

Factors driving the outlook for Mn ore

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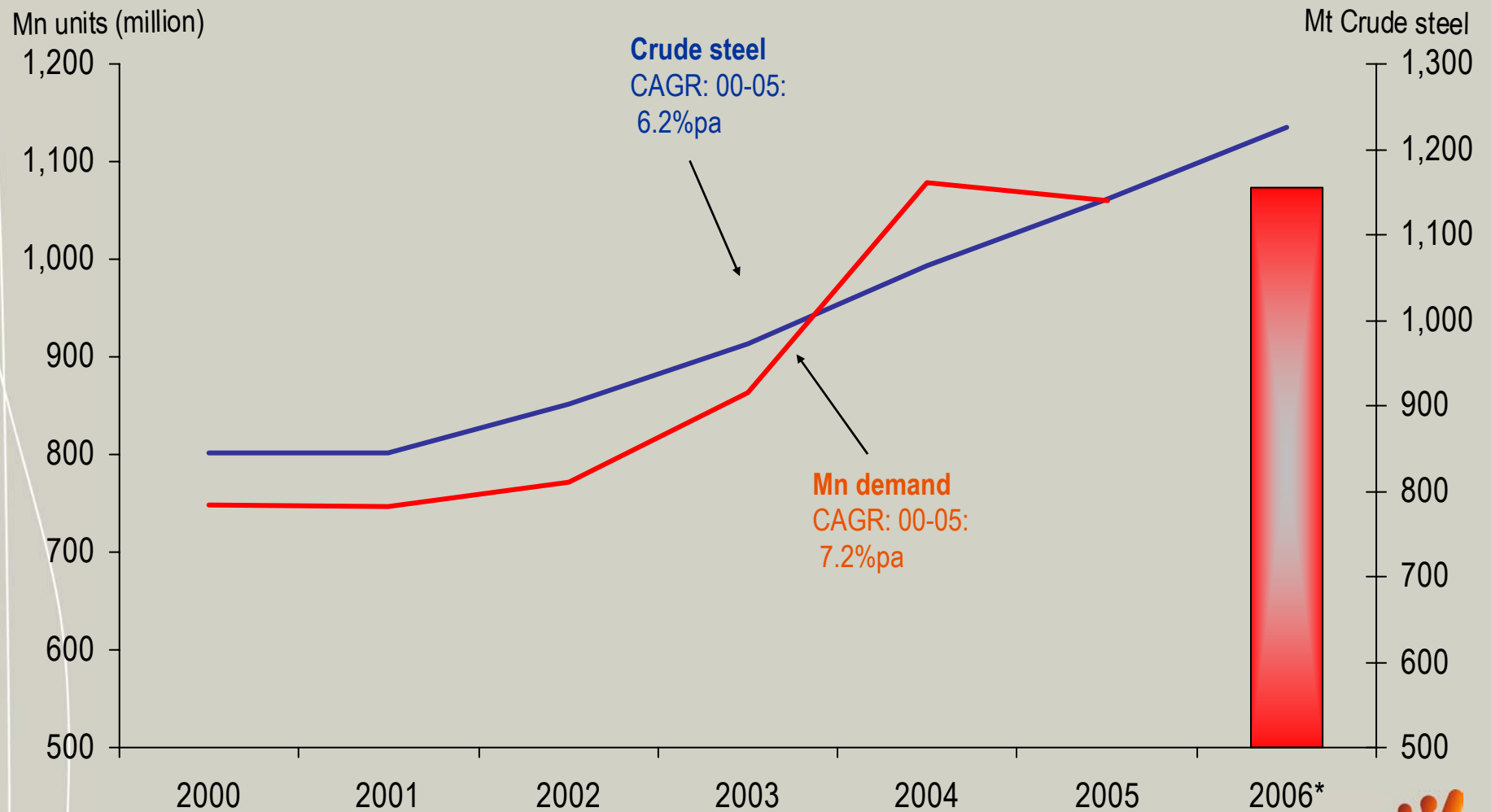
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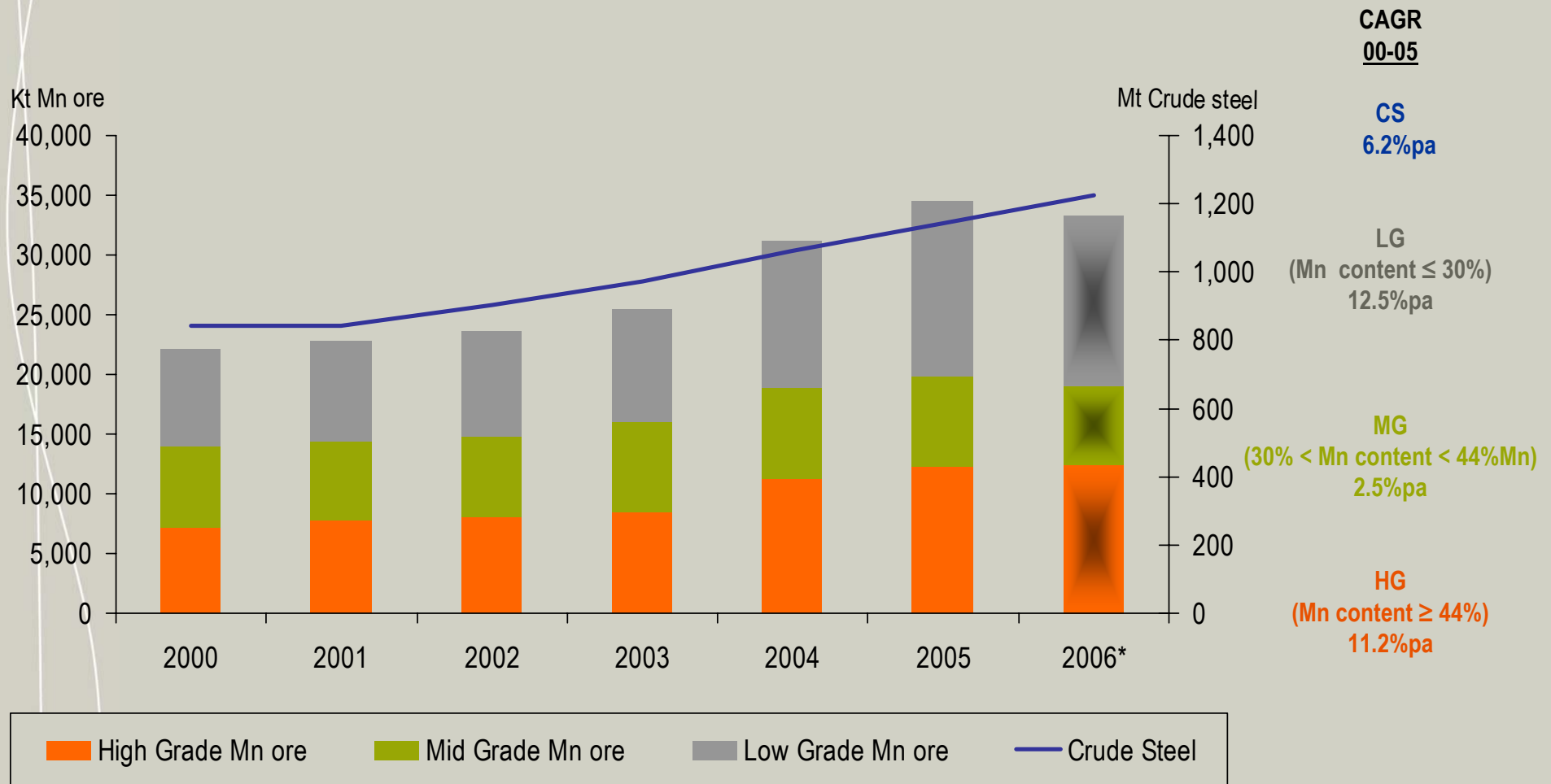
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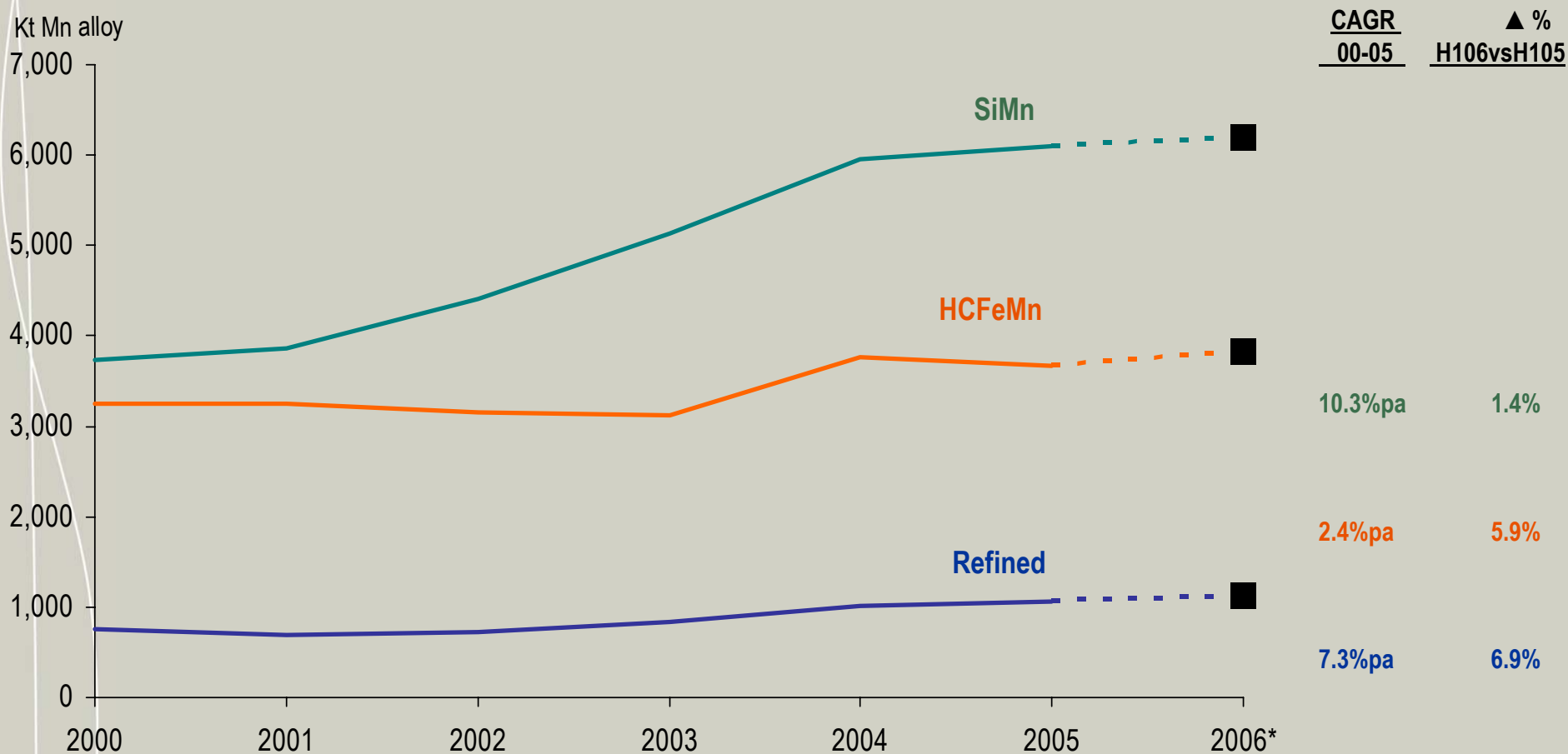
Global Mn ore demand vs Crude steel production



Global Mn ore production vs Crude steel production



Global Mn alloy demand



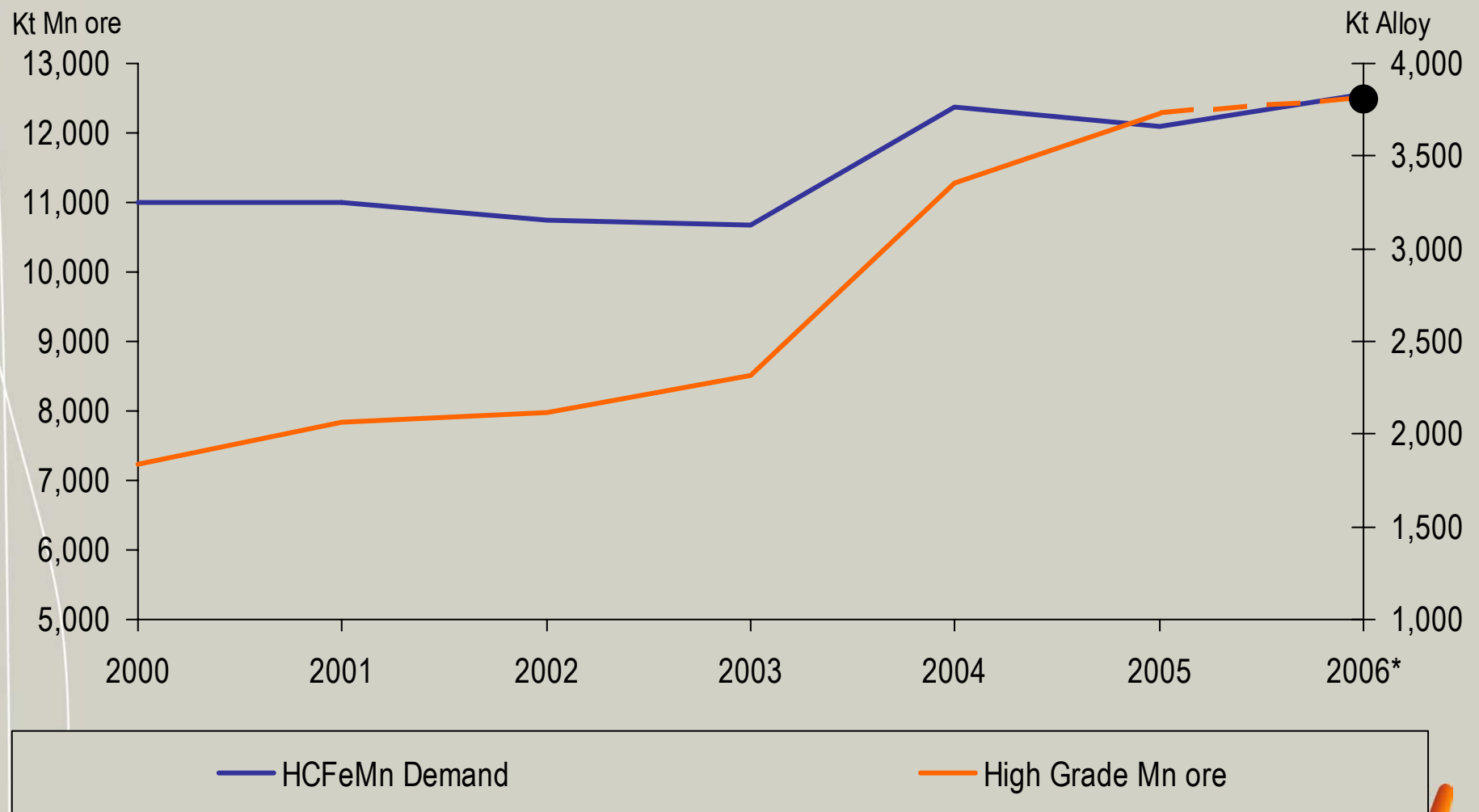
Source: IMnI

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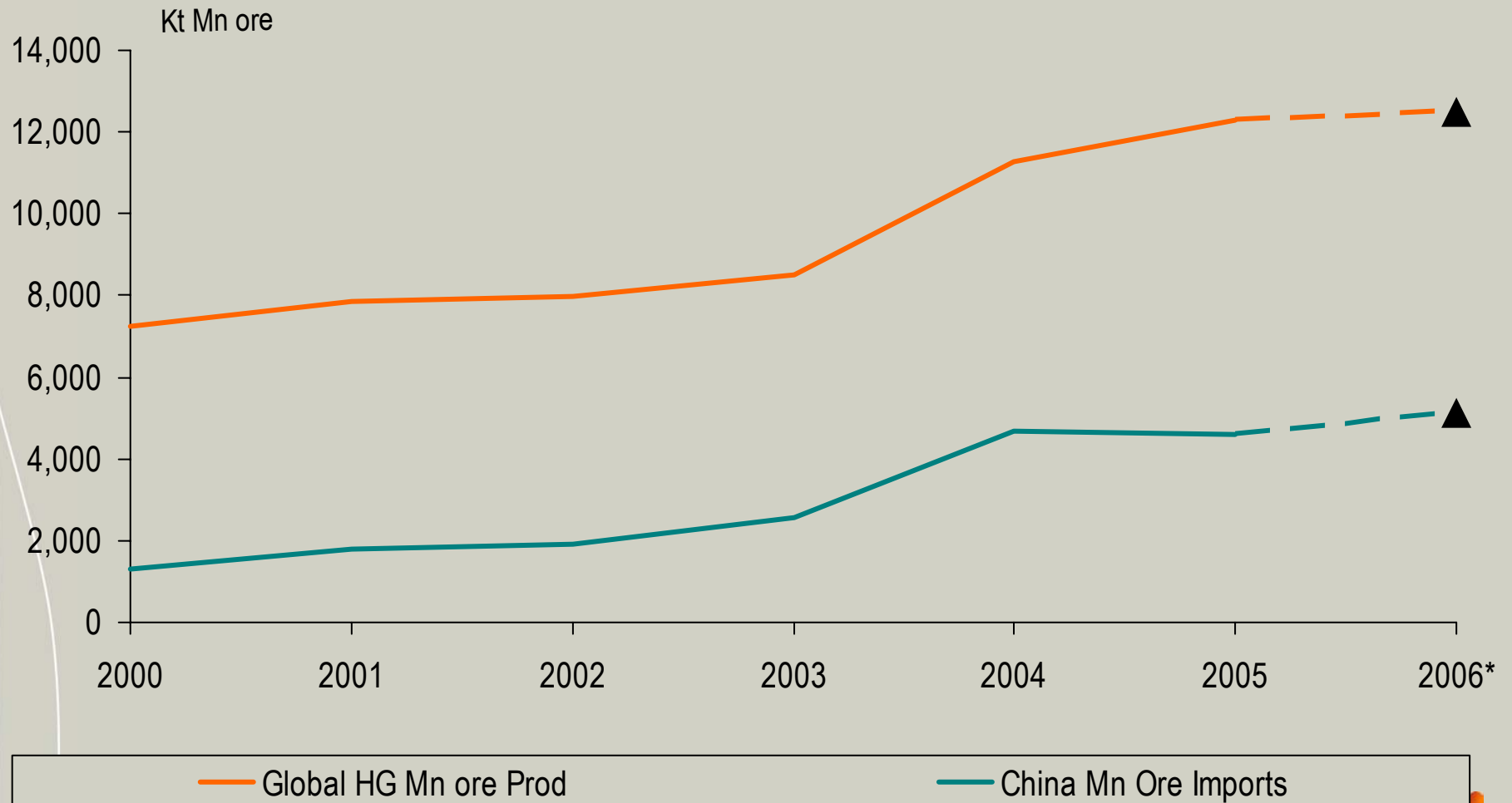
*Note: 2006 Mn unit demand = actual
H1 IMnI demand annualised



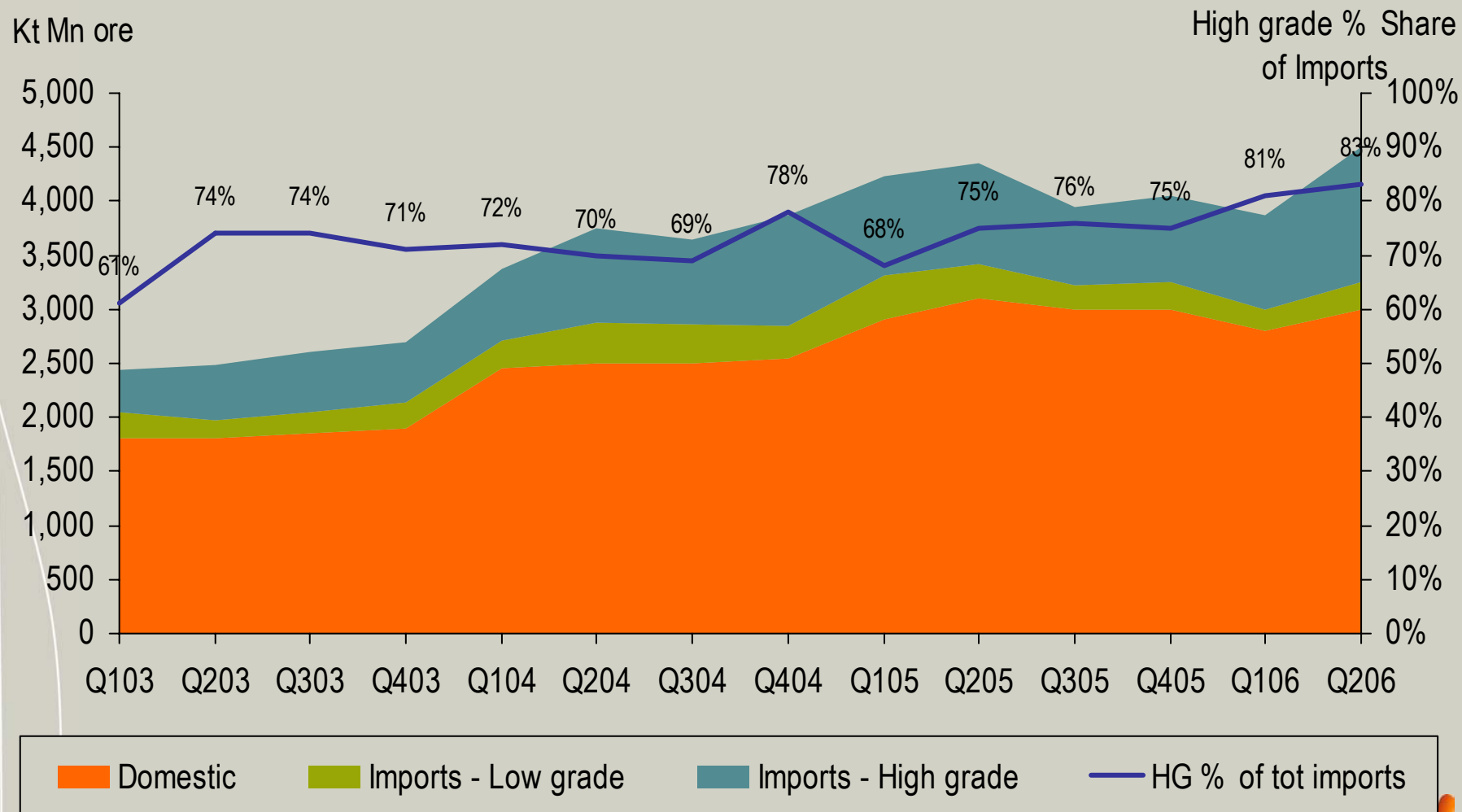
Global HG Mn ore production vs HCFeMn demand



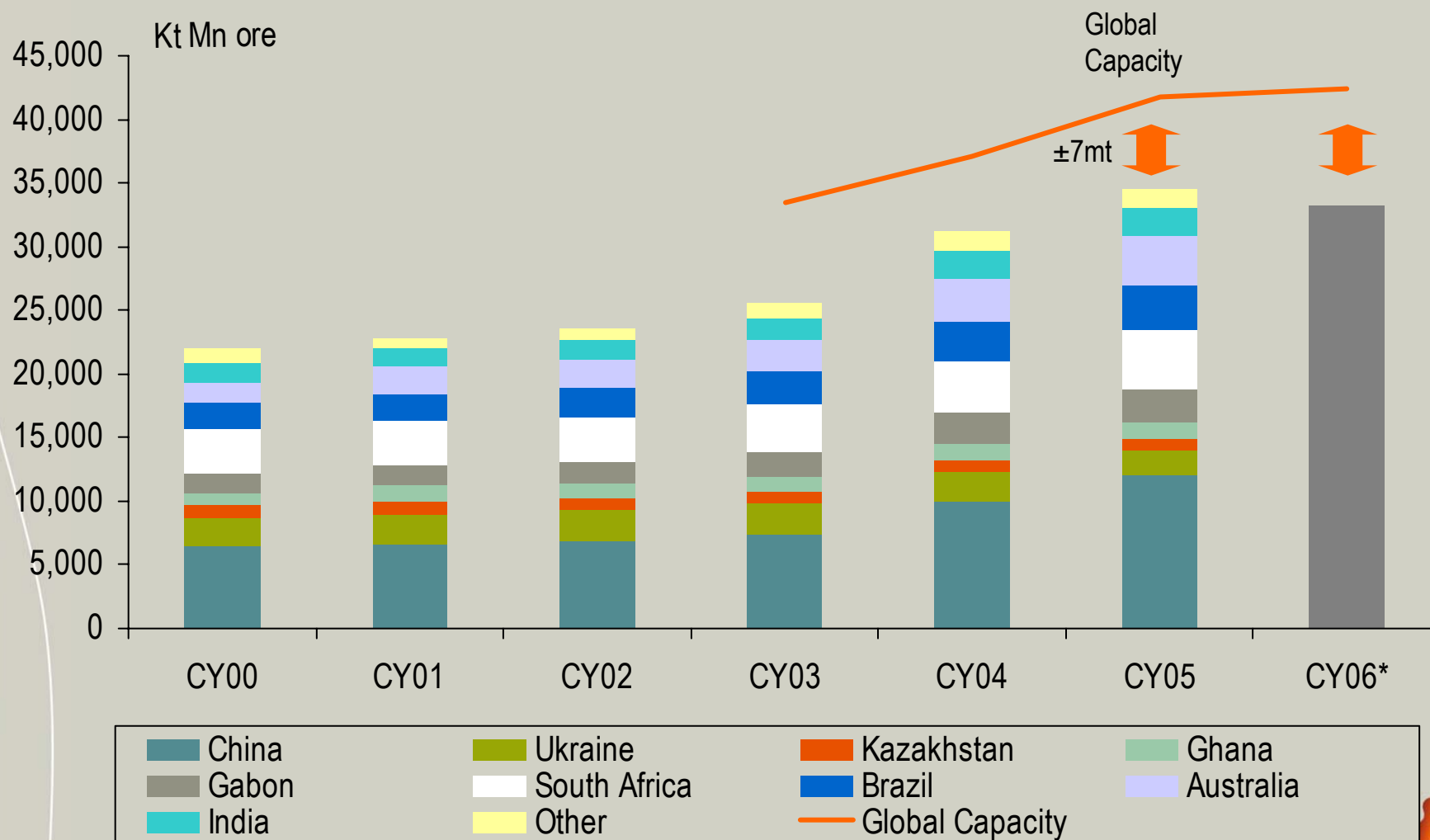
Global HG Mn ore production vs China Mn ore imports



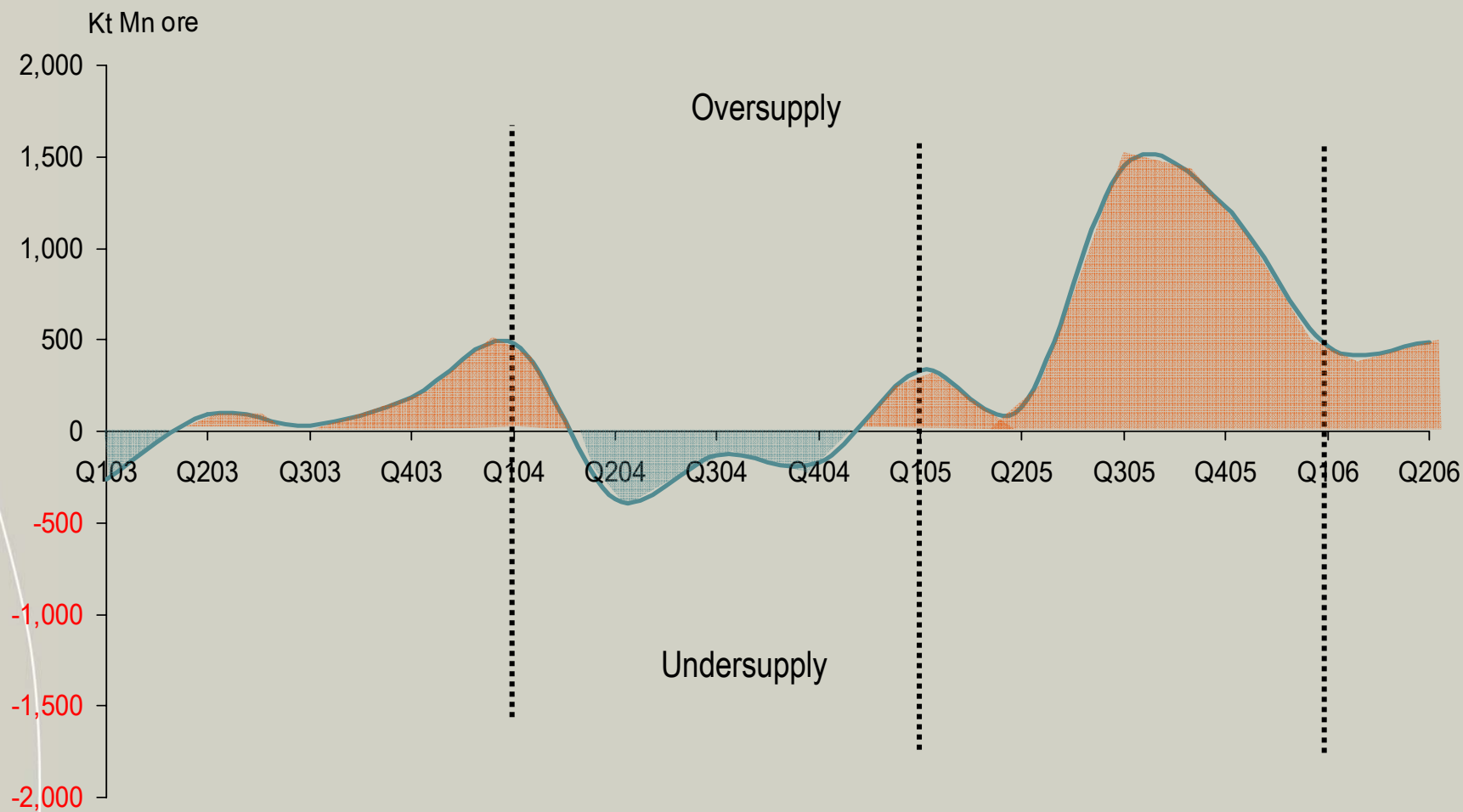
China Mn ore demand



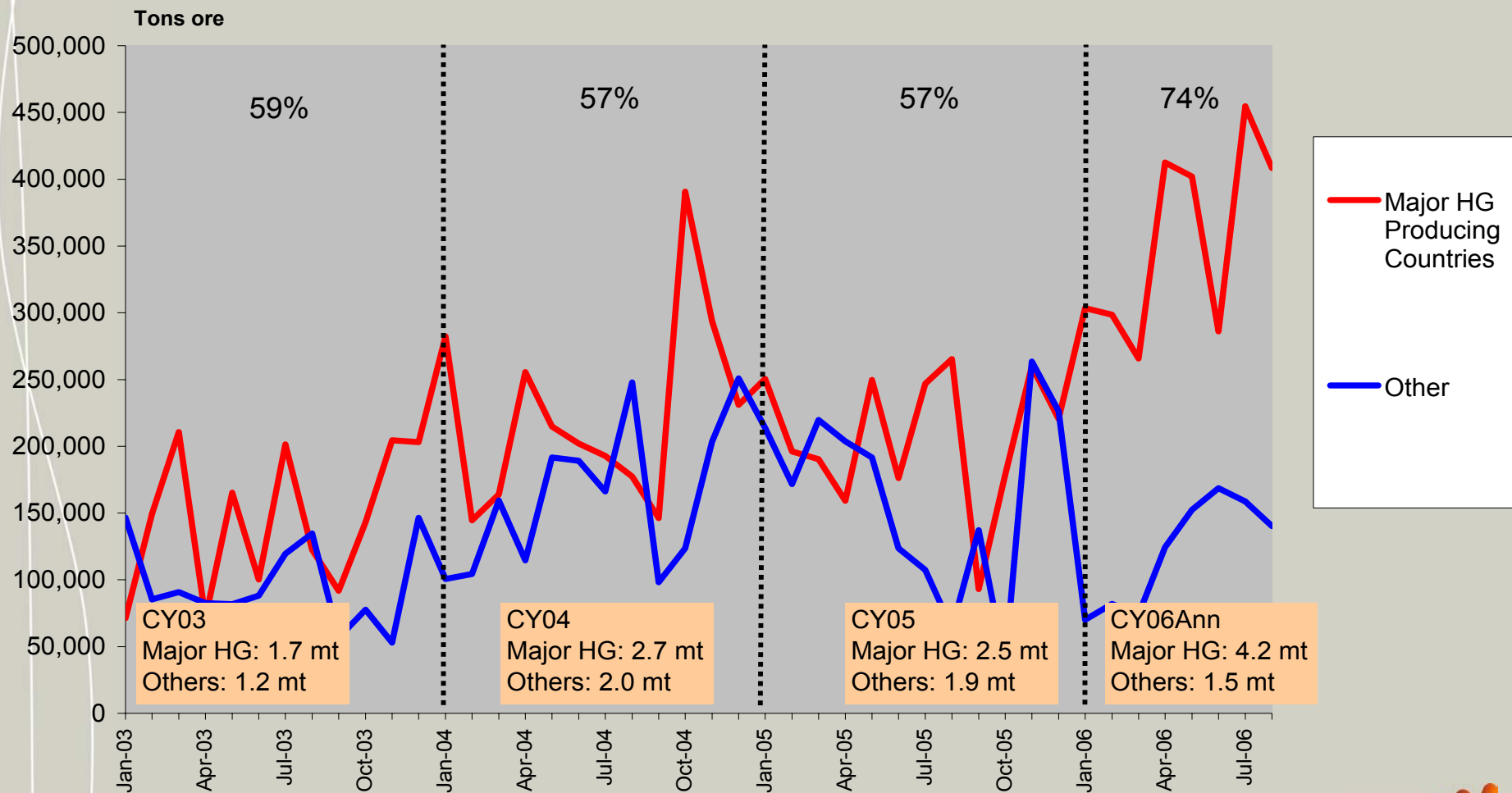
Global Mn ore supply - annual



Mn ore supply/demand balance



China Mn ore imports



Conclusion

1. Demand for manganese units is increasing in line with the growth in steel production
2. Since 2003, there has been a much larger increase in the production of high grade ore than other ores. Much of this additional high grade ore has gone to China due to the technical requirements for high grade ore for alloy production
3. IMnI numbers suggest that capacity considerably exceeds demand in the Manganese ore market
4. Trade statistics suggest in the first half of 2006 the major producing countries increased their market share in China in this oversupplied market