

2007 Annual General Meeting

21st November 2007



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Investments in shares in MGI is considered highly speculative.

Agenda

- Chairman's address
- Managing Director's presentation
- Formal business
 - Resolutions 1 - 8

Chairman's address

Neil Hamilton

Managing Director's presentation

Luke Tonkin

Company overview

Corporate

- **Market cap¹** **A\$2,000 million**
- **Cash²** **A\$61 million**
- **Total debt²** **A\$90 million**
- **EV** **A\$2,029 million**
- **Index** **S&P/ASX 200**
- **Issued capital** **793 million shares, 21.1 million options**
- **Finance facilities** **A\$200m (includes A\$25m contingent debt)**

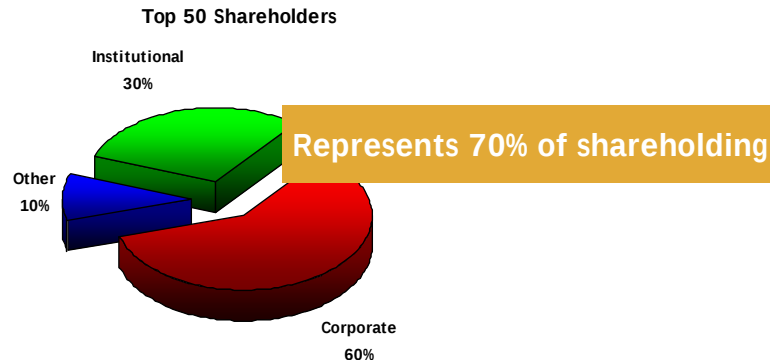
Financials

2007

- **Sales** **A\$162.7 million (excluding finance income)**
- **NPAT** **A\$47.8 million**

Shareholders

- **Gazmetall** **19.8%**
- **APAC Resources** **20.3%**



Key investment themes

1

Quality assets

2

Solid growth profile

3

Earnings leverage to strong iron ore price outlook

4

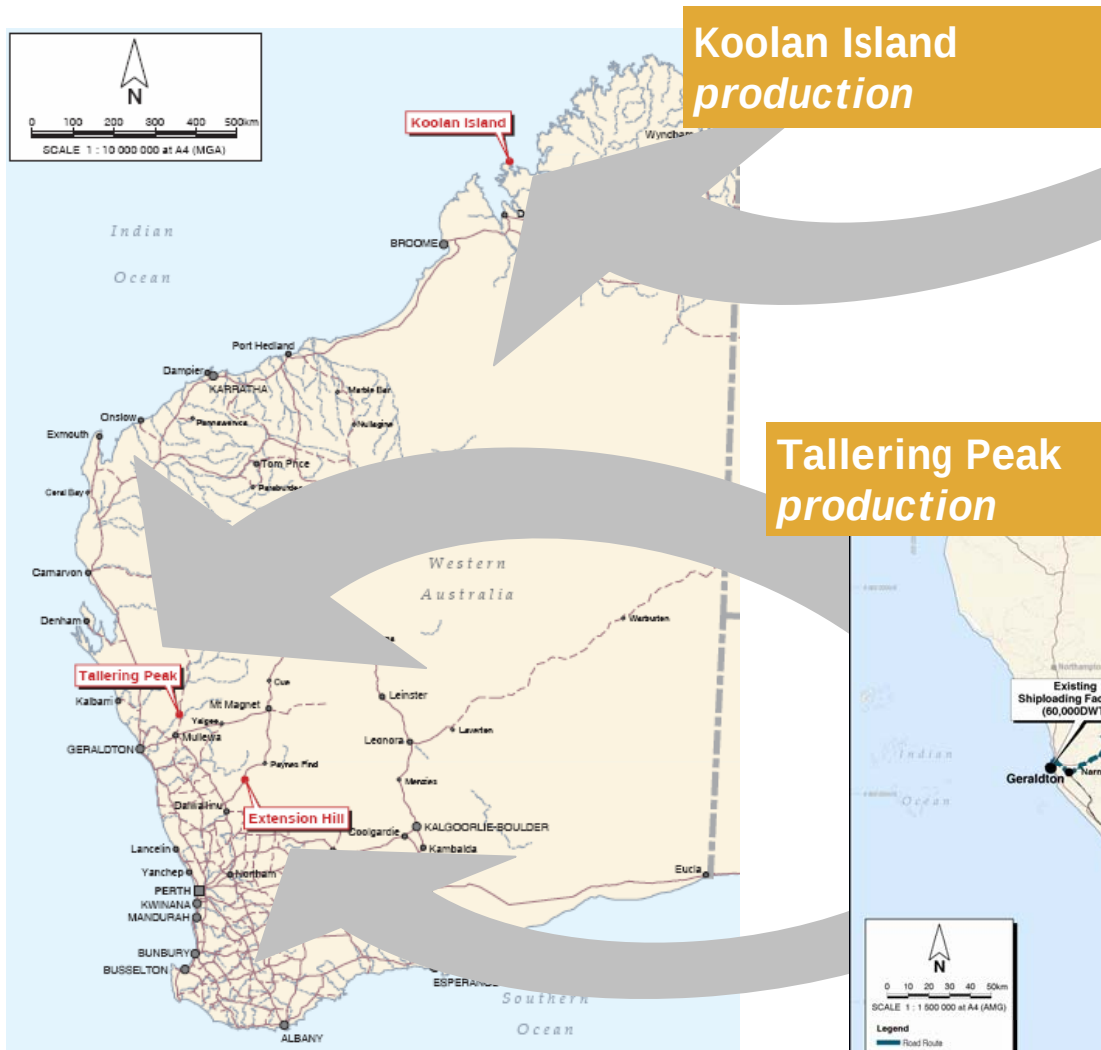
Disciplined financial strategy & strong performance

5

Experienced - disciplined Board & executive team with proven track record

...Mount Gibson has a solid investment case

1 Quality assets



**Extension Hill
near-term production**



1 Quality assets

KEY STATISTICS

	Tallering Peak	Koolan Island	Extension Hill	Combined
Reserves and Resources¹				
Proven & Probable Ore Reserves (Mt)	18.3 (61.7% Fe)	29.9 (65.0% Fe)	12.8 (60.3% Fe)	62.0 (62.9% Fe)
Measured, Indicated and Inferred Mineral Resources (Mt)	21.0 (61.6% Fe)	62.8 (63.1% Fe)	19.5 (59.9% Fe)	103.3 (62.2% Fe)
Operations Data				
Annual production (Mt)	3	4 (target)	3 (target)	
Expected minimum mine life	6	8	6	
Lump:Fines ratio	65%:35%	30%:70%	50%:50%	
Truck (km)	65	-	85	
Rail (km)	107	-	240	
Strip ratio	6:1	6:1 (est.)	<1:1	
Port	Geraldton	Koolan Island	Geraldton	

1 Quality assets

Tallering Peak

- First hematite ore shipped Feb 2004
- Producing 3 Mtpa
- 65% Lump & 35% Fines ratio
- Quality high grade, low contaminant product (61.7% Fe, 5.32 % SiO₂, 2.6 % Al₂O₃ and 0.025 % P)
- Access to installed infrastructure



Main Range Pits looking west at end of September 2007



	2005-2006	2006-2007	Variance
	'000	'000	%
Ore Mined wmt	1,122	2,932	161% ↑
Ore Crushed wmt	1,608	2,711	69% ↑
Shipped wmt	1,386	2,312	67% ↑

1 Quality assets

Koolan Island

- First hematite ore shipped June 2007
- Production ramping up to 4 Mtpa (expected to reach capacity by 4Q 2009)
- 30% Lump & 70% Fines ratio (initial production 50% Lump & 50% Fines)
- Quality high grade, low contaminant product
(64.8% Fe, 5.32% SiO₂, 0.99% Al₂O₃ and 0.018% P)
- Access premium Main Pit orebody - 18 months

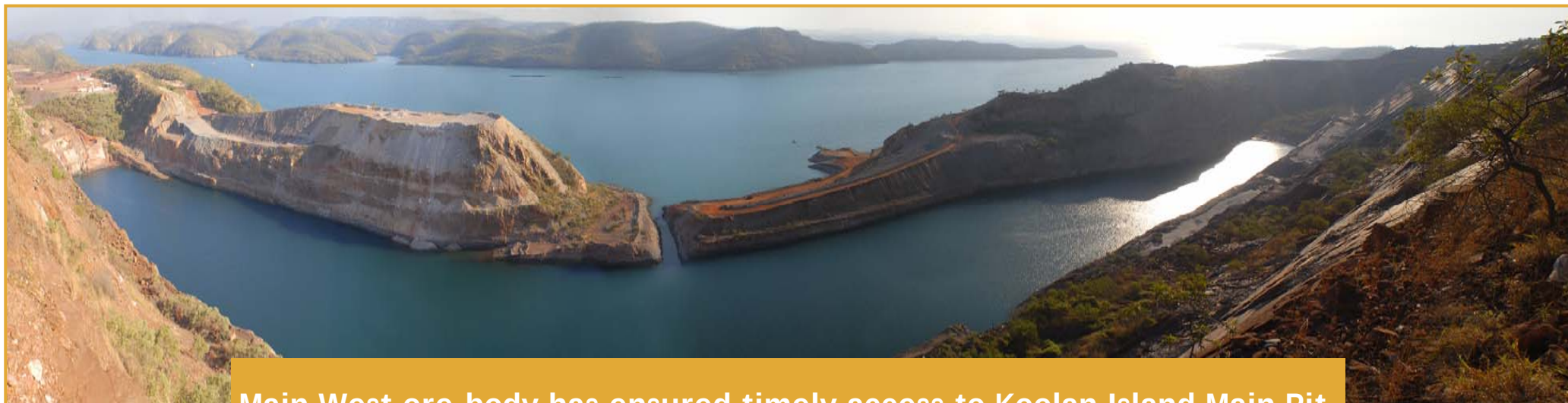
Crushing, port & ship-loading facilities



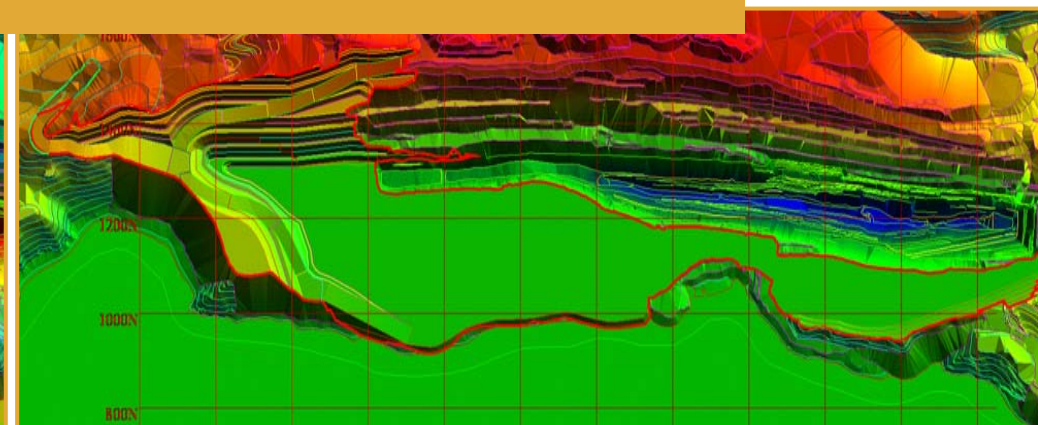
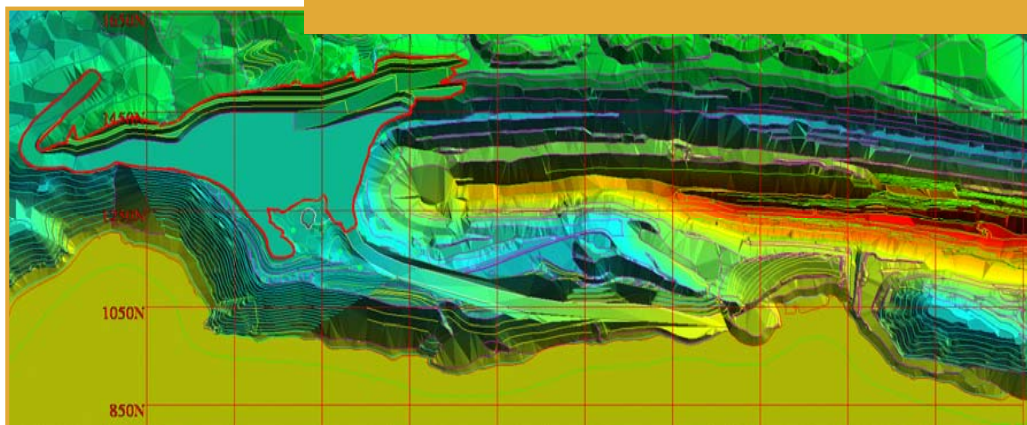
Eastern Pit August 2007



1 Quality assets



Main West ore-body has ensured timely access to Koolan Island Main Pit

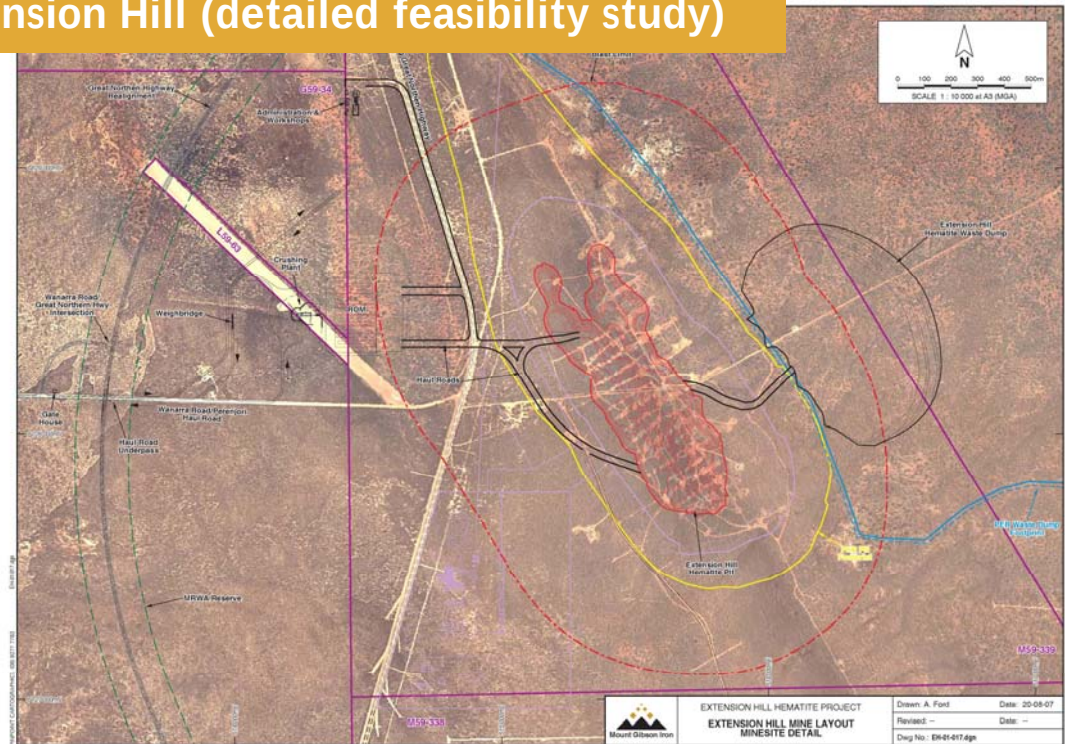


1 Quality assets

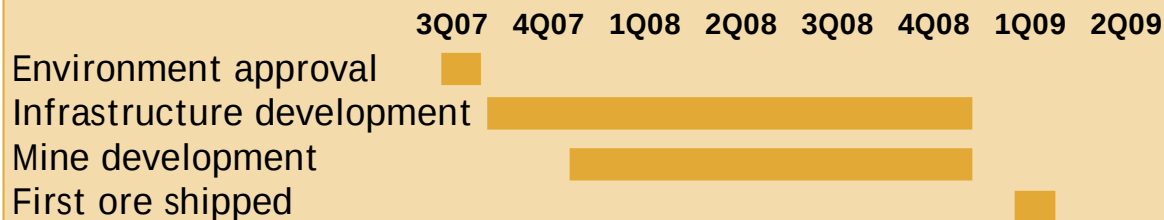
- Available resource for mining will be increased
- Operationally robust and straightforward
- Low capital cost: \$84m (including contingency 15%)
- Up to 3 Mtpa production rate
- Average LOM cash cost: \$34/t
- Low strip ratio - <1:1
- 50% Lump & 50% Fines ratio
- Quality grade, low contaminant ore (60.3% Fe, 5.48% SiO₂, 1.64% Al₂O₃ and 0.06% P)
- Immediate cash generator



Extension Hill (detailed feasibility study)

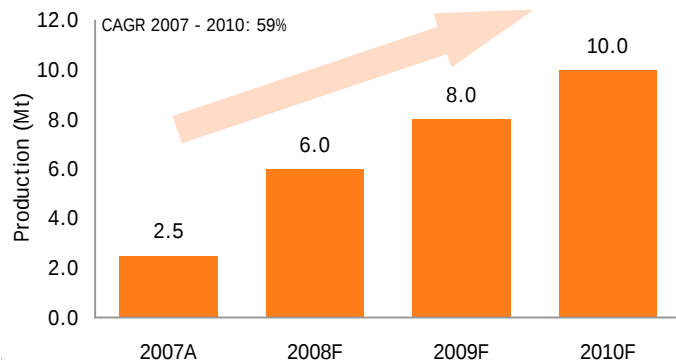


Extension Hill development timeline



2 Solid growth profile

Production growth of 59% 2007-2010 CAGR¹



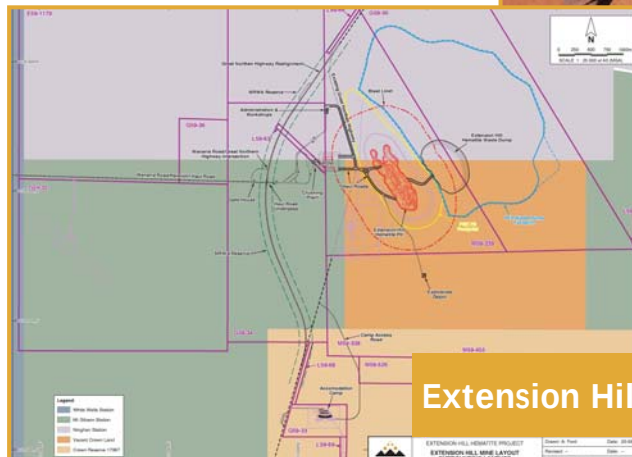
Not
1 2007A figure represents shipped tonnage vs. 3.5 Mt (wmt) ore mined in 2007

- Production CAGR 2007-2010 of 59% from existing operations and Extension Hill project
- Well placed for further organic growth (2008 exploration budget of \$3.3m)
 - Further growth at Talling Peak
 - Koolan ramp up to 4Mtpa – installed capacity 6Mtpa
 - Koolan surface and underground iron ore opportunities
 - Extension Hill conversion of Resources to Reserves
- M&A opportunities in core steel production inputs—iron ore, coking coal



Talling Peak - full production

Koolan Island - increasing production



Extension Hill - development commenced

2 Solid growth profile

Ship-loading capacity increasing to meet growth in Mount Gibson's production from the Mid West...

Rail unloading capacity requires upgrading to meet ship-loading capacity...



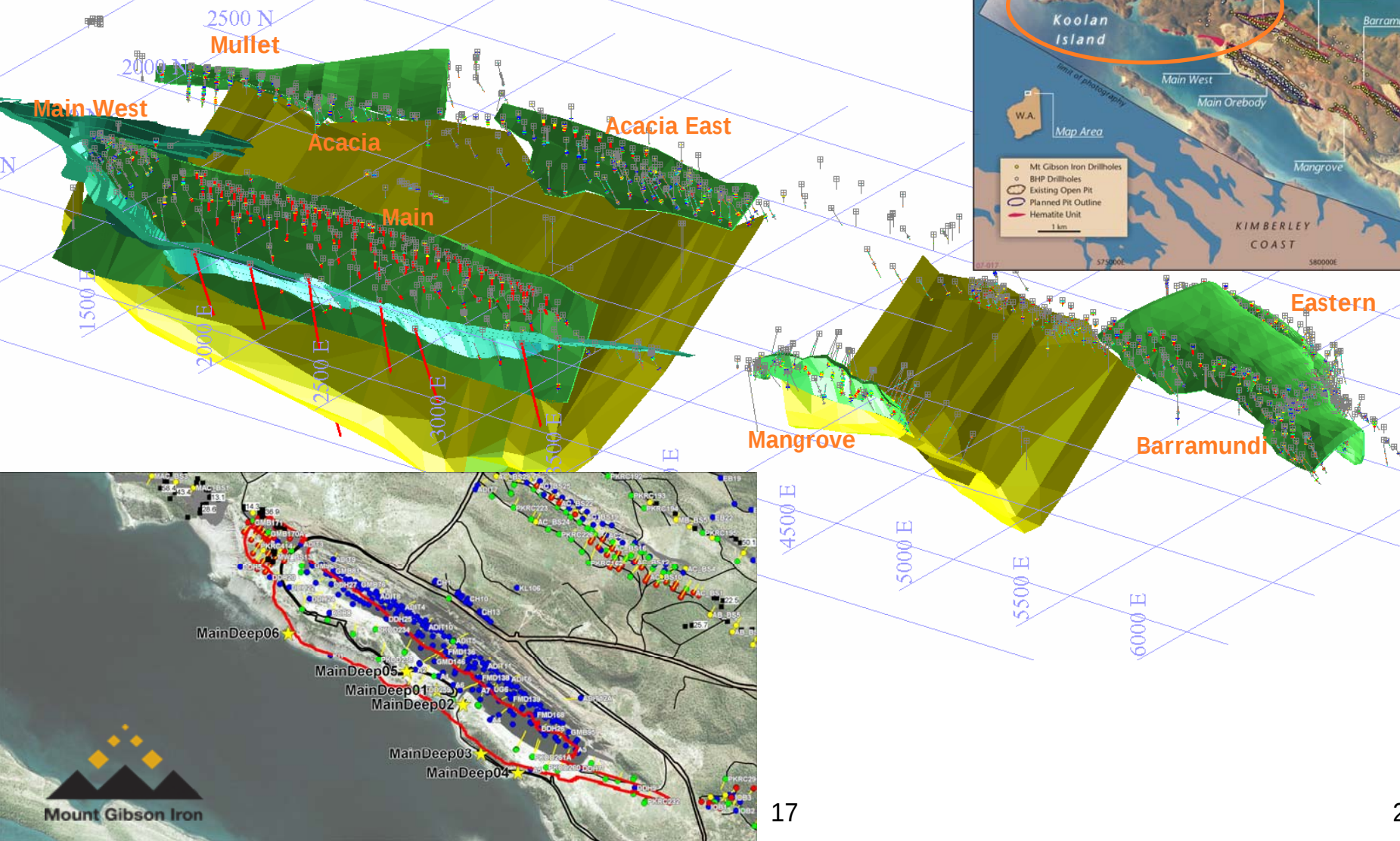
2 Solid growth profile

Main Pit - World class grade and quality- 66.5% Fe, 3.48% SiO₂, 0.69% Al₂O₃, 0.019% P, 0.3 LOI



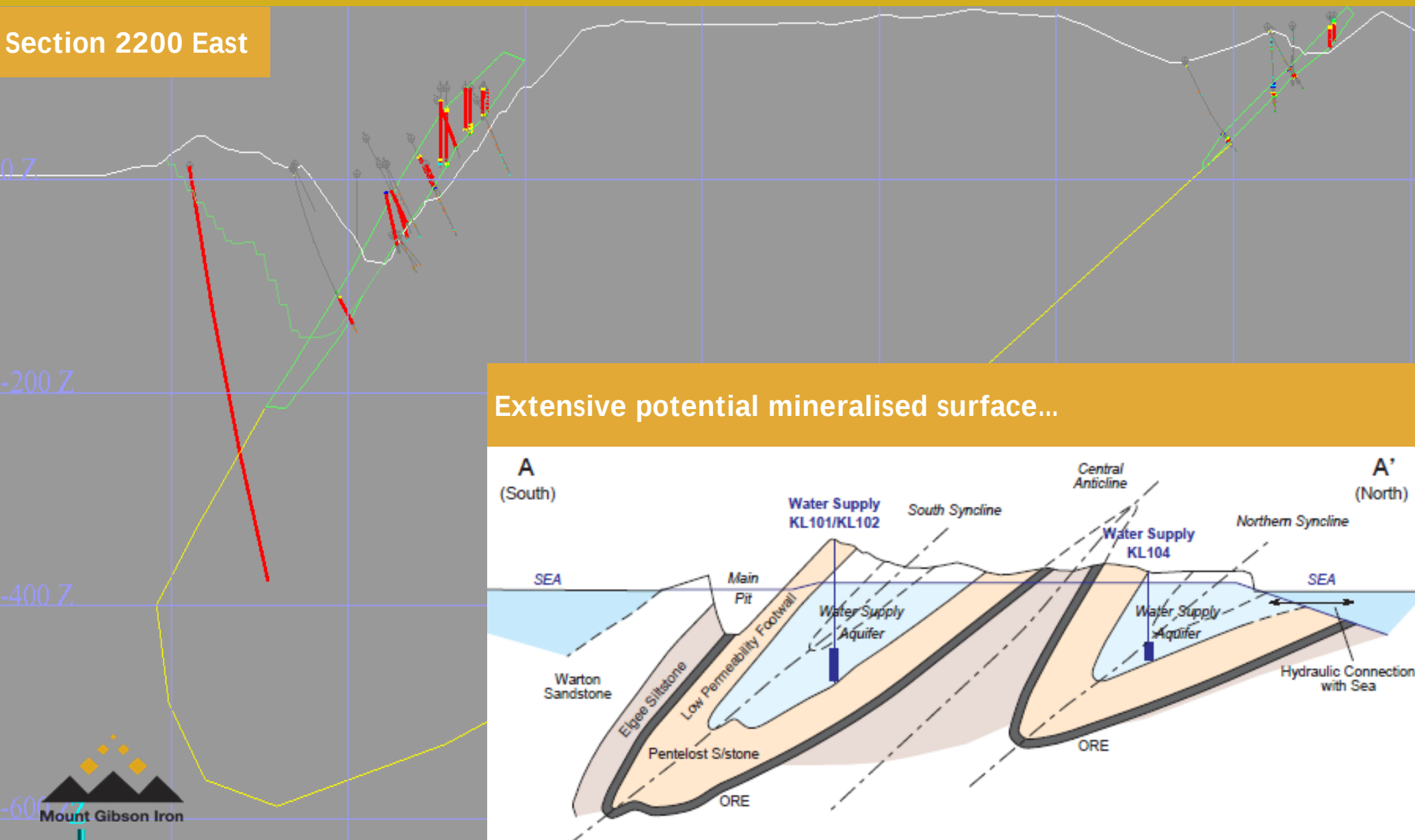
2 Solid growth profile

Koolan Island ore surfaces provide significant upside potential...



2 Solid growth profile

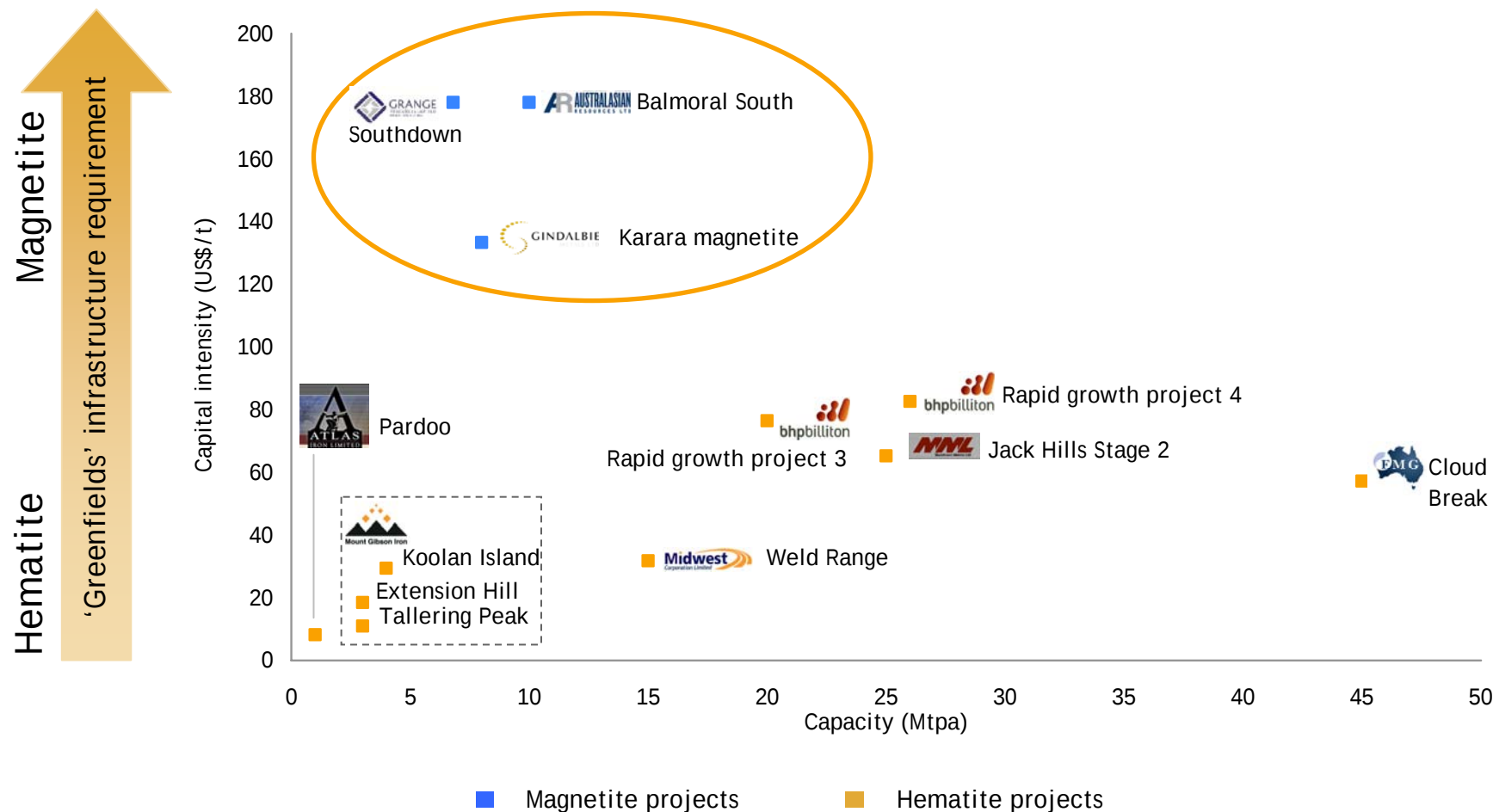
Section 2200 East



Extensive potential mineralised surface...

2 Solid growth profile

Mount Gibson's projects have amongst the lowest capital intensity of any of its peers

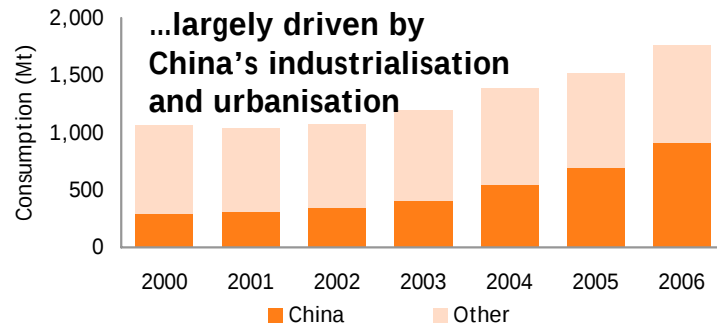


Source: Company reports

Earnings leverage to strong iron ore price outlook

Robust iron ore price outlook

Dramatic growth in global iron ore consumption...



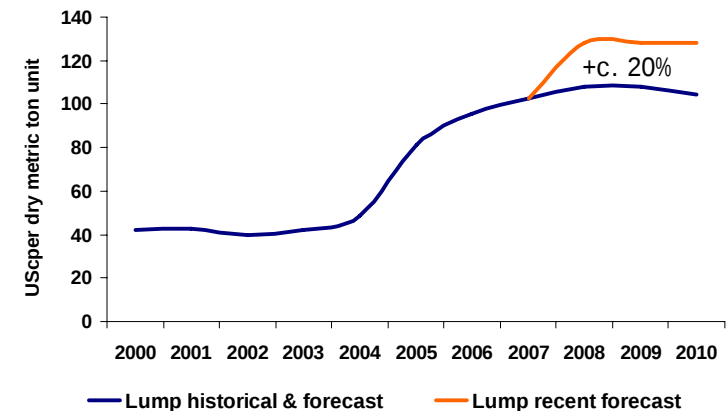
Source: Mount Gibson

...combined with limited supply flexibility ...

- Long lead times to bring new supply to the market, with supply substantially lagging growth in demand
- Supply lag being compounded by infrastructure bottlenecks e.g. ports/shipping/rail
- Spot price driven higher by limited supply and substantial increase in shipping freight rates



Substantial increases forecast in iron ore prices...



Source: Mount Gibson, Macquarie forecasts

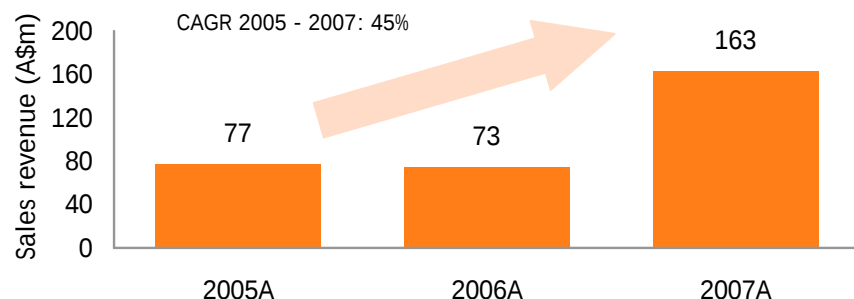
Mount Gibson has captured the sweet spot of the cycle ...

- ✓ Current production with developments to reach full production by 2010
- ✓ 100% current production and 50% Extension Hill production contracted
- ✓ Capturing price upside through Hamersley benchmark contract prices

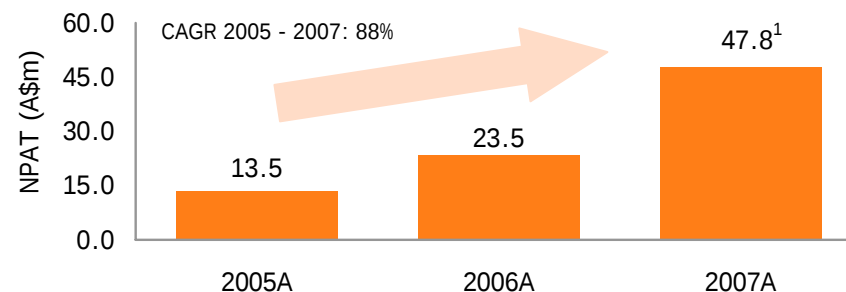
Disciplined financial strategy & strong performance

Good operating margins

2005-2007 sales revenue



2005-2007 net profit



Disciplined risk management strategy

Mount Gibson has...

- ✓ First mover status & access to existing infrastructure
- ✓ Substantially improved operational performance
- ✓ Divested high risk, high cost and capitally intensive assets
- ✓ Provided a comprehensive organic growth plan
- ✓ Demonstrated M&A credentials



Source: Mount Gibson, Company reports

Note:

1. Includes contribution of operations divested during period

Strong cash flow generation

- ✓ Growing production profile
- ✓ Robust iron ore price outlook
- ✓ Clean & strong balance sheet
- ? Continued operating and capital cost pressures

Reinvestment of capital for growth

- organic (exploration, development)
- M&A

Or return to shareholders

Experienced - disciplined Board & executive team with proven track record

Experienced Board & executive management team



Mr Luke Tonkin
Managing Director
B.E., MAusIMM, AICD

- Appointed in Oct 05
- 22 years experience, with management and executive roles with WMC (KNO, St Ives, Leinster, CNGC) and Sons of Gwalia
- Multi commodity executive and operational experience



Mr Alan Rule
CFO
B.Comm, B.Acc, CA

- Appointed CFO in Jun 07
- Finance Director Jul 05 – Jun 07
- Extensive experience in financial roles & international financing of mining projects
- CFO Western Metals and St Barbara



Mr Neil Hamilton
Chairman
LLB

- Appointed Non-Exec Chairman in April 07
- 23 years experience as a director of publicly listed companies
- Chairman of IRESS and Non – Exec of Insurance Australia Limited and Programmed Maintenance Services Ltd



Mr Craig Readhead
Non-Executive Director
B.Juris, LLB, AICD

- 26 years practicing in resources law
- Partner in law firm Pullinger Readhead Lucas
- Non-Exec' Director of Heron Resources, Galaxy Resources, Halcyon Group, Frankland River & Olive Company
- Past President of AMPLA and Vice President of AMEC



Mr Ian MacIver
Non-Executive Director - B.Comm, CA, F Fin, AICD

- MD of Grange Consulting Group Pty Ltd
- Many years experience as senior exec' & Director of resource & industrial companies with responsibility for capital raising & other corporate initiatives



Mr Mark Horn
Non-Executive Director - M.A., LLB(Hons), Dip.B.Admin, FSI (Dip)

- Appointed Jun 07
- Chief Exec' of Mark Horn & Co, a British corporate finance boutique
- Chairman of ReSel Communications Ltd, Director and General Council of Lakeshore Capital and Non-Exec Director of numerous companies
- Served as a Director of AIM2 plc



Mr Alan Jones
Non-Executive Director - CA

- Appointed July 2006
- Extensive senior management & Board in listed & unlisted Australian public companies, particularly in construction, engineering, finance and investment industries
- Non - Exec of APAC Resources Ltd
- Merger & acquisition expertise



Mr Peter Bilbe
Non-Executive Director - B.E.

- Appointed June 2007
- 30 years' experience in senior operational and corporate roles in the resources sector both in Australia and overseas
- Formerly MD of Aztec Resources Ltd, GM of Operations at Portman Mining Ltd

Proven track record

Produced ore tonnage 2006-2007:	↑ 211%
Shipped ore tonnage 2006-2007:	↑ 78%
Sales revenue 2006-2007:	↑ 119%
NPAT 2006-2007:	↑ 103%
Net assets 2006-2007:	↑ 316%

Tallering Peak



Access to infrastructure - full production



Koolan Island

Installed infrastructure – capacity 6Mtpa



Formal business of the meeting

- Quorum
- Notice of meeting and explanatory statement taken as read
- 436,102,935 valid available proxy votes received, representing 55% of total shares on issue
- Details of proxies will be provided for each resolution

Financial Reports

To receive and consider the financial report for the year ended 30 June 2007 and the related Directors' and Auditors' Reports.

Resolution 1

To consider and, if thought fit, to pass the following resolution as an ordinary resolution:

“That Craig Readhead, who retires in accordance with Clause 3.6 of the Company’s Constitution, and being eligible, is re-elected as a Director of the Company.”

Resolution 1 - Proxies

- In favour: 291,887,818
- Against: 3,310,171
- Proxy's discretion: 139,923,237
- Abstain: 2,064,809

Resolution 2

To consider and, if thought fit, to pass the following resolution as an ordinary resolution:

“That Neil Hamilton, having been appointed as a Director since the last annual general meeting and who retires in accordance with Clause 3.3 of the Company’s Constitution, and being eligible, is re-elected as a Director of the Company.”

Resolution 2 - Proxies

- In favour: 293,000,957
- Against: 2,088,088
- Proxy's discretion: 139,920,237
- Abstain: 2,176,753

Resolution 3

To consider and, if thought fit, to pass the following resolution as an ordinary resolution:

“That Mark Horn, having been appointed as a Director since the last annual general meeting and who retires in accordance with Clause 3.3 of the Company’s Constitution, and being eligible, is re-elected as a Director of the Company.”

Resolution 3 - Proxies

- In favour: 290,257,926
- Against: 4,816,379
- Proxy's discretion: 139,931,723
- Abstain: 2,180,007

Resolution 4

To consider and, if thought fit, to pass the following resolution as an ordinary resolution:

“That the Remuneration Report for the Company (included in the Report of the Directors) for the year ended 30 June 2007 be adopted.”

Resolution 4 - Proxies

- In favour: 287,734,340
- Against: 6,823,846
- Proxy's discretion: 140,012,468
- Abstain: 2,615,381

Resolution 5

To consider and, if thought fit, to pass the following resolution as an ordinary resolution:

“That, for purposes of rule 10.2 of the Company’s Constitution, Listing Rule 10.17 and for all other purposes, the maximum aggregate remuneration payable by the Company to Non-Executive Directors as Directors’ fees be increased by \$450,000 from \$300,000 per annum to \$750,000 per annum.”

Resolution 5 - Proxies

- In favour: 286,406,021
- Against: 9,910,420
- Proxy's discretion: 83,709,105
- Abstain: 682,866

Resolution 6

To consider and, if thought fit, to pass the following resolution as an ordinary resolution:

“That, for all purposes including for the purposes of ASX Listing Rule 10.14, approval is given to grant performance rights to Mr Tonkin in respect of the financial years ending 30 June 2008, 2009 and 2010 on the terms set out in his employment agreement with the Company and the Mount Gibson Iron Limited Performance Rights Plan, as more fully described in the Explanatory Memorandum.”

Resolution 6 - Proxies

- In favour: 270,741,217
- Against: 26,040,899
- Proxy's discretion: 134,852,688
- Abstain: 764,884

Resolution 7

To consider and, if thought fit, to pass the following resolution as an ordinary resolution:

“That, for all purposes including for the purposes of ASX Listing Rule 10.14, approval is given to grant performance rights to Mr Rule in respect of the financial years ending 30 June 2008, 2009 and 2010 on the terms set out in his employment agreement with the Company and the Mount Gibson Iron Limited Performance Rights Plan, as more fully described in the Explanatory Memorandum.”

Resolution 7 - Proxies

- In favour: 270,521,182
- Against: 26,224,952
- Proxy's discretion: 134,862,688
- Abstain: 780,866

Resolution 8

To consider and, if thought fit, to pass the following resolution as a special resolution:

“That the Company’s Constitution be amended by deleting the words “the Company must not charge any fee on transfer of a share” from rule 29.1.”

Resolution 8 - Proxies

- In favour: 295,174,781
- Against: 1,324,044
- Proxy's discretion: 139,901,385
- Abstain: 785,825

Wrap up

Thank-you for your attendance