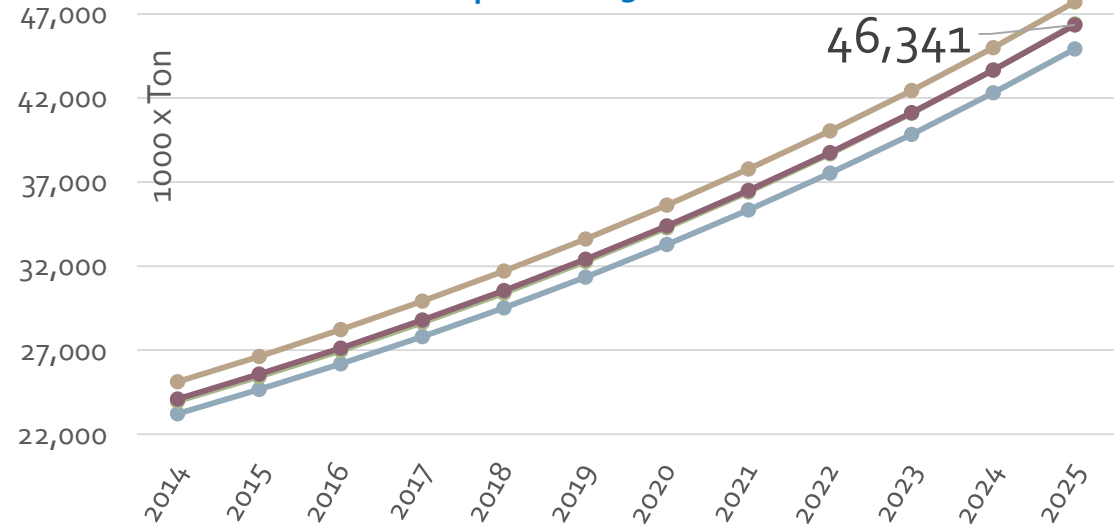


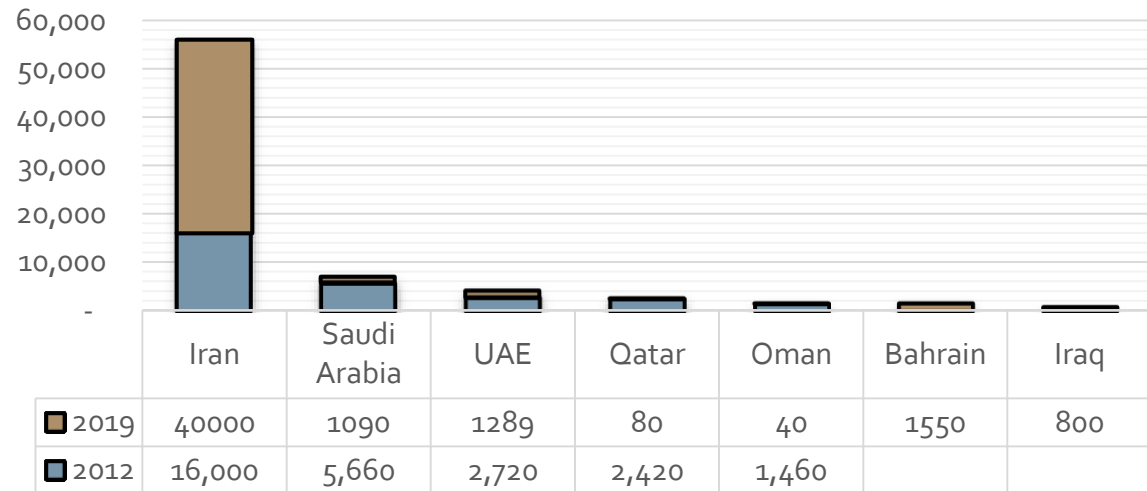
# Outlook for Iran Steel and DRI Consumption

- Middle East annual consumption of steel is 76 Million ton and **with a share of 25%, Iran ranked 2<sup>nd</sup>** in Steel consumption in Middle East after Turkey (35%).
- Recent studies shows Iran Crude Steel Consumption will reach to more than **46 million ton in 2025**. Additionally there are an export market opportunities for 6 million ton mainly in Middle East and EU countries which means Iranian Crude Steel **Production could reach to 52 Million ton**.
- Most of Projects up to that level defined and currently under developments and there are many investment opportunities for foreign investors on those.
- Most of Steel making projects under development in Iran uses DRI-EAF technology. Current production of DRI in Iran is 16 million ton which **will reach to number 1 in world ranking in production of DRI (56 Million ton in 2025)**

Iran Steel Consumption 2025 – Different Scenario



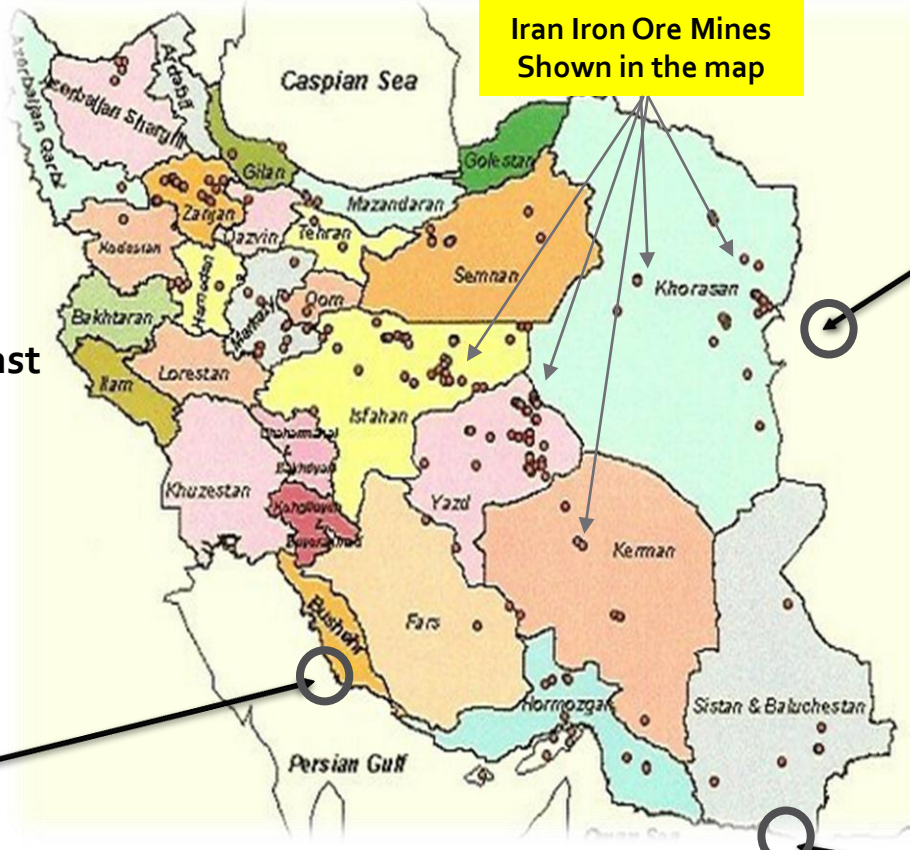
Current DRI Capacity and additional Expansion till 2019



# Why Steel production in Iran is so competitive?

**Crude Steel production Cost Per Ton: 280-320 US\$,  
 Margin around 27% of Sales**

- Skill workers and Experienced Companies
- Big Local Market =25% Middle East
- Big Consumption in Neighbors
- Suitable Road and Rail Network
- Suitable Infrastructure
- Special Economic zone (Tax free)
- Security is one of the best in Middle East



Access to Raw Materials from Eastern and Northern Neighbors with No direct access to Sea (Afghanistan and CIS Countries)

Rich Iron Ore Mines in Eastern/Central Part- Open Pit - 2.7 Billion Ton of reserve

South Pars Field, largest Nat gas Storage

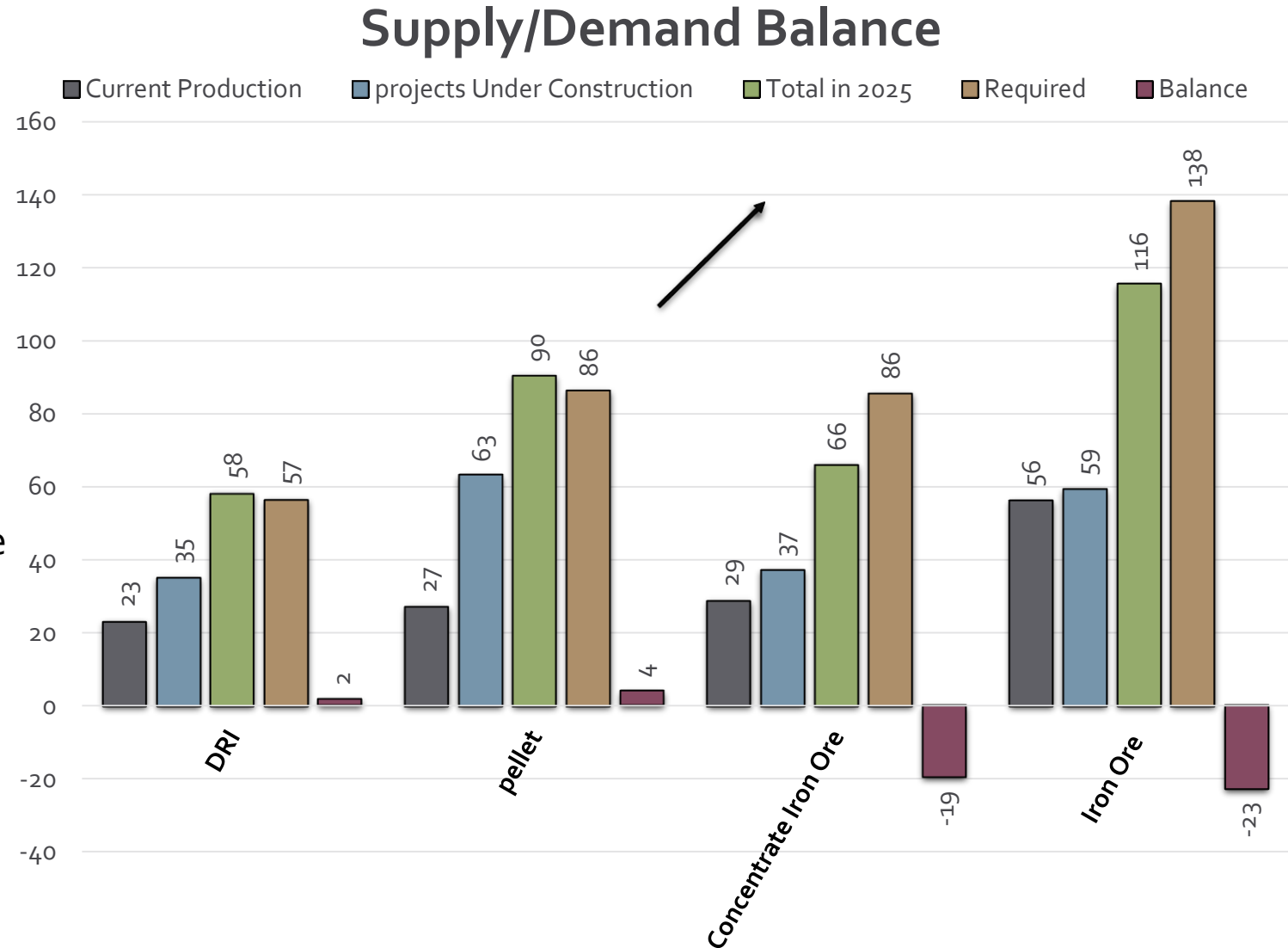
Iran has a Long Sea Border

Afghanistan resources (1000 B\$) and opportunity for Iran Chabahar as new raw material HUB

# Outlook for Iron Ore Concentrate and Pellet (52 Million ton of Steel)

- Iranian companies already defined most of the steel projects to reach to 52 million ton to supply demand in 2025.
- By considering above, there are still un-balances in supply chain and opportunity for definition of new projects including **up to 19 million ton in Concentrate Iron ore.**
- Additionally, IMIDRO should increase Iron Ore **Exploration and up to 23 Million Ton of Exploitation.**

For Exploration of new resources, IMIDRO will invest up to 500 Million US\$ in the next 5 years to define and finalize new deposits.



# Iron Ore Mine Reserve and Ownership

- Iron ore exploitation **grow by more than 6 times** during the past 10 years and reached to 51 Million Ton. Average grade for Iranian Iron ore is 51% which 95% of them are mainly Magnetite and mainly located in Eastern Part of the country , Mainly in **Yazd** , **Kerman** and **Khorasan** Provinces.
- Currently Iran operating 156 Iron Ore mines(5% of them with a reserve 86% of the country reserve controlled by IMIDRO).
- **IMIDRO Biggest mines are including:**
  - Sangan with a reserve of 1.2 Billion Ton (Ranked as 9<sup>th</sup> in the world)
  - Gole Gohar with 1 Billion Ton (Ranked as 10<sup>th</sup> in the world)
  - Chadormalu with 0.2 Billion Tone

