coal** achieved record production and sales volumes in the 2014 financial year, supported by strong performance across all **operations**. This included first production from Caval Ridge, the successful ramp-up of Daunia and record production at Peak Downs, Saraji, South Walker Creek and Poitrel. A sustainable increase in truck and wash-plant utilisation rates underpinned a further improvement in productivity across the business.

Illawarra **Coal** production declined by five per cent in the 2014 financial year to 7.5 Mt. An extended outage at the Dendrobium mine impacted performance, primarily in the September 2013 quarter.

As a result of continued weakness in **coal** prices, persistent strength of the Australian dollar and the recognition of redundancy and restructuring charges, Queensland **Coal** was marginally EBIT positive during the second half of the 2014 financial year.

Energy coal – **Energy coal** production of 73 Mt in the 2014 financial year was broadly unchanged from the prior period as planned. Another year of robust performance was underpinned by a fifth consecutive annual production record at New South Wales **Energy Coal** and record volumes at Cerrejón. Extended outages at both a local utility and the Richards Bay **Coal** Terminal led to lower production at South Africa **Energy Coal**, while Navajo **Coal** production declined following the permanent closure of three of the five power units at the Four Corners Power Plant.

Energy coal production for the 2015 financial year is expected to remain broadly unchanged at 73 Mt. A drought in the La Guajira region of Colombia is expected to constrain Cerrejón production for the remainder of the

2014 calendar year given the requirement to manage dust emissions. The port expansion associated with the Cerrejón P40 project is currently being commissioned, although operational issues are expected to constrain capacity at approximately 35 Mtpa (100 per cent basis) in the medium term.

Alumina – **Alumina** production increased by six per cent in the 2014 financial year to a record 5.2 Mt. The

Efficiency and Growth project at Worsley reached nameplate capacity during the year and annual production records were achieved at both the Worsley and Alumar refineries.

Aluminium – Aluminium production in the 2014 financial year was unchanged at 1.2 Mt. Production records at both Hillside and Mozal were offset by lower volumes at Alumar following the phased suspension of 103 kt (BHP Billiton share) of annualised capacity during the 2014 financial year. The final potline at Bayside was closed in June 2014, although the cast house will be supplied by our Hillside smelter as we continue to assess its future.

Manganese ores – Despite achieving record production in the June 2014 quarter, manganese **ore** volumes declined by three per cent in the 2014 financial year as GEMCO was affected by higher than usual rainfall during the wet season.

Manganese alloys – Manganese alloy production increased by six per cent from the 2013 financial year which was affected by the temporary suspension of **operations** at TEMCO.

Nickel – Nickel production declined by seven per cent in the 2014 financial year to 143 kt as production at Cerro Matoso was affected by kiln and furnace outages, and lower nickel grades. Nickel West production declined by four per cent following the closure of the Perseverance underground mine in November 2013.

Saleable nickel production at Nickel West is expected to decline by four per cent in the 2015 financial year to 95 kt. Ferro-nickel production at Cerro Matoso is expected to decline by three per cent to 43 kt as a result of lower grades and recoveries.

On 14 May 2014, BHP Billiton announced a review of the Nickel West business, comprising the Mt Keith, Cliffs and Leinster mines, its concentrators, the Kalgoorlie smelter and the Kwinana refinery. The review is considering all options for the long-term future of Nickel West, including the potential **sale** of all or part of the business.

(
http://www.bhpbilliton.com/home/investors/reports/Documents/2014/140723_BHPBillitonOperationalReviewfortheYearEnded30June2014.pdf)

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 less than0.4x 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

• 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)

For the period ending 30 June 2014

Successful ramp-up of the Kings Valley project delivered the targeted 155 **million** tonne annualised run rate in the June 2014 quarter and a record 160 **million** tonnes annualised shipping rate for the month of June.

Fortescue remains absolutely focused on continuing to improve shareholder value through identificationof additional operating efficiencies and disciplined capital management.

• Record shipments of 38.7 **million** tonnes (mt) achieved during the June 2014 quarter

• Total FY14 shipments were 124.2mt, 53 per cent greater than the prior financial year and within two per cent of full year guidance of 127mt

• C1 costs for the June 2014 quarter were US$34.03/wet metric tonne (wmt) bringing full year C1 cost to US$33.84/wmt, a reduction of 23 per cent compared to the prior financial year and below guidance

• Delivered cost to customers was US$49/wmt (US$53/dmt) for the June 2014 quarter inclusive of C1, shipping, royalties and administration

• CFR prices realised for the June 2014 quarter were US$82/dry metric tonne (dmt) based on an average 62% Platts CFR index of US$103/dmt

• Cash on hand was US$2.4 billion at 30 June 2014 reflecting the continued strength of operational cashflows, reduced capital expenditure and lower finance costs

• Net debt at 30 June 2014 was US$7.2 billion

• All T155 expansion projects have been completed at a total cost of US$9.2 billion, US$92 per annual production tone

Safety

Fortescue has taken decisive actions to reinforce that safety is the highest priority for everyone on a Fortescue site. The drive towards world class performance in safety continued during the June 2014 quarter with the Safety Excellence project focusing on enhancing safety leadership. The project is delivering results with improvements to safety outcomes among contracting partners and the sharing of incident lessons.

The total recordable injury frequency rate per million hours worked was 6.0 in the June 2014 quarter, a five per cent improvement over the previous quarter and 21 per cent lower than the prior comparable period.

Aboriginal Engagement

Fortescue's vision to create partnerships which deliver lasting benefits to Aboriginal Communities through the provision of training, employment and economic development opportunities continued in FY14 with a number of significant achievements.

In the June 2014 quarter, contracts and sub-contracts valued at A$40 million were awarded to Aboriginal businesses and joint ventures, bringing the total awarded contracts value to A$497 million in FY14 and the total value under the Billion Opportunities program to A$1.58 billion. There was also a significant increase in the commitment of Fortescue's contracting partners to provide second tier contract opportunities, with sub-contracts worth A$233 million awarded to Aboriginal businesses and joint ventures in FY14.

In FY14, Fortescue's Vocational Training and Employment Centres (VTECs) trained and provided jobs for 122 people. Aboriginal people represent more than 12 per cent of Fortescue's direct workforce and over

1,100 Aboriginal people are employed through our operations.

Mining, Processing and Shipping

The June 2014 quarter delivered a seventh consecutive shipping record with 38.7mt of ore shipped, a 23 per cent increase over the previous quarter and a 55 per cent increase over the prior comparable period. Shipments included 37.6 million Fortescue equity tonnes and 1.1 million third party tonnes.

During the June 2014 quarter, Fortescue mined 43.8mt of ore, 48 per cent higher than the previous quarter. This increase was largely due to the combination of increased performance in operations through efficiency initiatives as well as the continuity of work achieved through the dry season. Ore mined in the June 2014 quarter was 28 per cent higher than the prior comparable period. Fortescue drew down ROM iron ore stocks by six per cent in the June 2014 quarter and aims to continue reductions in the September 2014 quarter.

Strip ratios at the Chichester Hub averaged 3.2 for the June 2014 quarter, slightly below the five year mine plan of 3.5 due to the nature of the mining areas. The strip ratio across the Solomon Hub was 1.3 during the June 2014 quarter as mining moved closer to a steady state, following the ramp up of operations at the Kings Valley project.

The operation of the Kings Valley Ore Processing Facility (OPF) through the June 2014 quarter lifted Fortescue's production capacity beyond 155 million tonnes per annum (mtpa). Fortescue's total output from all processing facilities increased to a record 41.1mt in the June 2014 quarter, 32 per cent higher than the prior quarter and work continues allowing transition to our steady state product mix. During the June 2014 quarter the Kings Valley OPF has been used to process detrital ore overlying the main Kings CID ore. Kings CID has now commenced to form a core product and provide the planned product mix grades.

MARKETING

The key iron ore pricing references applicable to major Australian producers are the 62% Platts and MBIO 58% indices. These indices are essentially determined by reference to the spot market created by the sales price achieved for Rio Tinto's Pilbara Blend, BHP's MAC and Newman Fines (62% Platts), and BHP's Yandi (MBIO 58% + Premium).

Fortescue's suite of products is sold with reference to the 62% Platts index with a market price comparable to other products which have similar value-in-use properties for steel production.

The graph below sets out price relativities between the 62% Platts index, Fortescue Blend, Fortescue Super Special Fines, Metal Bulletin 58% Premium index and the Metal Bulletin 58% index. The graph shows that while there have been variations in prices across the year, Fortescue's major products have consistently priced in line with similar products relative to the 62% Platts index.

Over the June 2014 quarter iron ore prices have traded lower and at a wider spread which has historically been the case in a low price environment. This reflects the significant increase in new seabourne iron ore supply, tighter credit conditions in China and relatively high Chinese port stocks. During the June 2014 quarter iron ore prices have been volatile resulting in a price realisation of 80 per cent compared to the average 62% Platts index. In FY14 Fortescue's average price realisation was 86 per cent compared to the average 62% Platts index.

Fortescue expects supply to re-balance in the short term as port inventories are drawn down, steel mills re-stock and higher cost iron ore production leaves the market. As this occurs and Fortescue transitions to a product suite dominated by the high quality Fortescue Blend and Kings CID products, realised prices are expected to range between 85 and 90 per cent of the 62% Platts price index going forwards.

Balance Sheet

Fortescue's net debt position at 30 June 2014 was US$7.2 billion, including finance leases of US$0.3 billion and cash on hand of US$2.4 billion.

Fortescue's flexible debt profile facilitates additional repayments and the ability to deliver on the strategy to further debt reduction and move towards an initial targeted gearing level of 40 per cent.

As noted in the debt maturity profile below Fortescue's earliest debt maturity is in 2017. Further, a total of US$5.8 billion, or in excess of 60 per cent, of the company's long term debt is available for voluntary repayment in advance of maturity and at Fortescue's option.

Capital Expenditure

Capital expenditure in FY14 was US$1.9 billion, slightly below guidance due to the deferral of approximately US$100 million into FY15. As a result, FY15 expenditure is now estimated to be US$1.3 billion, excluding any capital expenditure associated with the Iron Bridge joint venture, which is fully funded by the Formosa Plastics Group.

All T155 expansion projects have been completed and US$9.2 billion was capitalised during FY14. Based on the current fixed asset base, Fortescue estimates its depreciation and amortisation expenditure to be US$8.50/wmt shipped.

Ship Construction

Fortescue has entered into arrangements for the construction of four highly efficient very large ore carriers (VLOCs) for a total investment value of US$275 million. Construction is expected to commence in the second half of 2014 and delivery is scheduled for November 2016 through to May 2017 with the majority of payments due on delivery.

In addition, advanced negotiations are underway to secure four additional VLOCs with another major Chinese ship builder. These ships are expected to be delivered in late 2017 and early 2018 with the majority of payments also due on delivery.

Fortescue's shipping strategy is to lock in construction of these VLOCs which are being designed to complement the port infrastructure to improve load rates, efficiencies and reduce operating costs. Flexibility has been built into the ownership structure of these VLOCs which will allow Fortescue to explore alternative financing structures at a later date. The investment will initially be funded by existing operating cash flows and due to the timing of cash payments, is not expected to impact Fortescue's debt repayment strategy.

Fortescue expects the operating cost of these vessels to be well below the current forward market rates for large capesize vessels. This, together with expected through-put benefits and operational savings at the port, support the investment in these vessels.

(http://www.fmgl.com.au/UserDir/AsxAnnouncement/Fortescue%20June14%20QReport782.pdf)

For the period ending 30 June 2014

Iluka Resources Ltd (ASX: ILU)

Iluka Half Year Results Six Months To 30 June 2014

Summary of Financial Results

$ **million** 1st Half 2014 1st Half 2013 % change Mineral Sands Revenue 343.2 381.7 (10.1) Mineral Sands EBITDA 107.9 136.6 (21.0) Mineral Sands EBITDA/ revenue % 31.4 35.8 (12.3) **Group** EBITDA 125.6 160.2 (21.6) **Group** EBIT 31.5 61.2 (48.5) Reported Earnings (NPAT) 11.7 34.3 (65.9) Earnings per share - cents 2.8 8.2 (65.9) Operating Cash Flow 101.9 92.4 10.3 Free Cash Flow1 63.9 (44.5) 243.6 FCF/share – cents 15.3 (10.6) 244.3 Dividend cps 6.0 5.0 20.0 Net Debt (155.2) (197.0) 21.2 Gearing (net debt/net debt + **equity**)% 9.2 11.2 (17.9) Return on Capital % (annualised)2 3.1 5.9 (47.5) Return on **Equity** % (annualised)3 1.5 4.5 (66.7) Average AUD/USD 91.4 101.5 (10.0)

Key Features of Results

Iluka reported a net profit after tax of $11.7 **million** for the half year ended 30 June 2014, compared with $34.3 **million** for the previous corresponding period.

Compared with the previous corresponding period, the reduced earnings reflect, in the main, lower received prices for key products, as well as a lower contribution from the **Mining** Area C **iron ore** royalty.

Free cash flow of $63.9 **million** was generated in the first half. This is $108.4 **million** higher than the previous corresponding period (2013: -$44.5 **million**), reflecting a $107.1 **million** reduction in tax payments. In 2013, tax payments of $118.4 **million** were paid in respect of 2012 earnings.

Mineral Sands revenue for the first half of 2014 was $343.2 **million** compared with $381.7 **million** in the previous corresponding period.

Combined zircon, rutile and synthetic rutile (Z/R/SR) sales volumes in the first half of 2014 were 3.5 per cent lower at 277.1 thousand tonnes compared to 287.2 thousand tonnes in 2013.

Key product prices received were 13.8 per cent lower period-on-period with first half revenue per tonne of Z/R/SR of $1,015 per tonne compared with $1,178 per tonne in the first half of 2013, reflecting materially lower high grade titanium dioxide prices received period on period.

Cash costs of production of $200.7 **million** were in line with the previous corresponding period (2013: $201.9 **million**). Cash costs of production include $19.8 **million** of costs in relation to ilmenite concentrate and by-product costs (2013: $11.9 **million**). Iluka's year-to-date cash costs of production are trending in line with guidance of ~$430 **million** for the full year, of which ~$365 **million** relates to zircon and rutile production costs and ~$65 **million** relates to by-product costs (refer ASX Release, Key Physical & Financial Parameters, 21 February 2014).

On a unit basis, cash costs of production were $796 per tonne of Z/R/SR, a 6.1 per cent decrease compared with the previous corresponding period, reflecting 5.9 per cent higher production of Z/R/SR. Excluding the costs for ilmenite concentrate and by-products, the unit cash cost of production was $718 per tonne of Z/R/SR, compared with $798 per tonne in the previous corresponding period.

The reduction in underlying unit costs reflects the cost savings realised in 2014 from the operational adjustments that were undertaken in the previous corresponding period, including reductions in workforce and idling some assets.

Mineral sands EBITDA for the first half of 2014 was $107.9 **million**, a 21.0 per cent decrease compared with the previous corresponding period. Mineral sands EBIT decreased by 63.5 per cent to $13.8 **million** (2013: $37.8 **million**).

Mining Area C **iron ore** royalty earnings (MAC) decreased by 16.3 per cent to $38.0 **million** (2013: $45.4 **million**), including capacity payments of $1 **million** (2013: $4.0 **million**). This mainly reflects lower received **iron ore** prices period-on-period.

Group EBIT was $31.5 **million**, a decrease of 48.5 per cent compared to $61.2 **million** in the previous corresponding period.

Inventory of finished product decreased by $25.8 **million** to $376.2 **million** as sales of Z/R/SR during the period exceeded production by 25.0 thousand tonnes combined with a $3.5 **million** reduction in ilmenite inventory. Work in progress inventory increased by $47.4 **million** as heavy mineral concentrate (HMC) production of 676.3 thousand tonnes exceeded HMC processed of 480.2 thousand tonnes, consistent with the strategy of maintaining cost efficient **mining operations** at Jacinth-Ambrosia and Woornack, Rownack, Pirro (WRP) while restricting production of finished product.

Capital expenditure of $42.2 million was incurred in the half year, of which $18.6 million was for an 18.3 per cent equity interest in Metalysis Limited. Other expenditure related to various major project evaluation work. Iluka's year-to-date capital expenditure compares to full year guidance of ~$110 million.

Net debt at 30 June 2014 was $155.2 million, with a gearing ratio (net debt/net debt + equity) of 9.2 per cent. This compares with net debt at 31 December 2013 of $206.6 million and a gearing ratio of 11.8 per cent. During the period, Iluka has extended the maturity of $625.0 million of the $800.0 million credit facilities under the Multi Option Facility Agreement (MOFA) from April 2017 to April 2019 and also increased the size of the facilities by $50.0 million to $850.0 million through the addition of a new bilateral facility to April 2019. As a result, Iluka has facilities of $175.0 million maturing in April 2017 and $675.0 million maturing in April 2019.

Undrawn facilities at 30 June 2014 were $676.0 million and cash at bank was $34.0 million. Net debt at 31 July 2014 was $139.1 million

Dividend

Directors have determined an interim dividend of 6.0 cents per share, fully franked. The dividend is payable on 3 October 2014 for shareholders on the register as at 5 September 2014. This dividend compares with a 2013 interim dividend of 5.0 cents (fully franked).

Market Conditions

Zircon

As commented on previously by the company, zircon market conditions vary across countries and end segments. North American and China demand has been relatively robust, with the major part of Iluka's year-to-date sales of 146 thousand tonnes being made in these two markets. China sentiment in the ceramics sector remained positive, while demand in the chemicals sector improved. North American zircon demand continues to be supported by industrial and manufacturing applications, where the trends and underlying data continue to be favourable.

Demand in Europe has been very subdued, although some emerging signs of recovery became apparent during the latter part of the June quarter, based on demand from the export markets, such as the Middle East and Brazil, supplied by European ceramics producers. Sales to other markets, including South East Asia, Japan and India continued to be subdued.

While sales year-to-date, including July sales, are trending in line with Iluka's expectations, first half sales in 2014 were lower than the previous corresponding period. As Iluka advised at the time of its May 2014 Annual General Meeting, in the first half of 2013 broad based zircon price increases were communicated to customers which prompted some increased ordering of zircon in that period. Iluka expects second half 2014 zircon sales volumes to be greater than the second half of 2013 (2H 2013: 160 thousand tonnes; full year 2013: 370 thousand tonnes).

There has been no material change in the previously advised weighted average zircon price received by the company from that advised as achieved in the December quarter 2013 of US$1,080/tonne FOB.

Titanium Dioxide

A recovery in high grade feedstock requirements, particularly in the chloride pigment sector, is apparent as downstream inventories and pigment plant utilisation rates appear to be normalising, based on generally healthy demand trends in North American and European pigment and paint markets.

Iluka's rutile sales reflect in part the company's continued margin optimization approach under current market conditions, as well as a view on longer term realised value considerations pertaining to the timing of sales through the current cyclical recovery. This is influenced by an expectation that global rutile supply will diminish in 2015 coinciding with Iluka completing mining at the Woornack, Rownack, Pirro mine in the Murray Basin, Victoria.

Under this situation of potentially constrained supply of rutile, the company will be seeking to support customers through allocated sales of finished goods inventory and via processing of heavy mineral concentrate built in the Murray Basin over the balance of 2014, resulting in the rutile sales profile in 2014 being first half weighted.

As noted previously, Iluka has observed a stabilisation in received weighted average rutile prices.

Iluka advised in its February 2014 guidance that it expects that total zircon/rutile/synthetic rutile sales may exceed production (~550 thousand tonnes) and also be above 2013 sales levels (584 thousand tonnes).

Projects

Iluka recommenced supply of synthetic rutile to some customers in the first half and expects a gradual recovery of demand for this product. Given product is being drawn from inventory in the absence of any synthetic rutile production in 2014, subject to suitable commercial arrangements, a basis for reactivation of a synthetic rutile kiln may be emerging.

Consistent with Iluka's overall approach to shareholder returns through the cycle, the company will determine the appropriateness of the timing for all its current projects – in Australia and in the United States of America – based on prevailing and forecast market demand conditions, timely and satisfactory completion of feasibility studies and resultant project economics.

Forward Looking Statements

This announcement contains certain statements which constitute "forward-looking statements". These statements include, without limitation, estimates of future production and production potential; estimates of future capital expenditure and cash costs; estimates of future product supply, demand and consumption; statements regarding future product prices; and statements regarding the expectation of future Mineral Resources and Ore Reserves.

Where Iluka expresses or implies an expectation or belief as to future events or results, such expectation or belief is expressed in good faith and on a reasonable basis. No representation or warranty, express or implied, is made by Iluka that the matters stated in this announcement will in fact be achieved or prove to be correct.

Forward-looking statements are only predictions and are subject to risks, uncertainties and other factors, which could cause actual results to differ materially from future results expressed, projected or implied by such forward-looking statements. Such risks and factors include, but are not limited to:

• changes in exchange rate assumptions;

• changes in product pricing assumptions;

• major changes in mine plans and/or resources;

• changes in equipment life or capability;

• emergence of previously underestimated technical challenges; and

• environmental or social factors which may affect a licence to operate.

Except for statutory liability which cannot be excluded, Iluka, its officers, employees and advisers expressly disclaim any responsibility for the accuracy or completeness of the material contained in this announcement and exclude all liability whatsoever (including in negligence) for any loss or damage which may be suffered by any person as a consequence of any information in this announcement or any error or omission there from.

Iluka does not undertake any obligation to release publicly any revisions to any forward-looking statement to reflect events or circumstances after the date of this presentation, or to reflect the occurrence of unanticipated events, except as may be required under applicable securities laws.

(http://www.iluka.com/docs/default-source/asx-releases/asx-release-iluka-half-year-results-to-30-june-2014-(22-august-2014).pdf?sfvrsn=4)

Newcrest Mining Ltd (ASE: NCM)

Full Year Financial Results

Today Newcrest Mining Limited released its Annual Financial Report for the twelve months ended 30 June 2014. This market release is a summary document and readers are directed to the full text of the release. This market release contains non-IFRS financial information that is not subject to external audit. For definitions, reconciliations and rationale of use of the non-IFRS information refer to the notes on pages 5 to 7. See also the disclaimer in note 7 on page 8 regarding forward looking statements.

Key points

Statutory loss1 of A$2,221 million and Underlying profit2 of A$432 million

Significant items representing a net loss after tax of A$2,653 million, due primarily to A$2,353 million of asset impairments at Lihir, Telfer, Bonikro and Hidden Valley

EBITDA2 of A$1,514 million and EBIT2 of A$821 million

Gold production of 2,396,023 ounces and gold sales of 2,405,163 ounces was 14% and 17% higher than the prior year

Free cash flow2 was an inflow of A$133 million compared with a net outflow of A$1,417 in the prior year, with all operations free cash flow positive in the current year except Hidden Valley

Cash flow from operating activities was an inflow of A$1,037 million

All-In Sustaining Cost2 of A$976 per ounce (US$897 per ounce at an A$:US$ exchange rate of $0.9187) was 24% (32%) lower than the prior year

Gearing3 of 33.8% at 30 June 2014

A$1,808 million4 in cash and undrawn, committed bank facilities at 30 June 2014

No dividend for the twelve months ended 30 June 2014

Newcrest Chief Executive Officer, Sandeep Biswas said: "The Company's improved operating performance in FY14 shows progress in productivity improvements and cost reductions. These initial improvements enabled the company to maintain its underlying profit2 and profit margins notwithstanding a lower gold price, and deliver free cash flow2 of $133 million for the year."

"Asset value impairments of $2.4 billion after tax were the major drivers of a statutory loss for the year of $2.2 billion. The most significant component of the write downs related to Lihir," he said.

"While we have realised some initial operating improvements, I am not satisfied with either the current operating performance or the cash generation of the business."

"Looking ahead, the Company is firmly focused on realising the potential of its assets. A Company-wide improvement program has been initiated, which includes a major review at Lihir. We expect Group production this year to be similar to that in financial year 2014 as we ramp up Cadia East and make improvements at Lihir which will lay the foundations for future production growth," Mr Biswas said.

Full year results

Newcrest's operating and financial performance for the twelve months ended 30 June 2014 reflects the

Company's focus on improving productivity, reducing costs and capital expenditure and maximising free cash flow2 while maintaining growth options.

Increased gold and copper production and free cash flow2 generation in the 2014 financial year follows major expansion investments at Cadia Valley and Lihir, improved operating performance across all operations, and a reduction in All-In Sustaining Cost2 expenditure.

Newcrest's 2014 financial year gold production of 2.4 million ounces exceeded guidance of 2.0 to 2.3 million ounces. Full year copper production of 86 thousand tonnes also exceeded guidance of 75 to 85 thousand tonnes. Total capital expenditure in the 2014 financial year of A$843 million, All-In Sustaining Cost2 expenditure of A$2.33 billion and exploration expenditure of A$62 million were also below their guidance of A$895 to A$1,025 million, A$2.45 to A$2.73 billion and A$80 to A$90 million, respectively. Statutory loss1 for the current year was A$2,221 million (compared with a prior year statutory loss of A$5,783 million), including significant items after tax totalling A$2,653 million. The significant items comprise asset impairments of A$2,353 million, an additional income tax expense for the period of A$120 million as a result of the voluntary amendment of research and development claims6 in prior periods, restructure costs of A$34 million and A$146 million in write downs of inventory, property, plant and equipment at Lihir and Cadia Valley.

The asset impairments were primarily a result of Newcrest's review of physical, cost, capital and economic assumptions applied in the valuation of Newcrest's assets as at 30 June 2014. The outcome of this review, and total asset impairments of A$2,353 million, primarily reflects applying updated operating and capital cost assumptions at Lihir, Bonikro and Hidden Valley, and the impact of applying updated foreign exchange assumptions at Telfer.

Underlying profit2 for the twelve months ended 30 June 2014 was A$432 million (prior year A$446 million) and primarily reflects the impact of a 9% lower average realised gold price partially offset by a 17% increase in gold sales volumes.

EBITDA2 of A$1,514 million and EBIT2 of A$821 million for the current year represent EBITDA margins2and EBIT margins2 of 37.5% and 20.3% respectively.

Free cash flow2, being cash flow from operating activities less cash flow from investing activities of the Company, for the twelve months ended 30 June 2014 was an inflow of A$133 million, A$1,550 million higher than the prior year outflow (of A$1,417 million). All operations were free cash flow positive in the current year except Hidden Valley.

Cash flow from operating activities for the twelve months ended 30 June 2014 was A$1,037 million, A$110 million lower than the prior year (of A$1,147 million), reflecting higher revenue compared to the prior year as a result of increased sales volumes offset by the continued effect of a lower average realised gold price for the current year and the unwinding of approximately A$200 million of favourable working capital balances as at 30 June 2013. Cash flow from operating activities in the current year was also adversely impacted by a A$64 million increase in interest payments associated with higher average debt levels during the current year, a A$70 million cash tax payment associated with the Company's voluntary amendment of its past Australian research and development claims, and A$65 million of restructuring expenditure associated with office closure and redundancy costs.

Consistent with the Company's stated aim of focusing on free cash flow2 generation, a number of initiatives were implemented during the current year. These initiatives included reducing mining activity and increased stockpile processing at Lihir, the cessation of processing low-grade stockpiles at Cadia Valley and reduced open pit activity at Telfer. These initiatives, combined with the completion of major production stripping programs at Telfer and Bonikro, resulted in a reduction in open pit material movements across the Company. Cost reduction activity has also resulted in the transition to new contracts with reduced unit rates across consumables and labour services, reduction in workforce numbers through restructuring, and improved consumption rates for power, reagents and consumables.

Cash flow from investing activities for the twelve months ended 30 June 2014 was an outflow of A$904 million, A$1,660 million lower than the prior year (an outflow of A$2,564 million). This was primarily the result of the completion of the Lihir expansion project and the commencement of commercial production at Cadia East Panel Cave 1 in the prior year, lower sustaining capital in the current year, and a lower level of production stripping activity (primarily at Telfer and Bonikro). Exploration expenditure of A$62 million was A$90 million lower than the prior year.

Newcrest's All-In Sustaining Cost2 per ounce sold for the twelve months ended 30 June 2014 was A$976 per ounce (US$897 per ounce), A$307 per ounce lower than the prior year result of A$1,283 per ounce (US$1,318 per ounce). This improvement is primarily the result of the higher sales volumes, production efficiencies and reductions in sustaining capital expenditure and production stripping activity.

Capital structure

As at 30 June 2014, Newcrest's gearing level was 33.8%. Under current market and operating conditions, the Board remains comfortable with gearing being at this level in the short to medium term given the near term cash flow growth outlook of the Group.

As at 30 June 2014 Newcrest had an equivalent of A$1,808 million in cash and undrawn, committed bank facilities. As announced on 28 March 2014, Newcrest extended the tenor of many of its existing bilateral bank loan facilities to provide a smoother and longer average maturity profile of its debt facilities. Consistent with the Company's dividend policy - with dividend levels set with regard to profitability, balance sheet strength, and reinvestment options in the business - the Newcrest

Board has determined there will be no dividend for the 2014 financial year having regard to the level of profitability and free cash flow2 in the current year, the level of gearing at 30 June 2014, and the planned application of operating cash flow to Cadia East Panel Cave 2 in the 2015 financial year.

Outlook

All sites achieved production and cost guidance for the current year, with some sites performing significantly better. Looking ahead, Newcrest is firmly focused on realising the full potential of each of the Company's assets, with a focus on the following:

operational discipline (including safety);

cash; and

profitable growth

The Company expects to be free cash flow2 positive7,8 in the 2015 financial year at an average realised gold price of US$1,250 per ounce, subject to market and operating conditions, with the following guidance:

Group gold production is expected to be in the range of 2.2 to 2.4 million ounces

Group copper production is expected to be in the range of 75,000 to 85,000 tonnes

Group silver production is expected to be in the range of 2.2 to 2.5 million ounces

Group All-In Sustaining Cost2 expenditure is expected to be in the range of A$2,300 to A$2,600 million8

Total capital expenditure (inclusive of project and development capital, production stripping and sustaining capital) is expected to be in the range of A$660 to A$740 million, including approximately A$240 to A$280 million relating to the development of Cadia East Panel Cave 2

Total exploration expenditure (inclusive of on-site exploration) is expected to be in the range of A$60 to A$70 million

Depreciation and amortisation of site assets (including production stripping) is expected to be in the range of A$600 to A$670 million, including the amortisation of capitalised production stripping.

(http://www.newcrest.com.au/media/financial_reports/2014/FINAL_FY14_Financial_Results_Release_180814.pdf)

Regis Resources Ltd (ASX: RRL)

HIGHLIGHTS

GOLD PRODUCTION

• Total gold production for the quarter of 65,747 ounces at a pre-royalty cash cost of $1,010 per ounce.

• Production and costs were significantly compromised by restricted operations resulting from impacts and remediation of flooded Garden Well and Rosemont pits.

• Total gold production for the year of 270,759 ounces.

MOOLART WELL OPERATIONS

• Gold production of 26,469 ounces for the quarter (Mar 14 qtr: 26,434 oz).

• Cash cost of production A$564 per ounce prior to royalties (Mar 14 qtr: A$568/oz).

• Gold production for the year of 104,880 ounces at a cash cost of $576 per ounce prior to royalties.

GARDEN WELL OPERATIONS

• Gold production of 28,497 ounces for the quarter (Mar 14 qtr: 25,703 oz).

• Cash cost of production A$1,299 per ounce prior to royalties.

• Operations impacted by restricted operations post flooding of the open pit in February 2014.

• Gold production for 2014 of 136,184 ounces at a cash cost of $999/ounce (pre royalties).

• Flood pumping and remediation mining works reach practical completion by end of quarter.

• Construction of plant expansion (Rosemont Stage 2) completed on time and under budget. Commissioning and optimisation of the expanded plant underway.

ROSEMONT GOLD PROJECT

• Gold production of 10,781 ounces for the quarter (Mar 14 qtr: 10,736 oz).

• Cash cost of production A$1,342 per ounce prior to royalties.

• Operations severely impacted by restricted operations post flooding of the open pit in February 2014.

• Improvement in mill throughput and grade noted since the end of the quarter. CORPORATE

• Gold sales of 59,648 ounces at a delivered price of A$1,411 per ounce (Mar 14: 66,249 oz at A$1,447/oz).

• Cash flow from operations for the quarter was $21.1 million (Mar 14: $36.7m).

• Cash and gold bullion holding at 30 June 2014 was $14.2 million (Mar 14: $30.5m).

• Unaudited profit of $79 million for year ended 30 June 2014 before tax and expected impairment charge of between $230 – 280 million

• Extension of financing facility with Macquarie Bank Limited to $70 million ($40 million drawn) in a long term structure with repayments scheduled June 2015 to 2018.

• Regis joins the Gold Royalties Response Group in light of the possibility of an increase in gold royalties by the WA state government.

Production

Regis completed another strong year of operations at the Moolart Well Gold Mine producing 104,880 ounces of gold at a pre-royalty cash cost of production of A$576 per ounce. Gold production for the June 2014 quarter was 26,469 ounces at a pre-royalty cash cost of A$564 per ounce.

During the quarter 322,000 bcm of ore and 1,182,000 bcm of waste were mined from the Moolart Well open pits for a total mining of 1.50 million bcm. Of the total material mined, 287,000 bcm was mined from laterite pits and 1,217,000 bcm was mined from the Stirling oxide deposit.

A total of 38 RC holes were drilled at the Wellington oxide deposit within the Moolart Well Gold Mine to infill drill the Inferred Oxide Resource. This drilling is part of Regis's ongoing mining inventory replacement strategy and will be incorporated in mining studies for Wellington in due course.

CORPORATE

Gold Sales & Hedging

The Company had a hedging position at the end of the quarter of 260,475 ounces, being 192,751ounces of flat forward contracts with a delivery price of A$1,436 per ounce and 67,724 ounces of spot deferred contracts with a price of A$1,414 per ounce.

During the June 2014 quarter, Regis sold 59,648 ounces of gold at an average price of A$1,411 per ounce (Mar 14 qtr: 66,249 ounces at A$1,447 per ounce).

Cash Position

As at 30 June 2014 Regis had $14.2 million in cash and bullion holdings (Mar 2014: $30.5m). Operating cash flow from the Duketon Gold Project was $21.1 million for the June 2014 quarter (Mar2014: $36.7 million). A copy of the Company's Mining Exploration Entity Quarterly (Appendix 5B) report in accordance with Listing Rule 5.3 is attached.

Unaudited Profit for Year Ended 30 June 2014

The Company has recorded an unaudited profit before tax of $79 million for year ended 30 June 2014 (2013 audited: $201 million). This unaudited profit is before the expected impairment charge of between $230 – 280 million referred to in announcement to ASX on 30 July 2014.

Corporate Debt Facility

In response to the flooding event at the Duketon Project in February 2014 the Company extended its corporate loan facility with Macquarie Bank Limited from a limit of $20 million to $70 million. During the June 2014 quarter the Company drew down $25 million on the facility, taking the total drawn amount at 30 June 2014 to $40 million.

(file:///C:/Users/user/Downloads/rrl%20jun%2014%20quarterly%20report%20(1).pdf)

Rio Tinto Ltd (ASE: RIO)

Rio Tinto chief executive Sam Walsh said "Rio Tinto has started the year with a series of performance records as we continue to drive productivity gains across our operations. Our Pilbara iron ore business has again set new benchmarks for production, shipments and rail volumes for the first quarter and we are well on track to reach nameplate capacity of 290Mt/a by the end of the first half of 2014. Our mined copper production benefited from higher ore grades at Kennecott Utah Copper and production ramp up at Oyu Tolgoi and we also had a record first quarter for bauxite, primarily driven by higher production at Weipa."

• Record first quarter iron ore production, shipments and rail volumes. Shipments from the Pilbara exceeded production in the quarter, despite the impact of tropical cyclone Christine which closed our ports for three days at the end of 2013 and affected the progressive recovery of rail and ports into January. The full ramp up is well on track to achieve nameplate capacity of 290 Mt/a by the end of the first half of 2014.

• Mined copper benefited from higher grades at Kennecott Utah Copper and production at Oyu Tolgoi. This more than offset the elimination of production from copper assets divested in 2013.

• Record first quarter bauxite production and shipments were driven by a ramp up of production at the Weipa mine in Australia to feed the newly expanded Yarwun alumina refinery.

• Production of coal improved in the first quarter of 2014 compared to the same period in 2013 due to the productivity improvement programme.

• Exploration and evaluation expenditure was $155 million in the first quarter of 2014, sustaining the savings achieved in 2013 whilst progressing the highest priority future growth projects.

• On 13 March 2014, Rio Tinto launched the latest phase of its industry-leading Mine of the Future™ technology and innovation programme. The Processing Excellence Centre (PEC) is a state-of-the-art facility that harnesses 'big data' in real time at seven Rio Tintocopper and coal operations across the globe to maximise productivity and improve performance.

Global iron ore production of 66.4 million tonnes (Rio Tinto share 52.3 million tonnes) and shipments of 66.7 million tonnes set new first quarter records. Rio Tinto's share of production was eight per cent higher than in the same period of 2013.

Pilbara operations

First quarter production of 63.4 million tonnes (Rio Tinto share 50.6 million tonnes) was ten per cent higher than the same period in 2013 and set a new first quarter record, driven by productivity improvements and the continued ramp up towards 290Mt/a.

Production in the first quarter was below fourth quarter levels due to disruption caused by seasonal weather patterns. Severe tropical cyclone Christine closed Rio Tinto's Pilbara ports and coastal rail operations in late December. Heavy rainfall associated with this cyclone and other adverse weather conditions in January and February impacted across mine, rail and port operations.

Following early completion of infrastructure works associated with the 290 Mt/a project last year, the ramp up to nameplate capacity of 290 Mt/a continued in the first quarter of 2014. The newly commissioned system achieved daily equivalent run-rates at or above nameplate capacity on certain days in the first quarter, although performance of the integrated system remains variable. The commissioning remains on schedule to be complete by the end of the first half of 2014.

Pilbara marketing

First quarter sales of 64.2 million tonnes (100 per cent basis) were 17 per cent higher than the same period of 2013, setting a new first quarter record. Sales in the first quarter continued to exceed production due to the drawdown of iron ore inventories built at Pilbara mine sites in previous years to facilitate the rapid ramp up of shipments to 290Mt/a.

Pilbara expansion

Expansion of the port, rail and power infrastructure capacity to 360 Mt/a remains on track for completion by the end of the first half of 2015.

In November 2013, Rio Tinto set out its breakthrough pathway to optimise the growth of mine capacity towards 360 Mt/a at a target all-in capital intensity of between $120-130 per tonne (100 per cent basis), significantly lower than originally planned. A series of low-cost brownfield expansions will bring on additional tonnes to feed the expanded infrastructure. From a base run rate of 290 Mt/a by the end of the first half of 2014, mine production capacity is planned to increase by more than 60 million tonnes a year between 2014 and 2017. The majority of the low-cost growth will be delivered in the next two years, with mine production of more than 330 million tonnes (100 per cent basis) expected from the Pilbara in 2015.

Iron Ore Company of Canada (IOC)

First quarter saleable production was 12 per cent lower than the same period of 2013 due to the exceptionally cold weather associated with a polar vortex experienced in North America.

Pellet sales were 14 per cent higher than in the first quarter of 2013. Concentrate sales were 33 per cent lower than the first quarter of 2013 as a result of the unusually cold weather.

2014 production guidance

2014 production guidance remains unchanged. Rio Tinto expects to produce approximately 295 million tonnes (100 per cent basis) from its global operations in Australia and Canada, subject to weather constraints. The full ramp up in the Pilbara to nameplate capacity of 290 Mt/a is expected to be delivered by the end of the first half of 2014. The drawdown of iron ore inventories at the Pilbara mines will continue to allow shipments to ramp up ahead of production, with around five million tonnes of inventory drawdown expected during the year.

Corporate

On 13 January 2014, Rio Tinto announced that it had maintained its holding in Turquoise Hill Resources at approximately 50.8 per cent following the successful completion of the approximately $2.4 billion rights offering which was fully subscribed. The proceeds of the rights issue were used to repay loans outstanding to Rio Tinto, and resulted in a $1.2 billion reduction in Rio Tinto's consolidated net debt.

On 12 February 2014, Rio Tinto announced that it had granted an option to LNG Canada to acquire or lease a wharf and associated land at its port facility at Kitimat in British Columbia, Canada. The agreement provides LNG Canada with a staged series of options payable against project milestones. The financial arrangements are commercially confidential.

On 7 April 2014, Rio Tinto announced that it would gift its 19.1 per cent shareholding in Northern Dynasty Minerals Ltd (Northern Dynasty), owner of the Pebble Project, to two local Alaskan charitable foundations. The decision follows the strategic review of Rio Tinto's interest in Northern Dynasty announced last year, which concluded that the Pebble Project does not fit with Rio Tinto's strategy.

(http://www.riotinto.com/documents/140415_Rio_Tinto_delivers_strong_first_quarter_production.pdf)

Sims Metal Management Ltd (ASE: SGM)

Sims Metal Management Announces Fiscal 2014 Full Year Results

Results at a Glance STATUTORY (A$m) FY14 FY13 Change % Sales revenue 7,129.0 7,193.0 (0.9) EBITDA1 124.8 (42.5) NMF2 EBIT (27.6) (470.4) NMF2 NPAT (88.9) (467.3) NMF2 EPS (cents) - diluted (43.5) (228.6) NMF2 UNDERLYING (A$m) FY14 FY13 Change % Sales revenue 7,129.0 7,193.0 (0.9) EBITDA1 242.4 190.4 27.3 EBIT 118.5 66.9 77.1 NPAT 68.8 15.9 332.7 EPS (cents) - diluted 33.6 7.7 336.4

Key Points

Underlying earnings before interest and tax (EBIT) of $119 million, up by 77%, driven by higher underlying EBIT margins which increased from 0.9% to 1.7% over the previous year

Cash flow from operating activities was $210 million, with a further $38 million received through the sale of non-core businesses

Net cash position of $42 million as at 30 June 2014, compared to net debt of $154 million as at 30 June 2013

Final fully franked dividend of 10.0 cents per share determined for FY14

Five year strategic plan now in place to achieve over $300 million EBIT annually through internal initiatives alone, with encouraging early stage gains beginning to be realized

Sydney, Australia and New York, 22 August 2014 (ASX:SGM) (OTC:SMSMY) -- Sims Metal Management Limited (the "Company") today announced a statutory net loss after tax (NLAT) of $89 million, representing a loss per diluted share of 43.5c for the full year ended 30 June 2014. Underlying net profit after tax (NPAT) was $69 million, representing earnings per diluted share of 33.6 cents.

Sales revenue of $7,129 million in FY14 was down 0.9% compared to FY13. In constant currency terms, sales revenue was down 10.5% due to lower sales volumes and lower average non-ferrous and precious metal prices.

Sales volumes of 11.8 million tonnes in FY14 decreased by 7.6% versus FY13, due in part to adverse winter weather in North America. Underlying EBIT margins nearly doubled, driven by cost reductions, divestment of underperforming operations, and early stage benefits from asset optimisation strategies.

Underlying EBIT was $119 million in FY14, an increase of 77.1% over FY13.

In announcing the result, Group CEO Galdino Claro said, "The FY14 result is a positive improvement over last year in the face of still challenging market conditions. While I am encouraged by the progress we've made, much work still needs to be done."

"Our stronger result was driven by solid contributions from our metals recycling businesses in Australasia and Europe, where recent investments and restructuring actions are translating into meaningfully improved earnings. These gains were partially offset by lower earnings from the e-recycling (SRS) businesses in the UK and North America. Softer earnings in North America metals recycling business were impacted by weak volumes associated with atypically severe winter weather in the second half. Despite these conditions, sales margins improved in North America as the business began to place more emphasis on transactional profitability."

Regional Performance

Commenting further on the performance of the regions, Mr Claro said, "Our Australasian region continued to headline our Group results. Underlying EBIT of $86 million was up from $52 million in FY13, due to strong gains from Australia Metals. Underlying EBIT margins increased from 4.8% to 7.0% on the back of higher sales volumes, which were up 16.4%, as well as the benefits from recent capital upgrades at our facilities which began to take hold."

"Underlying EBIT for Europe of $20 million was a well-earned turnaround from a loss of $19 million in the prior year. The improvement was driven by stronger earnings from UK Metals where previously undertaken restructuring actions have gained traction, providing a substantial positive impact on operational efficiency. These improvements were offset in part by continued losses from UK SRS, which necessitated our recent decision to materially exit that business."

"Despite the margin improvement already referred to, underlying EBIT for North America of $13 million was down from $34 million in FY13, due to weaker earnings from both Metals Recycling and SRS, and abnormally severe winter weather impacting volumes. Through the year, we continued to takes steps to streamline North America, including the exit from our non-core Aerospace Metals, Alabama and Utah businesses, loss making Gulf region metals recycling business, as well as our loss making SRS operations in Canada."

Strategic Progress

Remarking on the recent strategic progress at the Company, Mr Claro said, "As we begin fiscal 2015 we have accelerated our five year strategic plan to achieve over $300 million of annual EBIT through internal initiatives alone. While still in the very early stages, our implementation timelines remain on track as we roll out the initiatives across the Group."

"The capital budgeting process has now been aligned to the new strategic plan, with a high degree of scrutiny placed on new project proposals. In part due to this more rigorous process, capital expenditures were reduced by $85 million compared to the prior corresponding year, and no acquisitions were completed in FY14. We will maintain rigor in our capital allocation to ensure we execute on expansionary projects with the highest realistic expected returns."

Final Dividend

The Company has determined to pay a final dividend for FY14 of 10.0 cents per share, which will be fully franked, on 21 October 2014 to shareholders on the Company's register at the record date of 7 October 2014. This is an exception to the Company's dividend policy which is to distribute 45% to 55% of NPAT, subject to the discretion of the Board and remains unchanged. The Company's Dividend Reinvestment Plan remains suspended.

Market Conditions and Outlook

Mr Claro stated on the outlook, "The year ahead will be an exciting time at Sims Metal Management. The work towards implementing our five year strategic plan is gathering pace, with further benefits from our Streamline and Optimise phases to be delivered in FY15."

"We expect 50% of the $32 **million** in annual EBIT benefits from our Streamline program will be achieved in FY15. Roughly half of this is anticipated to be realised in the Europe region, related to the exit from our historically loss making SRS business in the UK."

"FY15 capex is expected to be between $100 **million** to $120 **million**, with expansionary capex devoted to projects directly aligned with achieving the Optimise goals set out in our strategic plan. Expansionary projects planned for FY15 include the new yard and shredder plant in Western Australia, and upgrade investments at three of our non-ferrous metal recovery plants in North America."

"At this early stage of trading in FY15, intake volume has shown minor sequential improvement across all regions we operate. Despite results so far in FY15 being consistent with plan, we remain of the view that conditions in the near-term will remain constrained."

Cautionary Statements Regarding Forward-Looking Information

This release may contain forward-looking statements, including statements about Sims Metal Management's financial condition, results of **operations**, earnings outlook and prospects. Forward-looking statements are typically identified by words such as "plan," "believe," "expect," "anticipate," "intend," "outlook," "estimate," "forecast," "project" and other similar words and expressions.

These forward-looking statements involve certain risks and uncertainties. Our ability to predict results or the actual effects of our plans and strategies is subject to inherent uncertainty. Factors that may cause actual results or earnings to differ materially from these forward-looking statements include those discussed and identified in filings we make with the Australian Securities Exchange and the United States Securities and Exchange Commission ("SEC"), including the risk factors described in the **Company**'s Annual Report on Form 20-F, which we filed with the SEC on 16 October 2013.

Because these forward-looking statements are subject to assumptions and uncertainties, actual results may differ materially from those expressed or implied by these forward-looking statements. You are cautioned not to place undue reliance on these statements, which speak only as of the date of this release.

All subsequent written and oral forward-looking statements concerning the matters addressed in this release and attributable to us or any person acting on our behalf are expressly qualified in their entirety by the cautionary statements contained or referred to in this release. Except to the extent required by applicable law or regulation, we undertake no obligation to update these forward-looking statements to reflect events or circumstances after the date of this release.

All references to currencies, unless otherwise stated, reflect measures in Australian dollars.

About Sims Metal Management

Sims Metal Management is the world's largest listed metal recycler with over 250 facilities and 6,000 employees globally. Sims' core businesses are metal recycling and electronics recycling. Sims Metal Management generates approximately 60% of its revenue from **operations** in North America. The **Company**'s ordinary shares are listed on the Australian Securities Exchange (ASX: SGM) and its ADRs are listed in the United States on the Over-the-Counter market (OTC:SMSMY).

(http://www.simsmm.com/News-and-Reports/News-Releases)

CO	dsnyw : The Walt Disney Company | bkhlp : BHP Billiton Ltd | bltplc : BHP Billiton PLC
IN	i2111 : Iron Ore Mining | i2245 : Aluminum | i211 : Metal Ore Mining | i22 : Primary Metals | i224 : Non-ferrous Metals | ibasicm : Basic Materials/Resources | imet : Mining/Quarrying | i971 : Motion Pictures/Sound Recording | i97101 : Cinema Film Production | imed : Media/Entertainment | imopic : Motion Pictures Recording/Publishing
NS	ciprof : Industry Profile | gflood : Floods/Tidal Waves | ccat : Corporate/Industrial News | gcat : Political/General News | gdis : Disasters/Accidents | gntdis : Natural Disasters/Catastrophes | grisk : Risk News
RE	austr : Australia | saustr : South Australia | usa : United States | waustr : Western Australia | apacz : Asia Pacific | ausnz : Australia/Oceania | namz : North America
PUB	Acquisdata
AN	Document ACQIND0020141017eaaf00003

