

## Daily Iron Ore Index Report

October 31, 2018

### IRON ORE PORT STOCK INDEX (IOPI)

| October 31 2018 |              | FOT Qingdao (inc. 16% VAT), RMB/wet tonne |        |          |     |                  |                  |                   | CFR Qingdao Equivalent (exc. 16% VAT), USD/dry tonne <sup>1</sup> |        |          |       |                  |                  |                   |
|-----------------|--------------|---|--------|----------|-----|------------------|------------------|-------------------|---|--------|----------|-------|------------------|------------------|-------------------|
| Index           | Fe Content   | Price                                     | Change | Change % | MTD | YTD <sup>2</sup> | Low <sup>2</sup> | High <sup>2</sup> | Price   | Change | Change % | MTD   | YTD <sup>2</sup> | Low <sup>2</sup> | High <sup>2</sup> |
| IOPI62          | 62% Fe Fines | 603                                       | 5      | 0.8%     | 564 | 495              | 443              | 603               | 77.36   | 0.59   | 0.8%     | 72.55 | 66.25            | 75.83            | 77.89             |
| IOPI58          | 58% Fe Fines | 414                                       | -2     | -0.5%    | 401 | 351              | 304              | 416               | 51.93   | -0.63  | -1.2%    | 50.47 | 45.63            | 40.67            | 52.56             |
| IOPI65          | 65% Fe Fines | 784                                       | 6      | 0.8%     | 760 | 646              | 541              | 784               | 101.71  | 0.70   | 0.7%     | 99.05 | 87.46            | 96.35            | 101.71            |

### IRON ORE SEABORNE INDEX (IOSI)

### PLATFORM TRADES AND TENDERS

| October 31 2018 |              | CFR Qingdao, USD/dry tonne |        |          |       |                  |                  |                   |
|-----------------|--------------|----------------------------|--------|----------|-------|------------------|------------------|-------------------|
| Index           | Fe Content   | Price                      | Change | Change % | MTD   | YTD <sup>3</sup> | Low <sup>3</sup> | High <sup>3</sup> |
| IOSI62          | 62% Fe Fines | 75.95                      | 0.05   | 0.1%     | 72.31 | 68.05            | 63.25            | 86.20             |
| IOSI65          | 65% Fe Fines | 100.00                     | -0.15  | -0.1%    | 98.97 | 94.17            | 86.20            | 101.50            |

### MARKET COMMENTARY

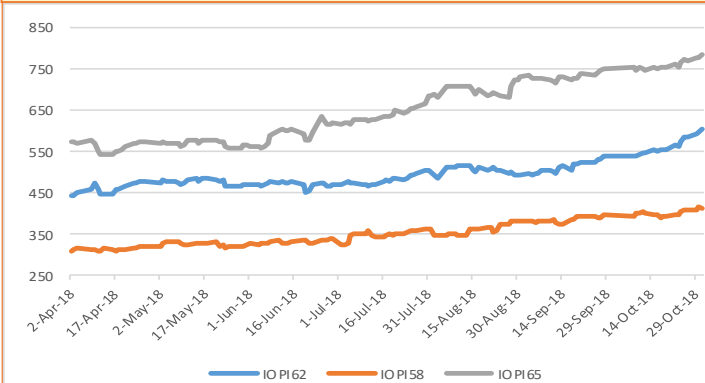
According to SMM, seventy-three vessels carrying 10.56 million mt of iron ore are likely to arrive at major Chinese ports during October 26 to November 1, up 720,000 mt from arrivals during October 19-25. Seaborne iron ore arrivals increased by 550,000 mt in the previous week. Arrivals to Jingtang port are expected to shrink this week while arrivals to Caofeidian port and ports in Shandong province are likely to gain slightly. For the same period, iron ore shipments departing Australian ports will decrease by 70,000 mt to 15.45 million mt; those leaving Brazilian ports will also fall by 90,000 mt to 7.87 million mt. This suggested that tight supplies of Australian materials including Mac fines, Newman fines and Pilbara Blend fines (MNP) across major ports would carry over into the near term.

### IRON ORE DOMESTIC CONCENTRATE SPOT PRICE ASSESSMENTS AND COMPOSITE INDEX

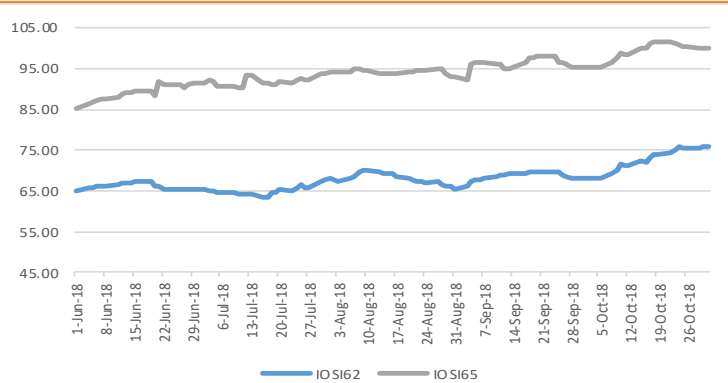
| Week Ending October 26, 2018                   |         |                    |       | RMB/tonne (excluding tax) <sup>4</sup> |          |                  |                   | USD/tonne (excluding tax) <sup>4</sup> |          |                  |                   |
|--|---------|--------------------|-------|--|----------|------------------|-------------------|--|----------|------------------|-------------------|
| Province                                       | Region  | Product            | Basis | This week                              | Change % | Low <sup>2</sup> | High <sup>2</sup> | This week                              | Change % | Low <sup>2</sup> | High <sup>2</sup> |
| Hebei  | Hanxing | 66% Fe Concentrate | Dry   | 695                                    | 2.2%     | 579              | 695               | 100.19                                 | 4.8%     | 83.47            | 100.19            |
| Hebei  | Qian'an | 65% Fe Concentrate | Dry   | 780                                    | 0.0%     | 630              | 780               | 112.44                                 | -0.5%    | 90.82            | 112.44            |
| Liaoning                                       | Anshan  | 65% Fe Concentrate | Wet   | 545                                    | 0.0%     | 445              | 550               | 78.56                                  | -0.5%    | 64.15            | 79.28             |
| Shandong                                       | Zibo    | 65% Fe Concentrate | Dry   | 775                                    | 0.0%     | 620              | 775               | 111.72                                 | 2.2%     | 89.38            | 111.72            |
| Week Ending October 26, 2018                   |         |                    |       | This week                              | Change % | Low <sup>5</sup> | High <sup>5</sup> |  |          |                  |                   |
| China Mines Concentrate Composite Index RMB/WT |         |                    |       | 650.94                                 | 0.6%     | 534.50           | 650.94            |  |          |                  |                   |

<sup>1</sup> Exchange rate applied: RMB/USD = 6.9646 <sup>2</sup> Since March 1 <sup>3</sup> Since June 1  
<sup>4</sup> Weekly exchange rate applied: RMB/USD 6.9208 <sup>5</sup> Last 12 months

### IRON ORE PORT INDEX, FOT QINGDAO (RMB/WT)



### IRON ORE SEABORNE INDEX, CFR QINGDAO (USD/DMT)



### IRON ORE PORT STOCK INDEX MONTHLY, QUARTERLY AND YEAR-TO-DATE AVERAGES

| October 31 2018 |              | FOT Qingdao (inc. 16% VAT), RMB/wet tonne |      |        |           |         |     |                  | CFR Qingdao Equivalent (exc. 16% VAT), USD/dry tonne <sup>1</sup> |       |        |           |         |       |                  |
|-----------------|--------------|---|------|--------|-----------|---------|-----|------------------|---|-------|--------|-----------|---------|-------|------------------|
| Index           | Fe Content   | June                                      | July | August | September | October | QTD | YTD <sup>2</sup> | June  | July  | August | September | October | QTD   | YTD <sup>2</sup> |
| IOPI62          | 62% Fe Fines | 471                                       | 482  | 505    | 513       | 564     | 564 | 495              | 65.87   | 64.29 | 63.41  | 65.25     | 72.55   | 72.55 | 66.25            |
| IOPI58          | 58% Fe Fines | 332                                       | 349  | 363    | 385       | 401     | 401 | 351              | 43.75   | 44.14 | 44.86  | 45.84     | 50.47   | 50.47 | 45.63            |
| IOPI65          | 65% Fe Fines | 594                                       | 638  | 701    | 732       | 760     | 760 | 646              | 79.76   | 82.19 | 85.29  | 92.13     | 99.05   | 99.05 | 87.46            |

### IRON ORE SEABORNE INDEX MONTHLY, QUARTERLY AND YEAR-TO-DATE AVERAGES

### FREIGHT RATES

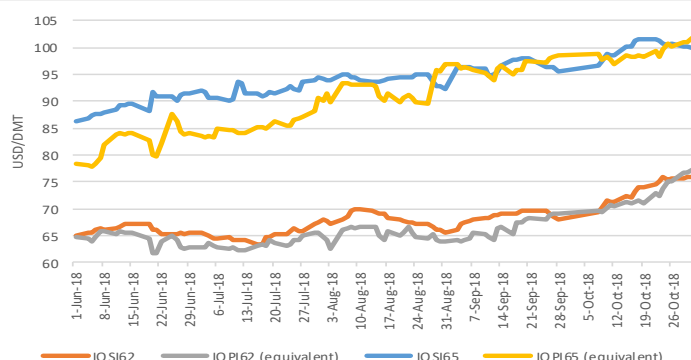
| October 31 2018 |              | CFR Qingdao, USD/dry tonne |       |        |           |         |       |                  | October 30, 2018       |             | FREIGHT RATES - DRY BULK US\$/wet tonne |          |                  |                   |        |
|-----------------|--------------|----------------------------|-------|--------|-----------|---------|-------|------------------|------------------------|-------------|---|----------|------------------|-------------------|--------|
| Index           | Fe Content   | June                       | July  | August | September | October | QTD   | YTD <sup>3</sup> | Route                  | Designation | Change                                  | Change % | Low <sup>5</sup> | High <sup>5</sup> |        |
| IOSI62          | 62% Fe Fines | 66.10                      | 65.09 | 67.89  | 68.79     | 72.31   | 72.31 | 68.05            | W. Australia - Qingdao | C5          | 8.85                                    | 0.00     | 0.00%            | 5.109             | 10.002 |
| IOSI65          | 65% Fe Fines | 89.32                      | 91.90 | 94.04  | 96.48     | 98.97   | 98.97 | 94.17            | Tubarao - Qingdao      | C3          | 21.61                                   | 0.08     | 0.36%            | 12.705            | 24.76  |

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### IRON ORE INDEX COMPARISONS



### CHINA DOMESTIC COMPOSITE MINES INDEX (RMB/Wet Tonne, including VAT)



### IRON ORE BRAND SPOT PRICE ASSESSMENTS

| October 31 2018         | PORT STOCK INDEX (RMB/WT) |        |                | October 31 2018         | SEABORNE INDEX (USD/DMT) |        |                |
|-------------------------|---------------------------|--------|----------------|-------------------------|--------------------------|--------|----------------|
|                         | Price                     | Change | Diff to IOPI62 |                         | Price                    | Change | Diff to IOSI62 |
| Roy Hill                | 580                       | 5      | -23            | Roy Hill                | 69.32                    | 0.50   | -6.63          |
| SIMEC Fines             | 528                       | 5      | -75            | SIMEC Fines             | 62.32                    | 1.20   | -13.63         |
| PB Fines                | 586                       | 3      | -17            | PB Fines                | 74.82                    | 0.20   | -1.13          |
| Newman Fines            | 604                       | 4      | 1              | Newman Fines            | 77.31                    | 0.20   | 1.36           |
| MAC Fines               | 571                       | 6      | -32            | MAC Fines               | 69.82                    | -0.60  | -6.13          |
| Jimblebar Blended Fines | 537                       | 7      | -66            | Jimblebar Blended Fines | 63.45                    | -11.58 | -12.50         |
| Carajas Fines           | 770                       | 5      | 167            | Carajas Fines           | 97.29                    | -1.05  | 21.34          |
| Brazilian SSF           | 606                       | 5      | 3              | Brazilian SSF           | 78.76                    | 1.30   | 2.81           |
| Brazilian Blend Fines   | 619                       | 6      | 16             | Brazilian Blend Fines   | 80.76                    | 0.55   | 4.81           |
| RTX Fines               | 510                       | 5      | -93            | RTX Fines               | 68.32                    | -0.95  | -7.63          |
| October 31 2018         | PORT STOCK INDEX (RMB/WT) |        |                |                         |                          |        |                |
|                         | Price                     | Change | Diff to IOPI58 |                         |                          |        |                |
| SSF                     | 366                       | -3     | -48            |                         |                          |        |                |
| FMG Blended Fines       | 420                       | -2     | 6              |                         |                          |        |                |
| Robe River              | 400                       | 16     | -14            |                         |                          |        |                |
| Western Fines           | 398                       | 0      | -16            |                         |                          |        |                |
| Atlas Fines             | 374                       | -2     | -40            |                         |                          |        |                |
| Yandi                   | 472                       | 3      | 58             |                         |                          |        |                |

### IRON ORE INDEX NORMALISATION DIFFERENTIALS

| Port Stock Index Product Differentials (RMB/wet tonne) |                              |       |        | Seaborne Index Product Differentials (USD/dry tonne) |                              |       |        |
|--|------------------------------|-------|--------|--|------------------------------|-------|--------|
|  | Applicable range             | Value | Change |  | Applicable range             | Value | Change |
| 1% Fe  | High Grade Fe 60 - 63%       | 12.00 | 0.00   | 1% Fe  | High Grade Fe 60 - 63%       | 2.50  | 0.00   |
|  | High Grade Fe 63 - 64%       | 57.00 | 0.00   |  | High Grade Fe 63 - 64%       | 2.75  | -0.25  |
|  | High Grade Fe 64 - 65%       | 57.00 | 0.00   |  | High Grade Fe 64 - 65%       | 2.75  | -0.25  |
|  | High Grade Fe 65 - 65.5%     | 57.00 | 0.00   |  | High Grade Fe 65 - 65.5%     | 2.75  | -0.25  |
|  | Low Grade Fe                 | 20.00 | 0.00   |  |                              |       |        |
| 1% Alumina   | High Fe Grade Al <2.25%      | 44.00 | 0.00   | 1% Alumina   | High Fe Grade Al <2.25%      | 9.75  | 0.00   |
|  | High Fe Grade Al 2.25-4%     | 39.00 | 0.00   |  | High Fe Grade Al 2.25-4%     | 0.00  | 0.00   |
|  | Low Fe Grade Al <2.25%       | 85.00 | 0.00   |  |                              |       |        |
|  | Low Fe Grade Al 2.25-4%      | 13.00 | 0.00   |  |                              |       |        |
| 1% Silica  | High Fe Grade Si <4%         | 7.00  | 0.00   | 1% Silica  | High Fe Grade Si <4%         | 2.50  | -0.25  |
|  | High Fe Grade Si 4-6.5%      | 26.00 | 0.00   |  | High Fe Grade Si 4 - 6.5%    | 3.75  | -0.50  |
|  | Low Fe Grade                 | 6.00  | 0.00   |  |                              |       |        |
| 0.01% Phosphorus                                       | High Fe Grade 0.09%<P<0.115% | 4.00  | 0.00   | 0.01% Phosphorus                                     | High Fe Grade 0.09%<P<0.115% | 0.50  | 0.50   |
|  | High Fe Grade 0.115%<P<0.15% | 14.00 | 0.00   |  | High Fe Grade 0.115%<P<0.15% | 1.00  | 0.00   |
|  | Low Fe Grade 0.09<P<0.1%     | 2.00  | 0.00   |  |                              |       |        |

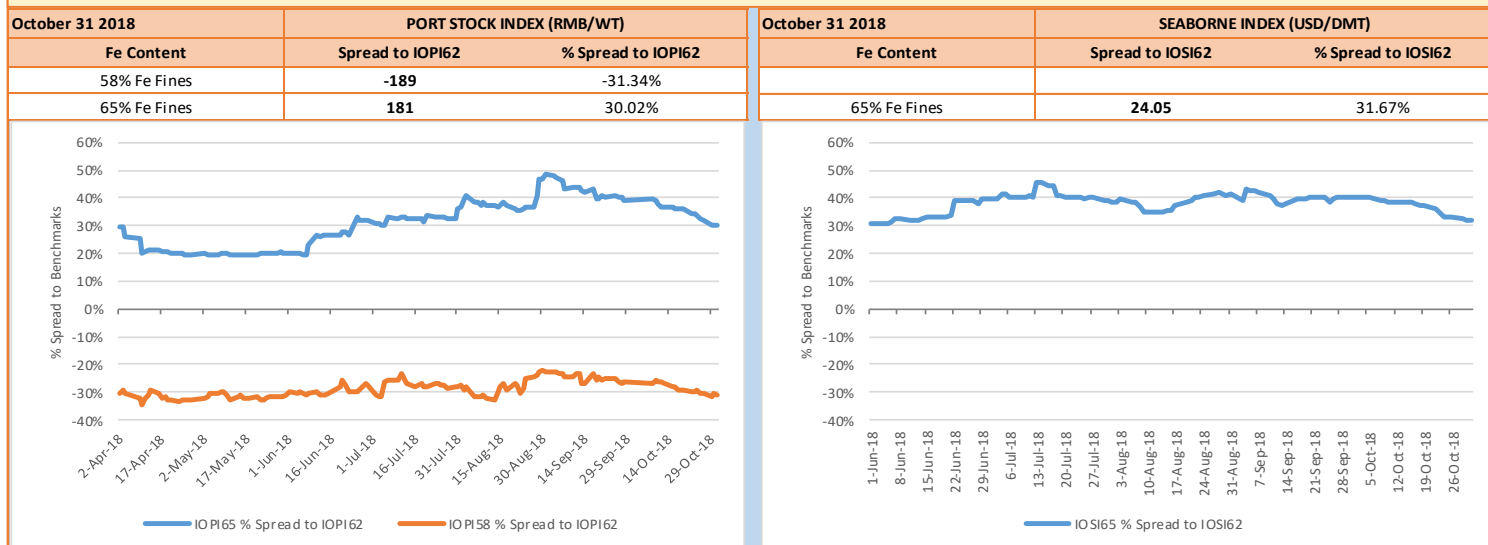
### Port Stock Differentials to Qingdao Port (RMB/wet tonne)

| Port       | Value  | Change | Port      | Value  | Change | Port        | Value  | Change | Port    | Value  | Change |
|------------|--------|--------|-----------|--------|--------|-------------|--------|--------|---------|--------|--------|
| Bayuquan   | -40.00 | 0.00   | Fangcheng | -5.00  | 0.00   | Lanshan     | 0.00   | 0.00   | Qingdao | 0.00   | 0.00   |
| Beilun     | 5.00   | 0.00   | Jiangyin  | -30.00 | 0.00   | Lianyungang | 0.00   | 0.00   | Rizhao  | 0.00   | 0.00   |
| Caofeidian | -15.00 | 0.00   | Jingtang  | -15.00 | 0.00   | Majishan    | 0.00   | 0.00   | Shekou  | 0.00   | 0.00   |
| Dalian     | -20.00 | 0.00   | Lanqiao   | 0.00   | 0.00   | Nantong     | -30.00 | 0.00   | Tianjin | -30.00 | 0.00   |

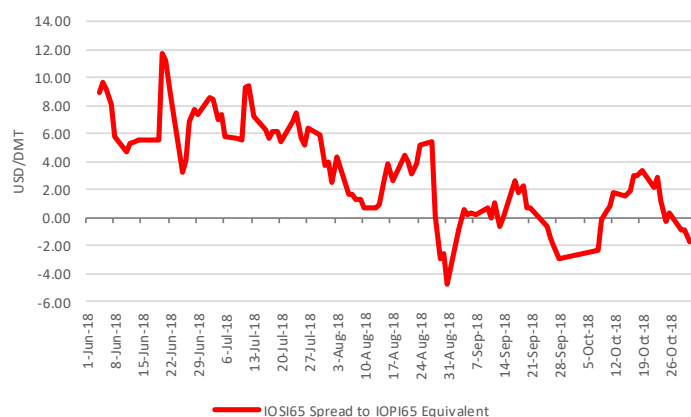
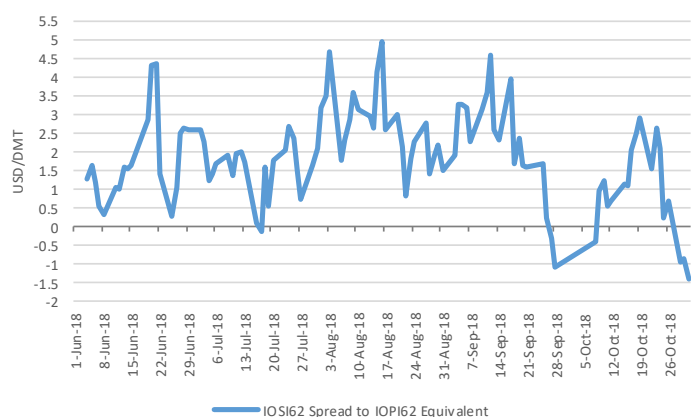
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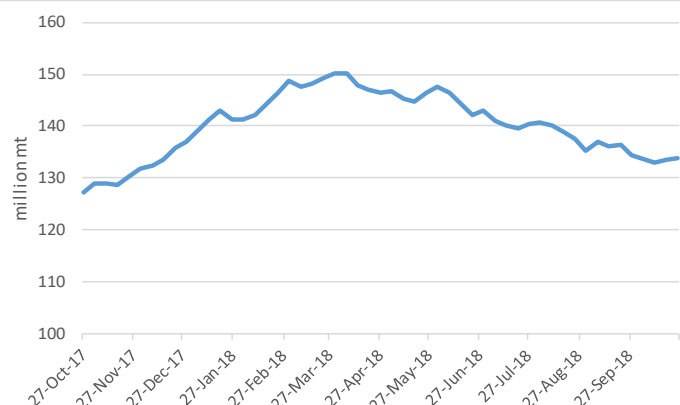
### IRON ORE INDEX PREMIUMS/DISCOUNTS



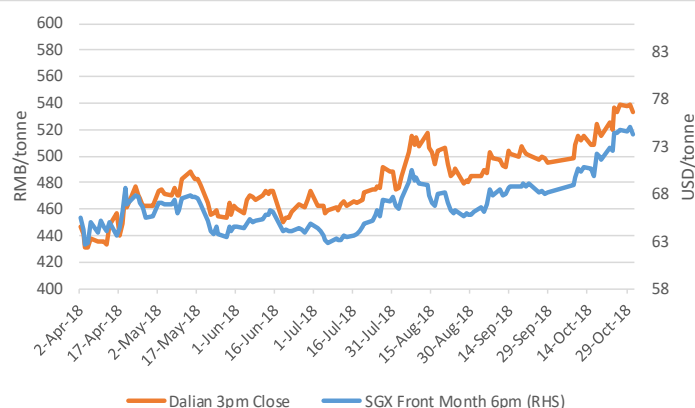
### IRON ORE SEABORNE TO PORT STOCK SPREADS



### TOTAL IRON ORE INVENTORIES AT CHINA PORTS



### FUTURE TRADING—FRONT MONTH CLOSING PRICE



### IRON ORE PORT INVENTORIES

Week Ending October 26, 2018 (million tonnes)

| Province         | This week | Change % | Low <sup>4</sup> | High <sup>4</sup> |
|------------------|-----------|----------|------------------|-------------------|
| Jingtang         | 14.30     | 5.15%    | 13.47            | 19.00             |
| Qingdao          | 18.00     | 0.00%    | 15.60            | 19.97             |
| Caofeidian       | 18.60     | -6.81%   | 16.70            | 25.30             |
| Tianjin          | 9.30      | 3.79%    | 8.50             | 11.00             |
| Rizhao           | 16.05     | 1.58%    | 13.16            | 19.00             |
| Total (35 Ports) | 133.81    | 0.21%    | 127.10           | 150.04            |

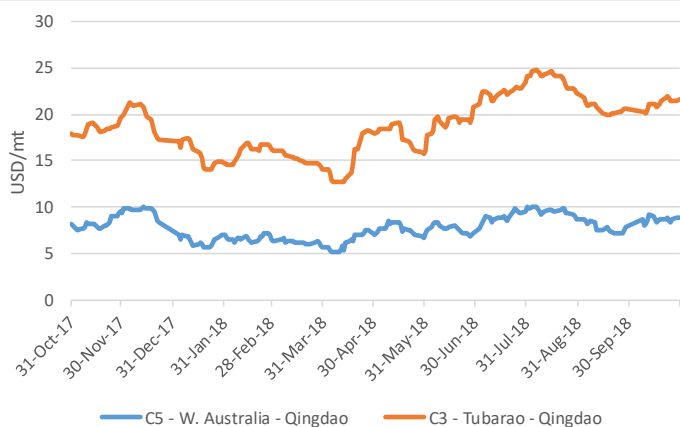
### IRON ORE FUTURES CONTRACTS

|                            | DCE              |        |          | SGX         |        |          |
|----------------------------|------------------|--------|----------|-------------|--------|----------|
| Closing Date               | 31 Oct 3pm close |        |          | 31 Oct 6 pm |        |          |
| Contract                   | I1901            | Change | Change % | Nov'18      | Change | Change % |
| Closing Price              | 533.5            | -5.5   | -1.02%   | 74.25       | -0.79  | -1.05%   |
| Vol traded ('000 lots)     | 101.74           | 19.7   | 23.98%   | 4.40        | -4.59  | -51.06%  |
| Open positions ('000 lots) | 79.35            | -1.3   | -1.65%   | 103.43      | 1.25   | 1.22%    |
| Day Low                    | 531.0            | -3.5   | -0.65%   | 73.74       | -0.30  | -0.41%   |
| Day High                   | 536.0            | -6.5   | -1.20%   | 74.29       | -0.82  | -1.09%   |

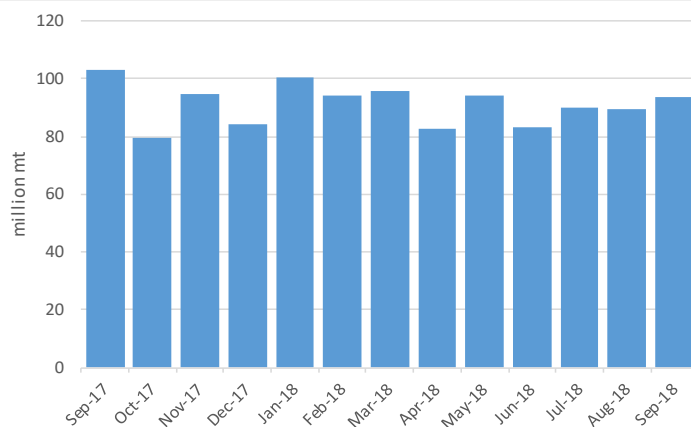
## Daily Iron Ore Index Report

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### DRY BULK FREIGHT RATES



### TOTAL CHINA IRON ORE IMPORT VOLUMES

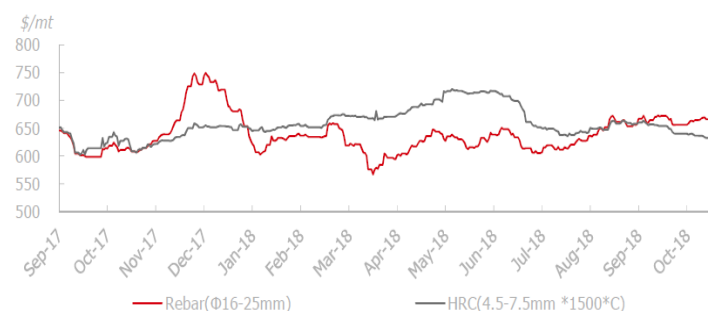


### Steel Spot Market Prices - China

#### Steel Spot Market RMB/tonne

| Product                         | 26/10/2018 | Change | Change % |
|---------------------------------|------------|--------|----------|
| ReBar HRB400 $\phi$ 18mm        | 4,707.0    | 83     | 1.79%    |
| Wirerod Q300 $\phi$ 6.5mm       | 4,930.0    | 59     | 1.21%    |
| HRC Q235/SS400 5.5mm*1500*C     | 4,205.0    | 2      | 0.05%    |
| CRC SPCC/ST12 1.0mm*1250*2500   | 4,800.0    | -26    | -0.54%   |
| Medium & Heavy Plate Q235B 20mm | 4,356.0    | -34    | -0.77%   |
| GI ST02Z 1.0mm*1000*C           | 5,150.0    | -10    | -0.19%   |
| Billet Q235 150*150mm           | 4,000.0    | 80     | 2.04%    |

#### Rebar and HRC spot prices



### CHINESE STEEL EXPORT PRICES

#### China Export Prices USD/tonne

| Product              | Specification                 | Export tax (+)/Vate rebate (-) | Change  |
|----------------------|-------------------------------|--------------------------------|---------|
|                      |                               | 26/10/2018                     |         |
| Rebar                | BS4449 460B 12-25mm, + chrome | -13%                           | 560 -10 |
| Wire Rod             | SAE1008 6.5-10mm +chrome      | -9%                            | 580 0   |
| Hot-rolled coil      | SS400/Q235 4.0-10mm           | -9%                            | 560 -5  |
| Cold-rolled coil     | SPCC 1.0mm                    | -13%                           | 600 -5  |
| Medium & Heavy plate | A-level Ship plate 12-25mm    | 0%                             | 610 0   |
| Galvanised           | ST02Z/SGCC 1.0mm              | -13%                           | 665 -5  |

Note: Calculation formula for converting export prices of rebar, cold-rolled steel and galvanizing into prices in China's spot market = FOB \* exchange rate \* 1.16 / (1.16 - 0.13); Calculation formula for converting export prices of wire rod and hot-rolled steel into prices in China's spot market = FOB \* exchange rate \* 1.16 / (1.16 - 0.09); Calculation formula for converting export prices of medium-thick plate into prices in China's spot market = FOB \* exchange rate

### CHINESE STEEL INVENTORIES

#### Steel Inventories<sup>3</sup> (unit: 1000 tonnes)

| Product              | 26/10/2018 | 19/10/2018 | Change | Change % |
|----------------------|------------|------------|--------|----------|
| Rebar                | 3,789      | 4,124      | -335   | -8.12%   |
| Wirerod              | 1,216      | 1,355      | -139   | -10.26%  |
| Hot-rolled Coil      | 2,454      | 2,445      | 9      | 0.37%    |
| Medium & Thick Plate | 1,152      | 1,161      | -9     | -0.78%   |
| Cold-rolled Coil     | 1,220      | 1,230      | -10    | -0.81%   |
| Total                | 9,831      | 10,315     | -484   | -4.69%   |

<sup>3</sup> SMM statistics cover inventories of major steel products in China's major markets: hot-rolled steel inventories in 33 major cities; rebar and wire inventories in 35 major cities; cold-rolled steel and medium-thick plate inventories in 31 major cities.

### CHINESE STEEL MILL PROFITABILITY

#### SMM Tracking of Steel Mill P&L - Rebar and Hot-rolled Coil (RMB/tonne)

| Category                               | Price | Change (WoW) | Note  |
|--|-------|--------------|---|
| MMI (Fe 62%), USD/mt excluding tax     | 74.95 | -0.25        | Mmi CFR Equivalent index for 12th October         |
| Coke                                   | 2,510 | 0            | 2nd grade met coke, Tangshan, incl. tax           |
| Steel Scrap                            | 2,430 | 20           | steel scrap (6mm) in Zhangjiagang, excl. tax      |
| Billet Cost                            | 3,192 | 5            | Q234, incl. tax                                   |
| Rebar cost - Blast furnace             | 3,460 | 5            | calculated based on theoretical weight, incl. tax |
| Rebar profit - Blast furnace           | 1,090 | 5            | based on Shanghai prices, incl. tax               |
| Hot-rolled coil cost - Blast furnace   | 3,517 | 5            | based on actual weight, incl. tax                 |
| Hot-rolled coil profit - Blast furnace | 663   | -5           | based on Shanghai prices, incl. tax               |

Note: 1 Costs in the table are calculated based on today's market prices and factored our management, sales, financial and depreciations fees.

2. The cost refers to average cost in the industry based on SMM's survey of small, medium and large mills in China

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### IRON ORE INDEX SPECIFICATIONS, COMPILATION RATIONALE AND DATA EXCLUSIONS

| Iron Ore Index Specifications (Port and Seaborne) |   |              |              | Iron Ore Index Compilation Rationale and Data Exclusions  |  |  |  |                  |  |  |  |  |     |     |     |            |   |   |   |                |   |   |   |            |   |   |   |
|---|---|--------------|--------------|---|--|--|--|------------------|--|--|--|--|-----|-----|-----|------------|---|---|---|----------------|---|---|---|------------|---|---|---|
|   | 65% Fe Fines  | 62% Fe Fines | 58% Fe Fines | <p>MMi iron ore indices are compiled from data provided by companies that are part of the iron ore supply chain and involved in spot market transactions. The indices are calculated using detailed transaction-level data submitted to MMi by these companies. This data is normalised to the appropriate specifications and screened to remove outliers before volume-weighted average prices are calculated from the remaining core set of data.</p> <p>For more details on MMi's iron ore methodology please download the guide published on our website at: <a href="http://www.mmiprices.com">www.mmiprices.com</a></p> |  |  |  |                  |  |  |  |  |     |     |     |            |   |   |   |                |   |   |   |            |   |   |   |
| Fe %  | 65.00   | 62.00        | 58.00        |   |  |  |  |                  |  |  |  |  |     |     |     |            |   |   |   |                |   |   |   |            |   |   |   |
| Alumina %   | 1.40  | 2.25         | 2.25         |   |  |  |  |                  |  |  |  |  |     |     |     |            |   |   |   |                |   |   |   |            |   |   |   |
| Silica%   | 1.50  | 4.00         | 5.50         |   |  |  |  |                  |  |  |  |  |     |     |     |            |   |   |   |                |   |   |   |            |   |   |   |
| Phosphorus %                                      | 0.06  | 0.09         | 0.05         |   |  |  |  |                  |  |  |  |  |     |     |     |            |   |   |   |                |   |   |   |            |   |   |   |
| Sulphur %   | 0.01  | 0.02         | 0.02         | <table><tr><th colspan="4">Data Exclusions*</th></tr><tr><td></td><th>62%</th><th>58%</th><th>65%</th></tr><tr><td>Port Index</td><td>0</td><td>0</td><td>0</td></tr><tr><td>Seaborne index</td><td>0</td><td>0</td><td>0</td></tr><tr><td>Lump Index</td><td>0</td><td>0</td><td>0</td></tr></table>   |  |  |  | Data Exclusions* |  |  |  |  | 62% | 58% | 65% | Port Index | 0 | 0 | 0 | Seaborne index | 0 | 0 | 0 | Lump Index | 0 | 0 | 0 |
| Data Exclusions*                                  |   |              |              |   |  |  |  |                  |  |  |  |  |     |     |     |            |   |   |   |                |   |   |   |            |   |   |   |
|   | 62%   | 58%          | 65%          |   |  |  |  |                  |  |  |  |  |     |     |     |            |   |   |   |                |   |   |   |            |   |   |   |
| Port Index  | 0   | 0            | 0            |   |  |  |  |                  |  |  |  |  |     |     |     |            |   |   |   |                |   |   |   |            |   |   |   |
| Seaborne index                                    | 0   | 0            | 0            |   |  |  |  |                  |  |  |  |  |     |     |     |            |   |   |   |                |   |   |   |            |   |   |   |
| Lump Index  | 0   | 0            | 0            |   |  |  |  |                  |  |  |  |  |     |     |     |            |   |   |   |                |   |   |   |            |   |   |   |
| Moisture %  | 8.00  | 8.00         | 9.00         |   |  |  |  |                  |  |  |  |  |     |     |     |            |   |   |   |                |   |   |   |            |   |   |   |
| Sizing  | Granular size below 10mm for at least 90% of cargo; maximum of 40% below 150 micron |              |              |   |  |  |  |                  |  |  |  |  |     |     |     |            |   |   |   |                |   |   |   |            |   |   |   |
| Pricing Point                                     | Qingdao Port (FOT and CFR respectively)   |              |              |   |  |  |  |                  |  |  |  |  |     |     |     |            |   |   |   |                |   |   |   |            |   |   |   |
| Timing (Seaborne)                                 | Loading within 4 weeks, Delivery within 8 weeks                                     |              |              | <p>* Number of price submissions for iron ore indices that were excluded from index calculations today as they were anomalous and could not be verified</p>   |  |  |  |                  |  |  |  |  |     |     |     |            |   |   |   |                |   |   |   |            |   |   |   |
| Payment Terms                                     | L/C at sight  |              |              |   |  |  |  |                  |  |  |  |  |     |     |     |            |   |   |   |                |   |   |   |            |   |   |   |

### IRON ORE DOMESTIC CONCENTRATE INDEX CALCULATION METHODOLOGY

The compilation method for price index generally refers to the compilation method of CPI price index and other price indices, breakdown the price data and calculate the average value according to a certain method, taking the vertical axis as the regional composite index (average of different grade index) and the horizontal axis as the grade composite index (average of different regional index), a total composite index for domestic ore can be output ultimately. The process system is also adopted in the calculation i.e. each sub-index can be obtained as well.

### AVERAGE IRON ORE SPECIFICATIONS APPLIED FOR BRAND PRICE ASSESSMENTS

| PORT STOCK BRANDS       |  |         |        |        |          | SEABORNE BRANDS         |  |         |        |        |          |
|-------------------------|--|---------|--------|--------|----------|-------------------------|--|---------|--------|--------|----------|
| October 31 2018         | SPECIFICATIONS APPLIED FOR 62% BRAND ASSESSMENTS |         |        |        |          |                         | SPECIFICATIONS APPLIED FOR 62% BRAND ASSESSMENTS |         |        |        |          |
|                         | Fe   | Alumina | Silica | Phos   | Moisture |                         | Fe   | Alumina | Silica | Phos   | Moisture |
| Roy Hill                | 61.00%   | 2.20%   | 4.50%  | 0.055% | 8.00%    | Roy Hill                | 60.70%   | 2.30%   | 4.90%  | 0.055% | 8.00%    |
| SIMEC Fines             | 60.00%   | 2.30%   | 6.30%  | 0.060% | 6.00%    | SIMEC Fines             | 60.00%   | 2.30%   | 6.30%  | 0.060% | 6.00%    |
| PB Fines                | 61.68%   | 2.32%   | 3.55%  | 0.100% | 9.37%    | PB Fines 62%            | 62.00%   | 2.60%   | 4.30%  | 0.090% | 10.00%   |
| Newman Fines            | 62.48%   | 2.32%   | 4.16%  | 0.070% | 7.67%    | Newman Fines            | 62.80%   | 2.20%   | 4.30%  | 0.080% | 6.40%    |
| MAC Fines               | 60.85%   | 2.21%   | 4.77%  | 0.090% | 7.93%    | MAC Fines               | 61.00%   | 2.70%   | 4.70%  | 0.110% | 9.30%    |
| Jimblebar Blended Fines | 61.37%   | 2.80%   | 4.36%  | 0.110% | 6.80%    | Jimblebar Blended Fines | 61.79%   | 2.67%   | 4.08%  | 0.115% | 7.16%    |
| Carajas Fines           | 64.79%   | 1.32%   | 1.95%  | 0.070% | 8.30%    | Carajas Fines           | 65.10%   | 1.50%   | 1.70%  | 0.080% | 8.50%    |
| Brazilian SSF           | 62.00%   | 1.00%   | 6.50%  | 0.040% | 6.00%    | Brazilian SSF           | 62.00%   | 1.00%   | 6.50%  | 0.040% | 6.00%    |
| Brazilian Blend Fines   | 62.66%   | 1.55%   | 4.79%  | 0.060% | 8.37%    | Brazilian Blend Fines   | 62.50%   | 1.50%   | 5.00%  | 0.070% | 7.00%    |
| RTX Fines               | 61.00%   | 3.10%   | 4.50%  | 0.135% | 7.50%    | RTX Fines               | 61.00%   | 3.10%   | 4.50%  | 0.135% | 7.50%    |
| October 31 2018         | SPECIFICATIONS APPLIED FOR 58% BRAND ASSESSMENTS |         |        |        |          |                         |  |         |        |        |          |
|                         | Fe   | Alumina | Silica | Phos   | Moisture |                         |  |         |        |        |          |
| SSF                     | 56.43%   | 3.00%   | 6.34%  | 0.050% | 9.44%    |                         |  |         |        |        |          |
| FMG Blended Fines       | 58.36%   | 2.79%   | 5.90%  | 0.070% | 7.13%    |                         |  |         |        |        |          |
| Robe River              | 56.63%   | 2.88%   | 1.85%  | 0.040% | 9.09%    |                         |  |         |        |        |          |
| Western Fines           | 57.60%   | 2.93%   | 6.26%  | 0.070% | 7.83%    |                         |  |         |        |        |          |
| Atlas Fines             | 56.59%   | 2.55%   | 7.14%  | 0.080% | 8.46%    |                         |  |         |        |        |          |
| Yandi                   | 57.15%   | 1.31%   | 6.36%  | 0.030% | 8.88%    |                         |  |         |        |        |          |

### BLOOMBERG TICKERS

| PORT STOCK INDICES |                             |  |
|--------------------|-----------------------------|--|
|                    | FOT Qingdao (RMB/wet tonne) | CFR Qingdao Equivalent (USD/dry tonne) |
| IOP162             | IRCNQ001                    | IRCNQ004                               |
| IOP158             | IRCNQ002                    | IRCNQ005                               |
| IOP165             | IRCNQ003                    | IRCNQ006                               |

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