

**DIRECT REDUCTION PELLET DETAILED ECONOMIC SUMMARY**

		<b>Mine Life</b>	<b>Mean Annual**</b>
Ore Production	million tonnes	578	24.1
Mine Life	production years	24	
<b>Iron Pellet Production</b>	<b>million tonnes</b>	<b>330</b>	<b>13.7</b>
Payable Copper production	million lbs	535	22.3
Payable Gold Production	000 oz	493	20.5
	US¢/dm <sub>tu</sub> /		
Iron Pellet price	US\$/t	218¢ / \$140	
Copper price	US\$/lb	\$2.00	
Gold price	US\$/oz	\$650	
Gross Revenue	US\$ Million	\$47,858	\$1,994
<b>Net Smelter Return*</b>	<b>US\$ Million</b>	<b>\$47,613</b>	<b>\$1,984</b>
Post-Royalties	US\$ Million	\$46,228	\$1,926
Site Operating Costs	US\$ Million	\$7,324	\$305
<b>Pre-Tax Operating Cash Flow</b>	<b>US\$ Million</b>	<b>\$38,904</b>	<b>\$1,621</b>
Initial Capital	US\$ Million		\$3,284
Sustaining Capital	US\$ Million		\$4,178
Total Capital	US\$ Million		\$7,462
Income and other taxes	US\$ Million	\$11,193	\$466
<b>Post-Tax NPV<sub>8%</sub></b>	<b>US\$ Million</b>		<b>\$4,073</b>
<b>Internal Rate of Return %</b>	<b>%</b>		<b>19.8%</b>
<b>Undiscounted Total Post-Tax Cash Flow</b>	<b>US\$ Million</b>	<b>\$20,249</b>	<b>\$840</b>

\* The NSR here reflects revenue from iron, copper and gold, net of all off-site costs. For iron the net revenue is the FOB sales price.

\*\* Mean Annual figures are averaged over 24 production years, including ramp-up in the early years of production. These figures are lower than those achieved during full production.