

MOUNT GIBSON IRON LIMITED

Looking to the future
AJM Global Iron Ore and Steel Conference
20 March 2013



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Investments in shares in MGX is considered highly speculative.

Company snapshot



A leading mid-tier iron ore exporter targeting sales of 8 – 8.5Mt in FY2013

- Issued capital 1090.6 million shares
- Index S&P/ASX 200
- Market cap¹ A\$632 million
- Cash @ 31 Dec 2012 A\$279 million
- Bank borrowings² nil
- Finance facilities A\$65m environmental bonds facility³, A\$37m equipment leases

Key Statistics

Year to 30 June except where indicated

		2008	2009	2010	2011	2012	H1 2013
Sales volume	MWMT	5.5	5.4	6.5	5.2	5.2	4.4
Sales	A\$ m	433	425	536	672	648	416
NPAT	A\$ m	113	43	132	239	172.5	37.1
EPS	cps	14.1	4.6	12.3	22.1	15.9	3.4
DPS	cps	0.0	0.0	0.0	4.0	4.0	2.0

Major shareholders

- APAC Resources ~26%
- Shougang Fushan ~15%

Notes:

1 Share price of \$0.58 as at 19 March 2013

2 At 31 December 2012

3 At 31 December 2012, environmental bond facility was drawn to \$58.6m

A leading WA mid-tier iron ore exporter



Koolan Island

- High quality DSO lump and fines (high grade, low contaminants)
- Production optimisation strategy completed:
 - Staged ramp-up from 3 Mtpa to 4 Mtpa run rate by end 2014
 - De-risks development of Main Pit
 - Smoothed stripping and capital expenditure profile
 - Average strip ratio of ~4.5:1 over remainder of mine life

Mid West Region

Talling Peak, Extension Hill & Geraldton Port facilities

Talling Peak

- Current pit mining scheduled for completion November 2013.
- Targeting ~2.5 Mt DSO production in FY2013
- Strong cash generating asset in FY2013
- Sales from low grade stockpiles to continue into FY2014
- T1- potential for limited additional production

Extension Hill

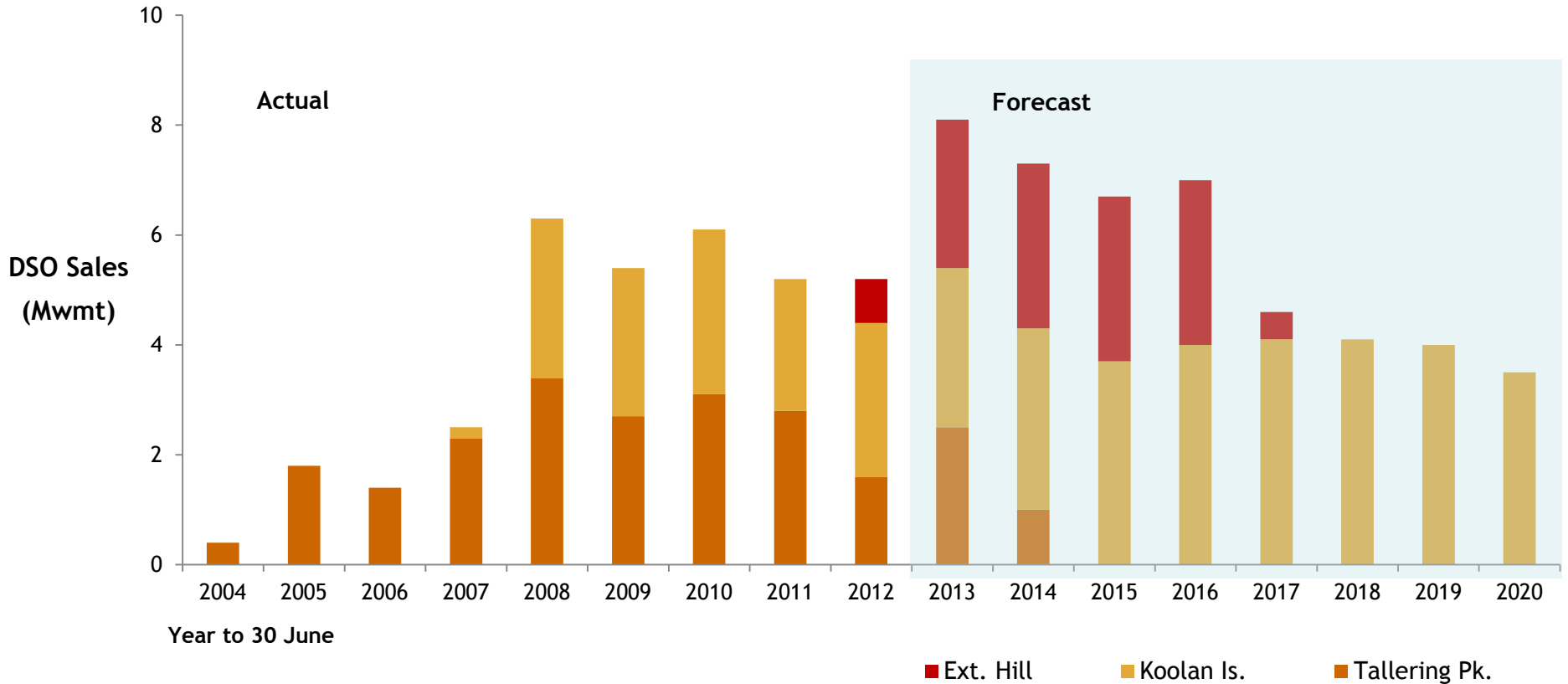
- Nameplate capacity of 3 Mtpa
- Low strip ratio ~ 1:1
- Robust low cost operation
- Strong cash generator
- FY2013 focus on maximising sales from stockpiles
- Diversified customer base
- Mt Gibson Range DSO upside

Upgrades to Geraldton port and rail infrastructure have doubled MGX's export capacity from the Mid West to 6Mtpa

Moving into extended high sales phase, with potential for further organic production growth



DSO sales history and indicative outlook



* Forecast ore sales are indicative only and do not include mineralised waste sales or any potential production from T1 deposit at Tallering Peak Actual future sales remain subject to future mine performance, continuous optimisation and general market factors.

Pursuing organic value creation



Getting the most out of every asset is a core principle of MGX value creation strategy

Total Group Mineral Resources and Reserves at 30 June 2012

	Million tonnes	Fe %	SiO ₂ %	Al ₂ O ₃ %	P %
Mineral Resources	95.2	61.6	8.29	1.19	0.03
Mineral Reserves	44.3	62.6	6.40	1.16	0.03

NOTE: All estimates quoted to three significant figures. Rounding errors may occur. Mining depletion to 31 December 2012 totalled 3.57 Mt.

• Koolan Island

- Production optimisation study complete
- Resource conversion opportunities
- Regional exploration

• Tallering Peak

- T1 satellite deposit
- Monetisation of low grade stockpiles

• Extension Hill

- Known Gibson Range hematite targets
- Monetisation of low grade stockpiles
- Regional exploration opportunities

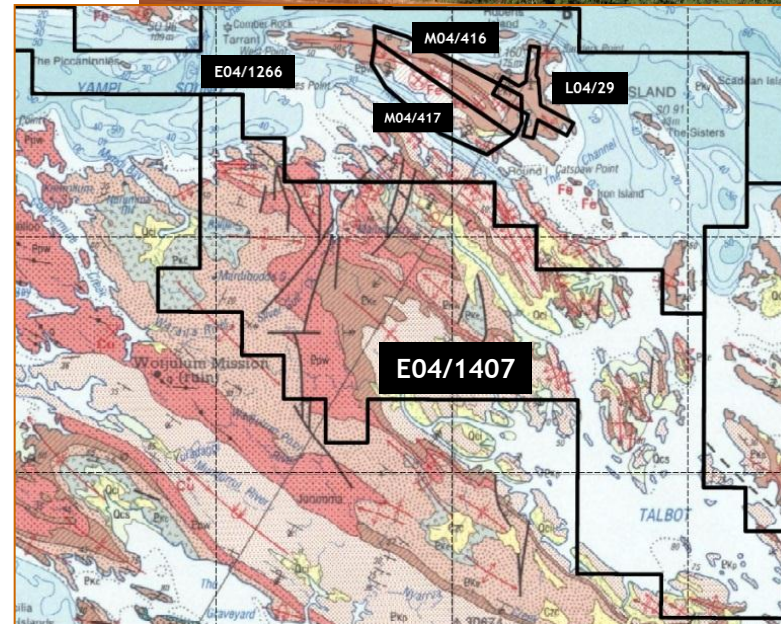
• Geraldton Port

- Existing footprint offers potential entry to regional development opportunities
- Strategic asset with high realisable value

Koolan Island - A quality long-life asset



- Premium products - ~63.5%Fe, low phos and alumina
- Simple logistics - no rail, standalone ship-loader
- Long life asset - Proved and probable reserves of 29.3Mt @ 64.1%Fe at 30 June 2012* (less YTD depletion)
- Mineralised waste sales (~52%Fe) delivering additional cashflow
- Optimised mine plan to ramp up to 4 Mtpa by end 2014
- Potential value-add opportunities:
 - potential for additional resource to reserve conversion
 - underground mining potential under review
 - exploration of Koolan South tenement planned for 2013 dry season
 - other potential long term opportunities to utilise existing ship-loading capacity under review

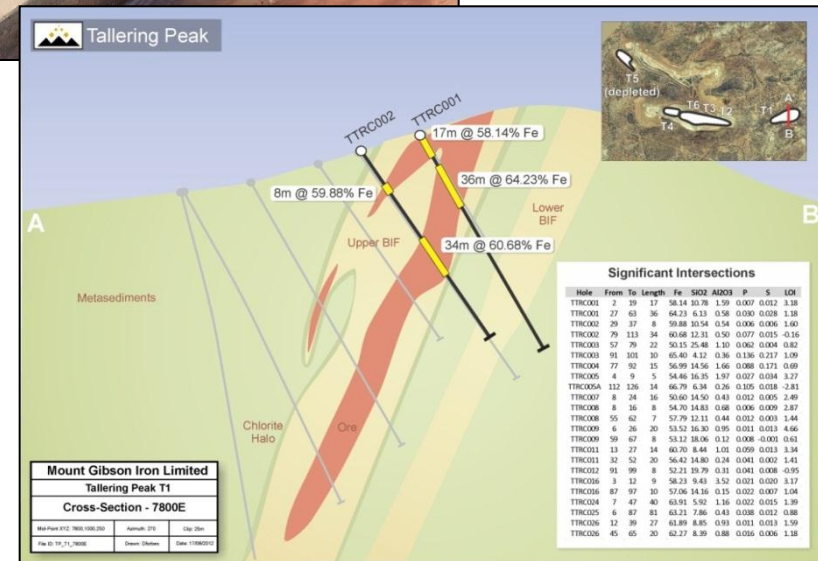


* Refer slide 15 for breakdown between proved and probable reserves.

Tallering Peak - cash harvesting in final years



- Mining scheduled for completion in November 2013
- On track to yield ~2.5 Mt standard product in FY2013
- Commenced sales of low-grade product
- Sales from low-grade stockpiles (~1 Mt) to continue into FY2014 - minimal cash outlay to monetise
- T1 satellite deposit potential to extend DSO production
 - T1 maiden resource declared (refer ASX announcement 19 March 2013)
 - Reserve estimation/detailed mine planning underway
 - Potential 6-9 months additional production
 - Targeting commencement in late 2013, subject to timely approvals



Extension Hill - the jewel of the Mid West

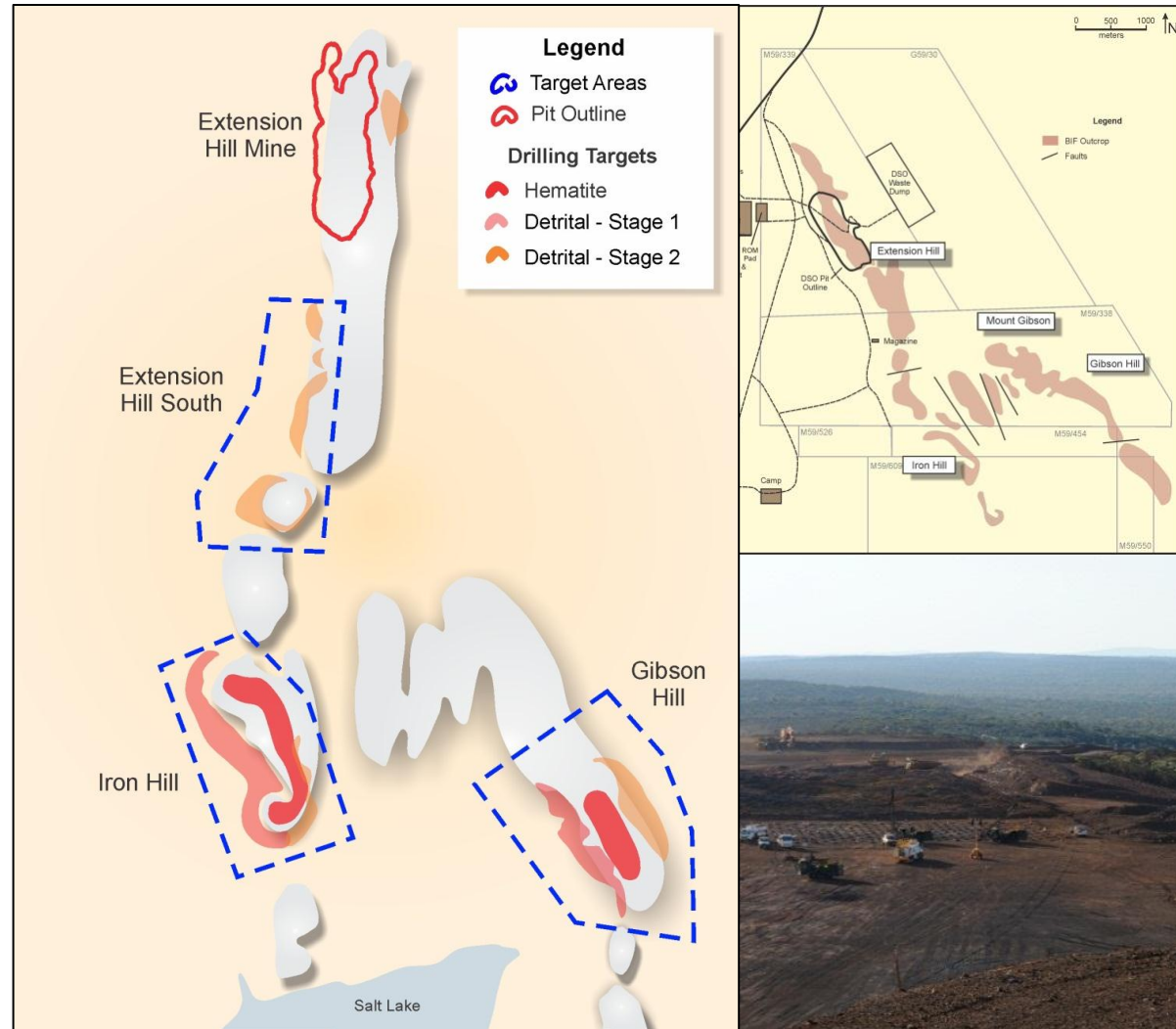


Current Operation

- Simple, low cost operation, life of mine strip ratio ~1:1
- Nameplate capacity of 3 Mtpa
- Reserves of 12.2Mt @ 59.5%Fe at 30 June 2012* (less YTD depletion)
- Diverse customer base, contract and spot sales
- First spot cargo sold November 2012

Potential value-add opportunities:

- +1.5 Mt of low grade stockpiles
- Significant additional DSO potential in Mount Gibson Range:
 - Potential to grow existing Iron Hill resource
 - Known hematite targets at Extension Hill South and Gibson Hill
- Exploration access subject to regulatory approvals
- Potential processing/blending “hub” for regional bolt-ons

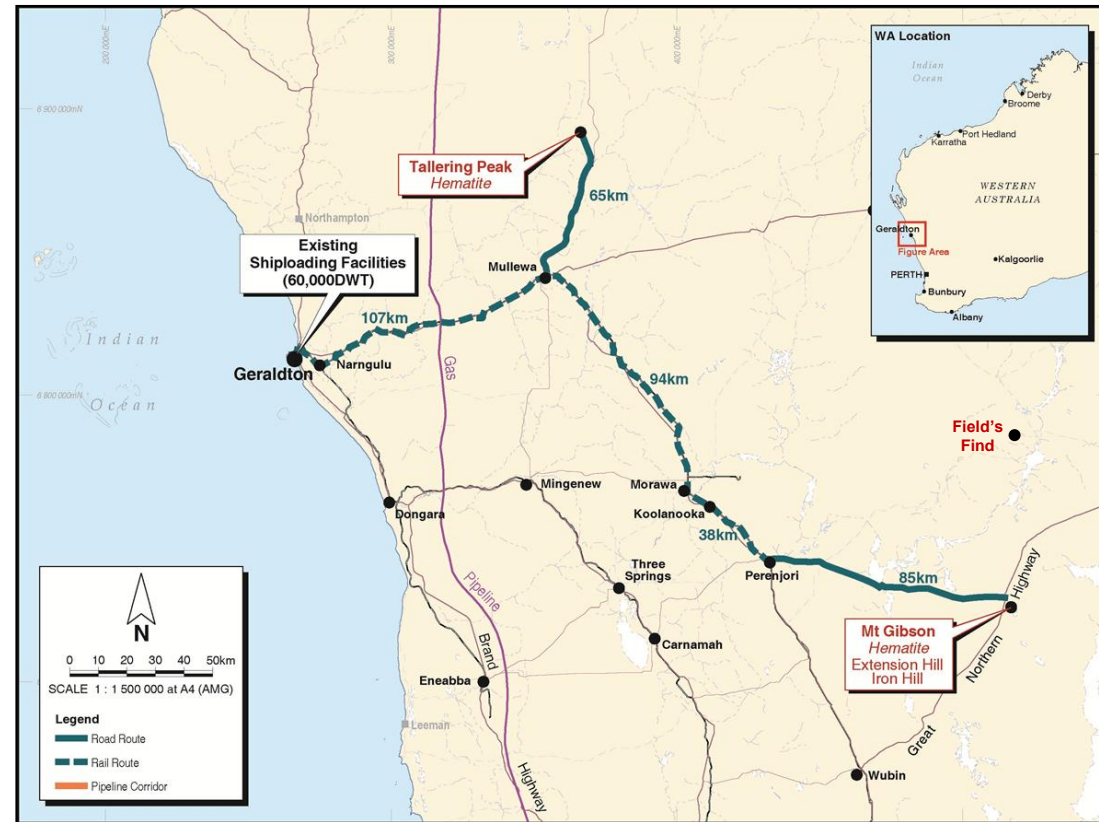


*Refer slide 15 for breakdown between proved and probable reserves.

Creating a long term Mid West “hub”



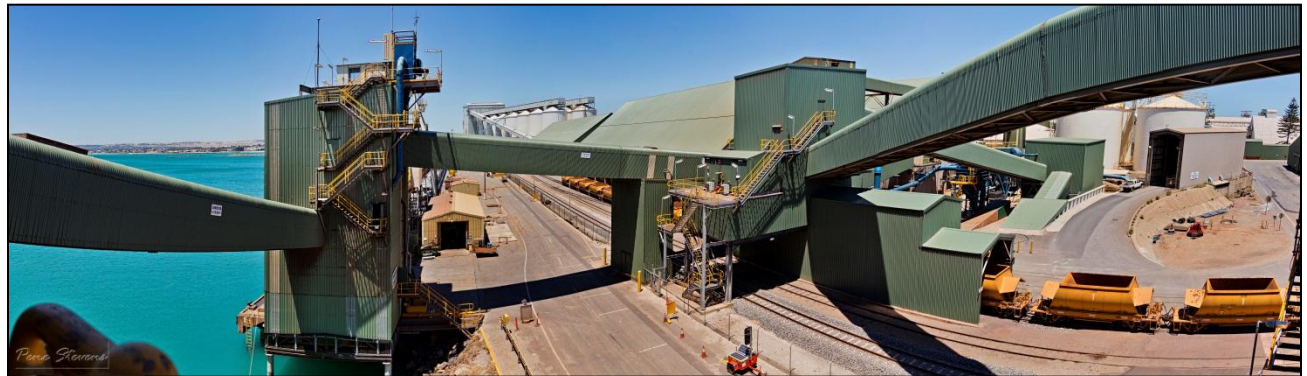
- +200 leaseholders within Mount Gibson operational sphere of influence
- Resources stranded without access to port/rail
- Geraldton port/rail access gives MGX strategic leverage
- Extension Hill and Tallering Peak sites potential processing/blending hubs for regional opportunities
- Field’s Find acquisition proposal typifies our Mid West approach:
 - low cost entry to 250 sqkm land package ~65km from Extension Hill
 - confirmed hematite targets from past drilling
 - Settlement anticipated in June quarter
- Other exploration/farm-in opportunities under review



Geraldton Port - the key to local opportunities



- Infrastructure access a strategic asset - key barrier to entry for new producers
- MGX Mid West export capacity doubled to ~6Mtpa
- Total MGX port storage capacity trebled to 360,000t
- 50 year leases over port land (Berth 4 shed from 2004, Berth 5 shed from 2008)
- New rail unloader fully commissioned and ramp-up completed September 2012
- Regional rail upgrade completed October 2012
- Discussions underway to secure additional train paths



A strategic asset, essential to get product to market

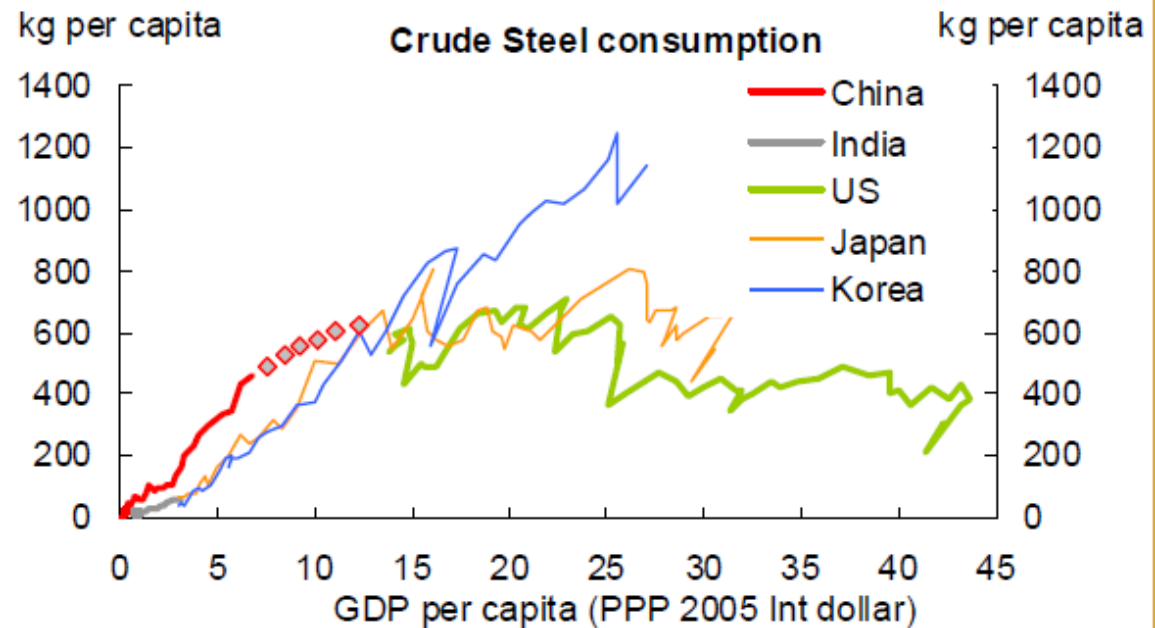
Moving beyond “bolt-on” opportunities



Disciplined approach:

- Targeting bulk carbon steel materials
 - DSO iron ore
 - coking coal
- Low capital intensity
 - minimal processing
 - conventional products
- Access to export infrastructure
 - existing or near-term
- “Australia-first” preference
- Digestible acquisition cost
 - not betting the farm
- Digestible development costs
 - from cash flow and/or
 - modest project debt

Hitched to Chinese growth: steel consumption has a long way to run



Source: NBS, World Bank, Macquarie Research Nov 2012

Building a path to long term value creation



Optimising existing business, now targeting exploration-driven growth and M&A

Key Initiatives

- Target further cost control and elimination of inefficiencies
- Implement optimised ramp-up at Koolan Island
- Finalise and commence T1 development
- Near mine exploration to extend Extension Hill resource base and mine life
- Continue to rebuild broader exploration strategy and expand footprint, particularly to capitalise on strategic export capacity in Mid West
- Continue to target opportunities in carbon steel materials that:
 - complement existing business
 - extend production profile and lower cost
 - produce quality sought-after products

Thank You



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Appendix - Reserves and Resources



Total Group Mineral Resources and Reserves at 30 June 2012

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Mineral Reserves	44.3	62.6	6.40	1.16	0.03

NOTE: All estimates quoted to three significant figures. Rounding errors may occur.

Attributions

The information in this report relating to Mineral Resources is based on information compiled by Rolf Forster, who is a member of the Australasian Institute of Mining and Metallurgy. Rolf Forster is a consultant to Mount Gibson Mining Limited, and has sufficient experience relevant to the styles of mineralisation and type of deposit under consideration and to the activity he is undertaking, to qualify as a Competent Person as defined in the December 2004 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Rolf Forster has consented to the inclusion of the matters in this report based on his information in the form and context in which it appears. The information in this report relating to Mining Reserves is based on information compiled by Rolf Forster and Weifeng Li, who are both members of the Australasian Institute of Mining and Metallurgy. Rolf Forster and Weifeng Li are consultants to Mount Gibson Mining Limited, and have sufficient experience relevant to the styles of mineralisation and type of deposit under consideration and to the activity which they are undertaking, to each qualify as a Competent Person as defined in the December 2004 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Rolf Forster and Weifeng Li have consented to the inclusion of the matters in this report based on their information in the form and context in which it appears.

Koolan Island

Mineral Resources, above 50% Fe

	Tonnes millions	Fe %	SiO ₂ %	Al ₂ O ₃ %	P %
Measured	10.8	59.6	13.0	1.04	0.02
Indicated	44.3	64.1	6.70	0.77	0.01
Inferred	13.7	60.6	12.1	0.63	0.01
Total	68.9	62.7	8.77	0.78	0.01

Ore Reserves

Proved	5.46	60.0	13.2	0.50	0.01
Probable	23.8	65.0	5.26	0.87	0.01
Total	29.3	64.1	6.73	0.80	0.01

Extension Hill

Mineral Resources, above 50% Fe

Measured	12.0	58.0	6.69	2.16	0.06
Indicated	5.14	58.0	8.91	1.67	0.06
Inferred	2.26	62.6	5.13	1.25	0.05
Total	19.4	58.6	7.10	1.93	0.06

Ore Reserves

Proved	8.97	59.3	5.30	1.84	0.06
Probable	3.26	59.9	7.12	1.25	0.06
Total	12.2	59.5	5.78	1.68	0.06

Tallering Peak

Mineral Resources, above 50% Fe

Measured	3.48	61.5	4.76	2.65	0.04
Indicated	2.84	57.4	8.21	3.74	0.07
Inferred	0.61	55.8	12.8	2.90	0.06
Total	6.93	59.3	6.88	3.12	0.05

Ore Reserves

Proved	1.77	63.0	4.14	1.97	0.03
Probable	1.02	57.5	8.11	3.86	0.05
Total	2.80	61.0	5.59	2.66	0.04

NOTE: All estimates quoted to three significant figures. Rounding errors may occur.

Mid West Operations

