

SE News Stories; Other News
HD **Atlas Iron** made first **iron ore** sales to India in May

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Australia's Atlas **Iron** made its first **iron ore sale** into India in May, and is looking to add other Asian and European destinations, it said in a presentation Tuesday.

China has been Atlas' traditional export market, with the miner selling around 75% of its material on term contracts and the balance through spot deals during the March quarter to small and medium **Chinese** mills and trading houses, the **company** said previously.

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Atlas told a Sydney conference **iron ore** prices have weakened significantly since the start of the year due to rising supply. "Increasing supply is placing further downward pressure on 58% Fe products, with significantly increased discounts to the 62% index being experienced for that product while the market adjusts to accommodate the increased presence of this style of product," it said, according to a copy of the presentation.

Atlas said higher-cost producers in **China** and other countries outside Australia and Brazil are facing challenging economics at current prices, which it expects will tighten supply. But the Australian miner said the recent A\$1.4 **billion** (\$1.3 **billion**) bid by **China**'s Baosteel to acquire Aquila Resources "vindicates the long-term need in **China** for 58% Fe product in expanding volumes, with Australia the preferred source of supply."

Atlas said Tuesday it shipped more than 2 **million** mt of **iron ore** in April-May and set a record high for shipments at 1.25 **million** mt in May.

The **company**'s production guidance for this fiscal year remains at 10.2 **million**-10.7 **million** mt, with cash costs in the range of A\$49-52/mt, it said.

Marnie Hobson

CO atlagd : Atlas Iron Ltd.

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IPD Supply

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