

CLSA Iron Ore Day Presentation



MGX

Sydney 6 February 2014

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Investments in shares in MGX is considered highly speculative.

MGX at a glance



Member S&P/ASX-200

Market cap \$1.1 billion

*@ \$1.06/share , 3/2/2014. 1,090.6m shares on issue

Dividends paid

\$130m since Sept 2011

FY14 sales guidance

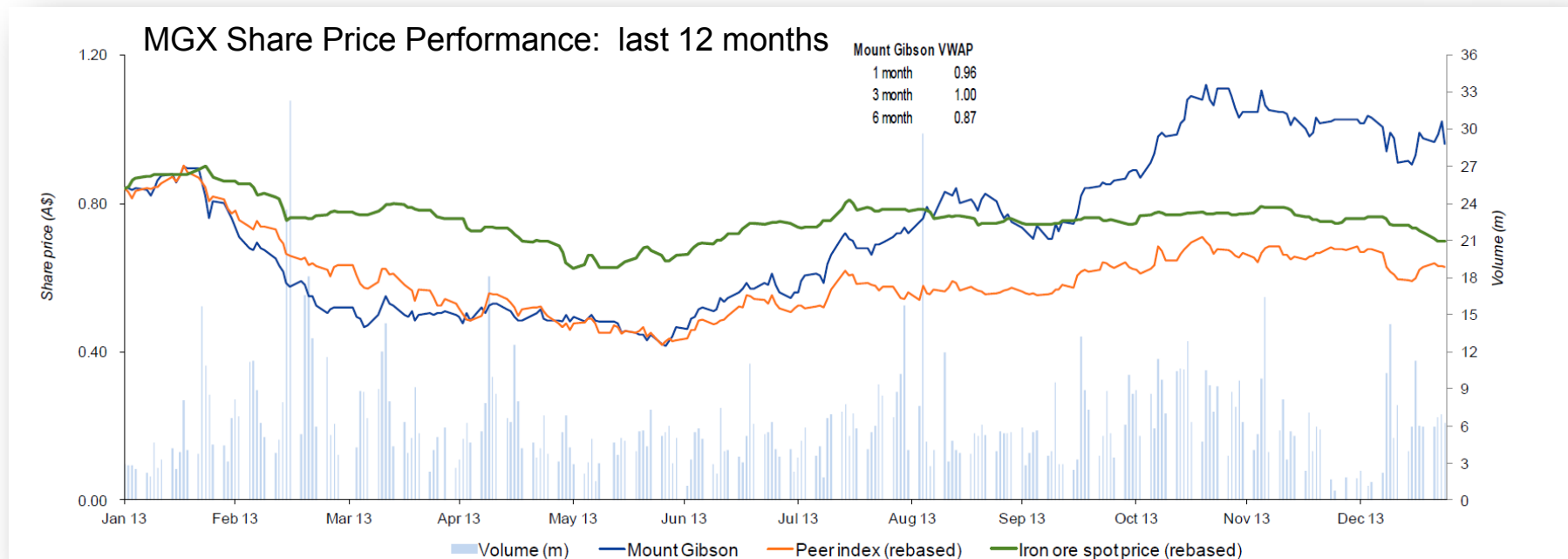
9.0 to 9.5 Mt

Financially strong

\$484m cash, minimal debt*

Cash increased by \$205m since end 2012

*at 31 December 2013.



Business overview



Koolan Island Mine

- Premium DSO lump and fines
- Ramping up to 4 Mtpa by end 2014
- Long life asset with life extension potential
- Simple logistics

Mid West Region

Talling Peak, Extension Hill & Geraldton Port facilities

Talling Peak

- Mine life extended to mid 2014
- Targeting ~2.5 Mt DSO sales in FY2014

Extension Hill

- Low cost 3 Mtpa operation
- High potential near mine and regional exploration targets

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

Maximising value – a simple strategy



Leverage off
existing asset
base to extract
maximum value

- Cost reduction and elimination of waste
- Operational optimisation and business improvement
- Extension of production profile:
 - Optimise resources and reserves inventory
 - Brownfields exploration
 - Expand footprint within operational halo
 - Leverage off existing operations, logistics footprint, and customer relationships
- Capitalise on balance sheet strength to secure value creation opportunities



Maximising value – strong results in FY2013



Extracting
maximum value
from existing
asset base

- Record ore sales of 8.8 Mt, up 68%
- Cash reserves increased by \$97m
- Record sales revenue of \$852.9m, up 32%
- Net profit after tax of \$157.3m
- Net operating cash flow up 220% to \$179.7m
- Fully franked full year payout 4.0 cps maintained
- \$130m in dividends paid since Sept 2011
- Minimal debt
- Increased total Ore Reserves to 45 Mt @ 62.1%Fe*

** As at 30 June 2013. Refer slide 23 and ASX releases 9 October 2013 and 21 October 2013*



Maximising value – 2 years of achievement



- ✓ Completed executive team rebuild
- ✓ Achieved permanent ongoing savings of ~\$50m per annum
- ✓ Optimised and implemented detailed Koolan Island ramp-up plan to 4 Mtpa
- ✓ Koolan Island unit mining costs reduced to <\$9/t moved in H1 2014, within lower half of guidance range
- ✓ Doubled Geraldton Port export capability to 6 Mtpa
- ✓ Ramped-up Extension Hill sales and logistics chain to maximum capacity
- ✓ Extended Talling Peak life by 12 months with T1 development
- ✓ Rejuvenated exploration strategy and increased landholding by ~70% to 630 sqkm
- ✓ Agreement reached to acquire advanced Shine Hematite Project



Maximising value – a strong start to FY2014



Robust

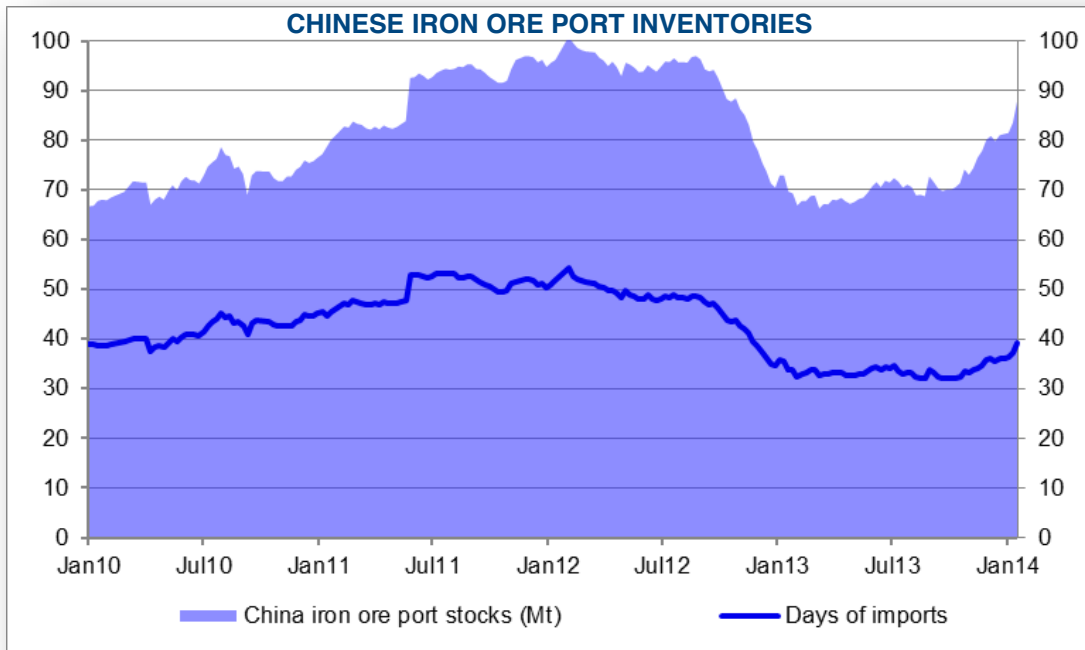
December Half

performance

- Cash increased to \$484m @ 31 December, up by \$108m in the half year period
- Group ore sales increased to 5.1 Mt
- Koolan ore sales increased to 2.0 Mt
- Mid West ore sales of 3.1 Mt*
- On track to achieve record ore sales of 9.0 – 9.5 Mt in FY14
- Chinese growth outlook remains positive
- Platts iron ore price now ~US\$123/t CFR (62%Fe)
- AUD @ <US\$0.90 with potential to ease

*Sept Qtr sales included 160kt of ad-hoc mine-gate sales.
No further mine-gate sales have occurred since or are currently scheduled.

Market outlook remains positive



Source: Deutsche Bank, Reuters

In the short term...

- Ore inventories at Chinese ports have only partly recovered from destocking in 2012
- Port stocks remain lower than in 2011 and 2012
- Chinese steel mill production remains at historic highs

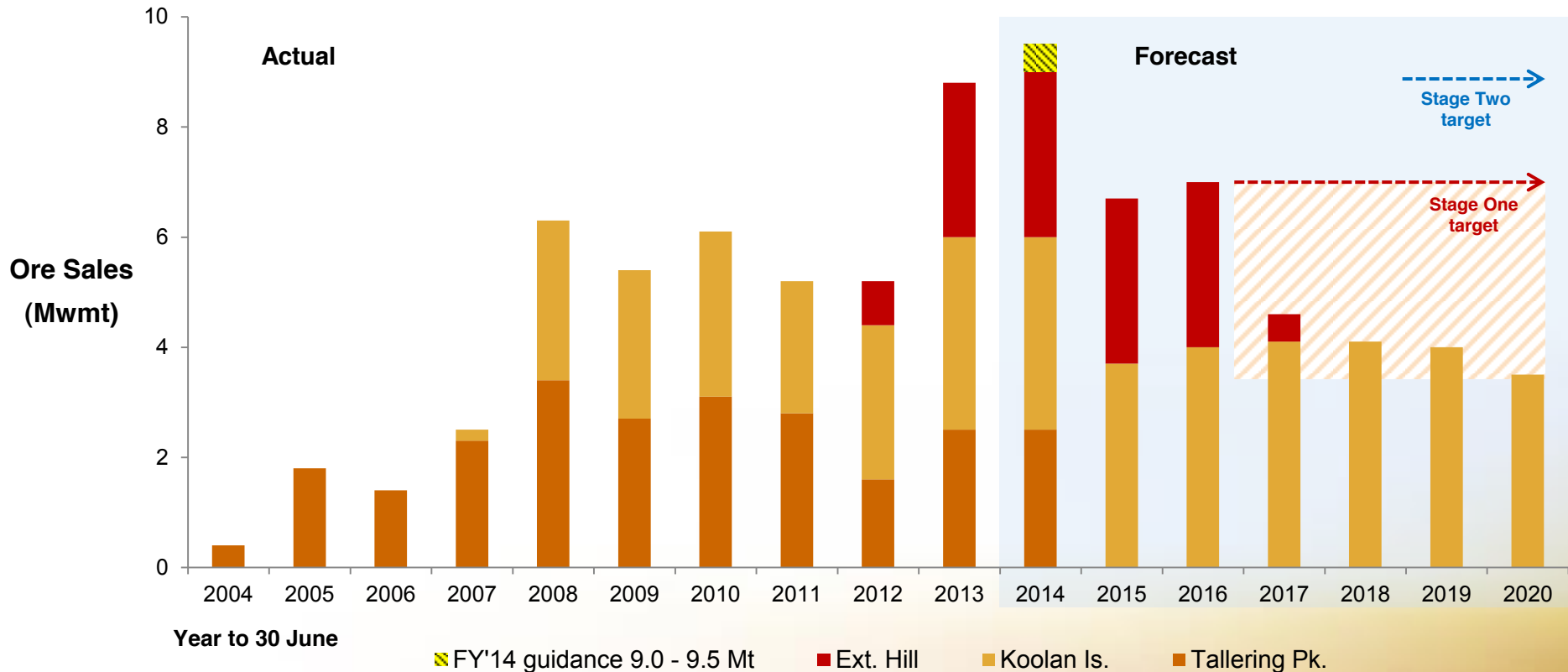
And in the long term...

- Chinese economic growth is forecast to remain healthy at ~7% pa on a larger base so the outlook for underlying iron ore demand growth remains strong
- Planned supply side increases historically take much longer and deliver smaller volume increases than originally proposed
- The Australian dollar is widely expected to soften further from its current level below US\$0.90
- MGX will benefit from comparatively lower A\$ costs and stronger A\$ iron ore prices

Focused on adding to the sales profile



Ore sales history and current indicative outlook*



*Current indicative sales outlook does not reflect increased Group Ore Reserves as at 30 June 2013, and will be updated in the March 2014 quarter. Forecast ore sales shown are indicative only, and include all products except lower grade ore from Extension Hill stockpiles, which totalled 1.9Mt at 31 December 2013 with a further 2.4Mt to be stockpiled over the mine life. Actual future sales remain subject to future mine performance, continuous optimisation, exploration success and general market factors. Refer slide 23 for Consolidated Group Ore Reserves at 30 June 2013.

Koolan Island – a quality asset with upside



- Long life asset: +7 years
- Sought-after high-quality iron ore products
- Simple logistics - dedicated shiploader and no road or rail
- Optimised ramp up to 4Mtpa - reducing unit mining costs and increasing productivity
- Value-add opportunities:
 - Resource: reserve conversion potential
 - West End targets
 - Koolan South mainland exploration



Koolan Island - a quality asset with upside



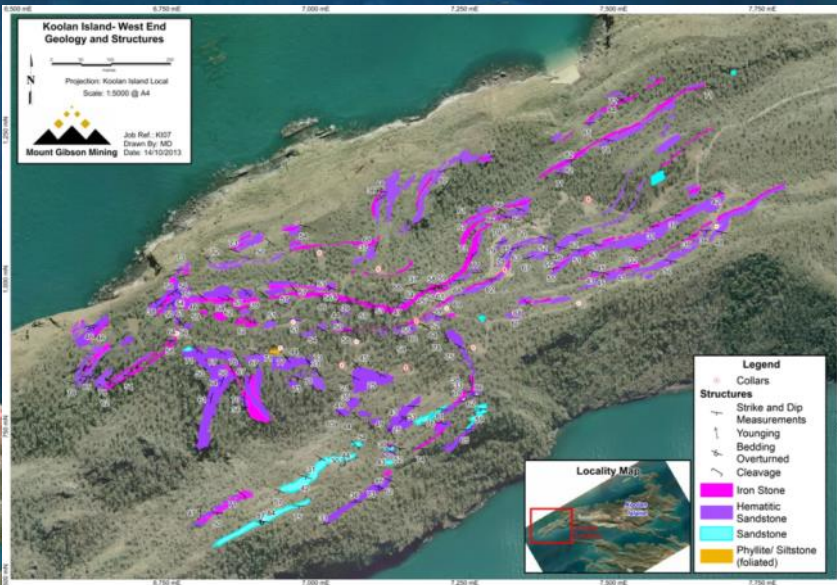
West End
exploration
targets



Acacia East
deposit



Main Pit



Mid West footprint – our competitive edge



Geraldton Port – established infrastructure



Tallering Peak – extracting extra value



- Total ore sales of 2.5Mt targeted for FY2014
- T6 pit life extended to Feb 2014
- T1 ore production commenced in September 2013
- Mining operations to conclude mid 2014
- Stockpile sales of ~700kt in FY2014, final sales in Sept Qtr 2014
- Stockpile sales generate strong cash margins at current prices



Extension Hill – simple low-cost operation



- Simple low-cost operation
- 3Mtpa operation with +3 years of mine life.
- Established road, rail and port solutions
- High potential near-mine exploration targets with known mineralisation
- Potential processing hub for regional opportunities

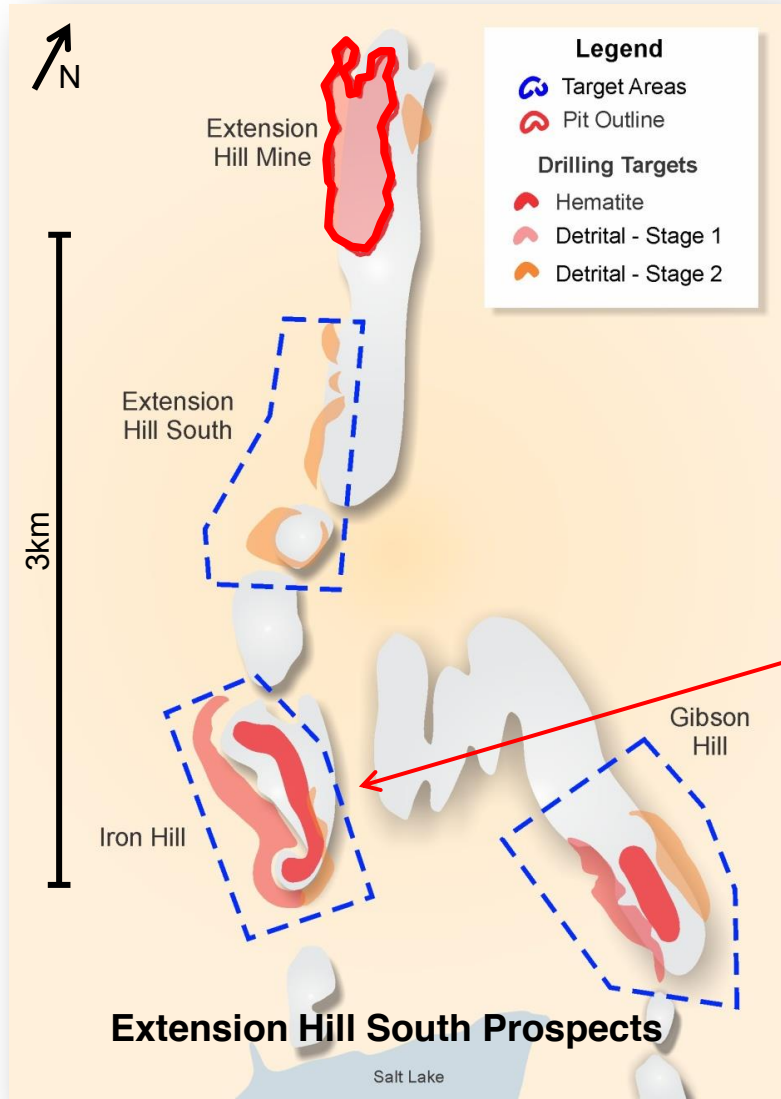


High potential to grow Mid West resources

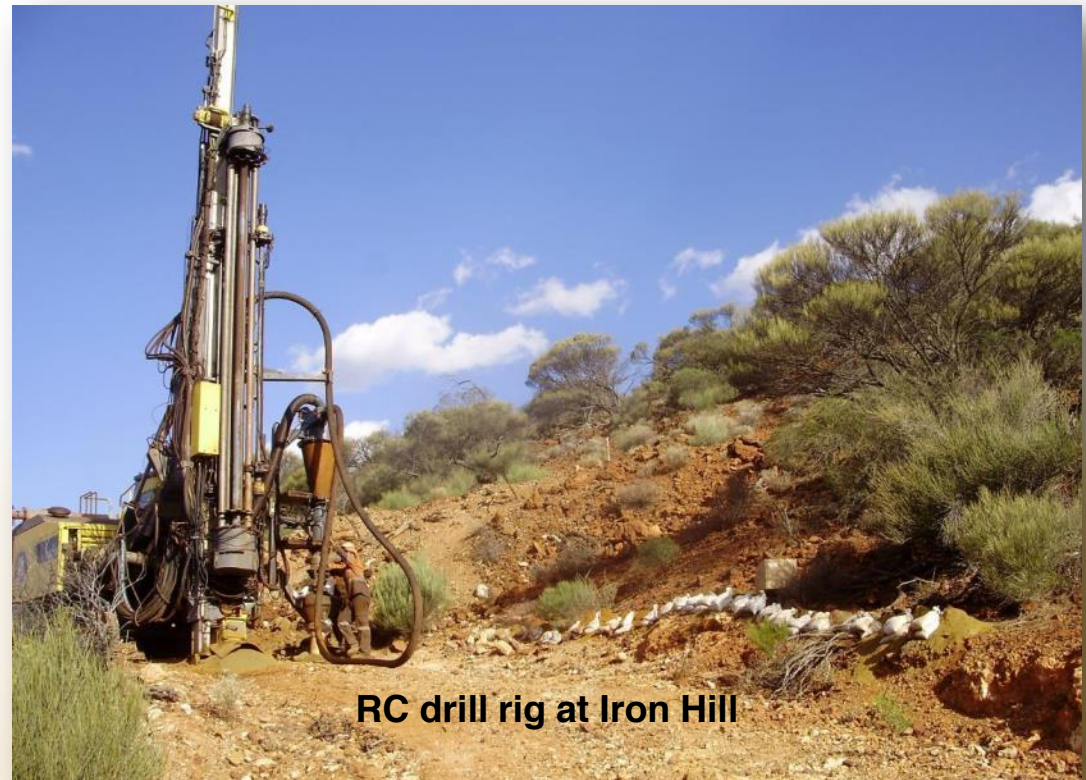


- Extension Hill region shaping as a potential resources hub
- Initial RC drilling program completed at Extension Hill South – results pending
- Positive initial drilling from Plateau Prospect at Fields Find Project
- 2nd round drilling planned at both projects
- Shine Hematite Project acquisition – settlement anticipated March Qtr 2014

Extension Hill South



- Multiple hematite targets located 1-3km from existing crusher, with known mineralisation
- 65 RC holes completed at Iron Hill prospect in December 2013 – results pending
- 2nd round drilling planned, subject to approvals



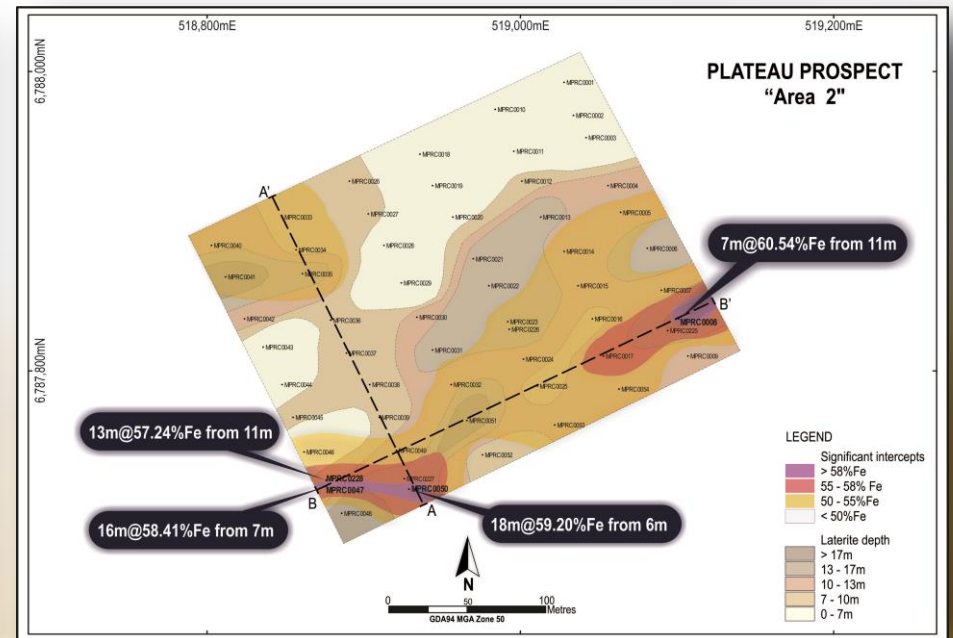
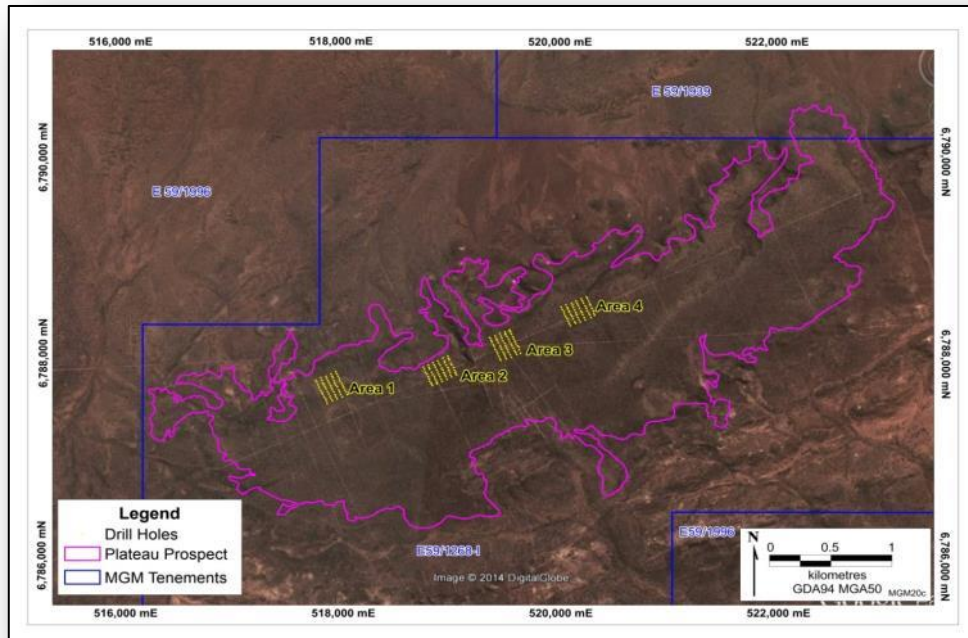
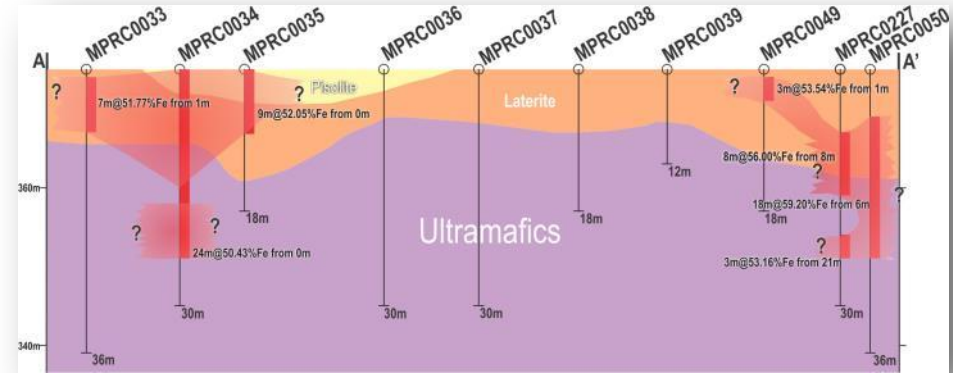
RC drill rig at Iron Hill

Plateau Prospect, Fields Find



- Unconventional setting - iron-enriched laterite over ultra-mafic basement
- 228 hole RC program completed November 2013*
- 114 significant intersections +50% Fe, including:
 - 18m @ 59.2% Fe, 16m @ 58.4% Fe, 7m @ 60.5% Fe
- Only 5% of 10sqkm prospect area drilled to date
- 2nd round drilling planned March/April 2014

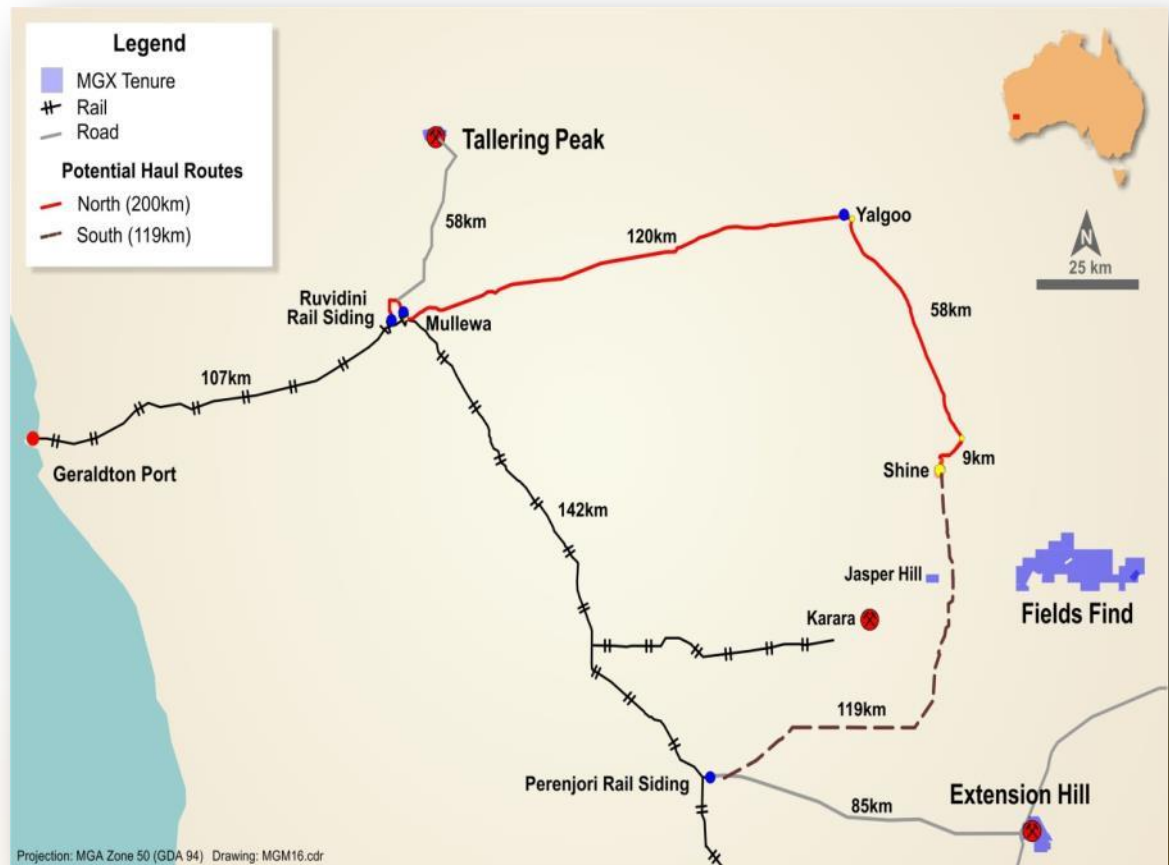
* Refer ASX announcement 21 Jan 2014



Shine – a quality near-term opportunity



- Purchase agreement signed early December 2013*
- Reported Hematite Mineral Resource of 6.1 Mt @ 59.8% Fe*
- Potential for near term, low-capex development
 - High grade hematite resource
 - Substantial technical work completed
 - Advanced approvals/permitting
 - Close to existing MGX / 3rd party infrastructure
- \$12m upfront consideration, plus price participation royalty
- FIRB approval received January 2014
- Settlement anticipated March Qtr 2014



* Refer ASX announcement 9 December 2013, and slide 24 for resource information

Summary



- An established mid-cap iron ore producer
- On track to sell a record 9.0 - 9.5 million tonnes in FY2014
- Strong operating cashflows and balance sheet
- Established transport infrastructure and long term customer contracts
- Exploration upside and disciplined value-focused growth strategy is delivering
- Experienced management team with demonstrated capacity to:
 - Optimise and drive operations to extract maximum value
 - Reduce costs and eliminate inefficiencies
 - Bring on new deposits in quick time



Thank You



MGX

For more information:

Phone: +618 9426 7500

Email: admin@mtgibsoniron.com.au

Web: www.mtgibsoniron.com.au

Supplementary information

Mineral Resources and Ore Reserves at 30 June 2013

Koolan Island					
	Tonnes millions	Fe %	SiO ₂ %	Al ₂ O ₃ %	P %
Mineral Resources above 50% Fe					
Measured	8.4	59.7	12.72	1.14	0.02
Indicated	44.6	64.5	6.21	0.77	0.01
Inferred	15.4	60.7	12.15	0.60	0.01
Total	68.5	63.0	8.35	0.78	0.01
Ore Reserves, above 50% Fe					
Proved	4.2	59.5	14.18	0.37	0.01
Probable	26.0	64.8	5.70	0.82	0.01
Total	30.2	64.0	6.89	0.76	0.01
Extension Hill					
	Tonnes millions	Fe %	SiO ₂ %	Al ₂ O ₃ %	P %
Mineral Resources above 50% Fe					
Measured	10.5	58.0	6.50	2.24	0.06
Indicated	4.1	58.1	9.06	1.61	0.07
Inferred	0.3	52.9	10.71	5.46	0.05
Total	14.8	57.9	7.28	2.12	0.06
Ore Reserves, above 50% Fe					
Proved	9.7	58.1	6.54	2.18	0.06
Probable	3.1	58.9	8.92	1.23	0.06
Total	12.8	58.3	7.12	1.96	0.06
Tallering Peak					
	Tonnes millions	Fe %	SiO ₂ %	Al ₂ O ₃ %	P %
Mineral Resources above 50% Fe					
Measured	2.0	60.0	5.53	3.27	0.04
Indicated	3.1	57.9	10.12	2.40	0.05
Inferred	0.3	54.7	15.56	2.99	0.05
Total	5.4	58.5	8.72	2.76	0.04
Ore Reserves, above 50% Fe					
Proved	0.5	59.8	6.39	2.91	0.05
Probable	1.6	58.1	10.93	1.88	0.04
Total	2.1	58.5	9.81	2.14	0.04
NOTE: Discrepancies may appear due to rounding. Mineral Resources are reported inclusive of Ore Reserves.					

Total Group Mineral Resources and Ore Reserves at 30 June 2013

Total Group Mineral Resources and Ore Reserves at 30 June 2013					
(above 50% Fe)	Tonnes millions	Fe %	SiO ₂ %	Al ₂ O ₃ %	P %
Mineral Resources	88.6	61.9	8.19	1.12	0.02
Ore Reserves	45.2	62.1	7.09	1.16	0.03
NOTE: Discrepancies may appear due to rounding. Mineral Resources are reported inclusive of Ore Reserves.					

Attributions

The information in this report that relates to Exploration Results is based on information compiled by Gregory Hudson, who is a member of the Australian Institute of Geoscientists. Gregory Hudson is an employee of Mount Gibson Iron Limited group, 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 2012 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Gregory Hudson 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 Mineral Resources is based on information compiled by Elizabeth Haren, who is a member and Chartered Professional of the Australasian Institute of Mining and Metallurgy. Elizabeth Haren has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaken to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Elizabeth Haren consents to the inclusion in the report of the matters based on her information in the form and context in which it appears. Elizabeth Haren was a full-time employee of, and is a consultant to Mount Gibson Mining Limited.

The information in this report relating to Ore Reserves is based on information compiled by Weifeng Li, who is a member of the Australasian Institute of Mining and Metallurgy. Weifeng Li has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaken to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Weifeng Li consents to the inclusion in the report of the matters based on his information in the form and context in which it appears. Weifeng Li is a consultant to Mount Gibson Mining Limited.

Refer ASX release 21 October 2013 for full details of Mineral Resources and Ore Reserves.

Supplementary information

Shine Hematite Mineral Resource

Resource Category	Tonnes (Mt)	Fe %	SiO ₂ %	Al ₂ O ₃ %	P %	LOI %
Measured	2.2	60.5	6.76	1.96	0.085	3.99
Indicated	3.2	59.6	8.23	1.61	0.074	3.90
Inferred	0.7	58.6	9.04	1.37	0.078	4.63
Total	6.1	59.8	7.80	1.71	0.078	4.02

57% Fe cut-off applied. Discrepancies may appear due to rounding.

The Shine Hematite Mineral Resource, as reported in a statement to the ASX by Gindalbie Metals Ltd (Gindalbie) on 18 October 2012, is shown above. The Mineral Resource estimate was compiled by Snowden Mining Industry Consultants Pty Ltd (Snowden) and appears with the consent of both Snowden and Gindalbie. This information was prepared and first disclosed under the JORC Code 2004. It has not been updated to comply with the JORC Code 2012 on the basis that the information has not materially changed since it was last reported.

Competent Person Statement

The information in this report that relates to the Shine Mineral Resources is based upon information compiled by John Graindorge. John Graindorge is a member of the Australasian Institute of Mining and Metallurgy (MAusIMM) and has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity to which he is undertaking to qualify as a competent person as defined in the 2004 edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". John Graindorge is a full-time employee of Snowden Mining Industry Consultants Pty Ltd. John Graindorge consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

As at 6 February 2014, acquisition of the Shine project remained incomplete, pending satisfaction of outstanding conditions precedent. Settlement is anticipated in the March 2014 quarter.

Refer ASX release 9 December 2013 for full details of the proposed acquisition of the Shine hematite project.