



Mount Gibson Iron Limited

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The Manager
Company Announcements
Australian Stock Exchange Limited
Level 10, 20 Bond Street
SYDNEY NSW 2000

SUBJECT: INVESTOR PRESENTATION

Mount Gibson Iron Limited's Chairman, Bill Willis, and Managing Director, Brian Johnson, will be making the attached presentation to Stockbrokers and potential investors during next week.

Yours sincerely
MOUNT GIBSON IRON LIMITED

A handwritten signature in black ink, appearing to be "AD", is written over a horizontal line.

Angela Dent
Company Secretary

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Managing Director
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INVESTOR PRESENTATION



September 2004



PROJECT LOCATIONS



RESOURCES (JORC)

Project	Measured Resource Mt	Indicated Resource Mt	Inferred Resource Mt	Total Mt
Hematite Talling Peak	4.9	14.6		19.5
Mt Gibson		12.8		12.8
Total	4.9	27.4		32.3
Magnetite Mt Gibson (54%)	165	22	44	231

CORPORATE DEVELOPMENT – PHASE ONE (HEMATITE)

MGI's primary focus is to progressively increase the mining rate of direct shipping grade hematite to 2.5Mtpa from either existing Talling Peak mine (6 years at full production) or Mt Gibson (5 years) when developed

- ◆ Utilise all rail capacity currently available in the MidWest region
- ◆ Optimise use of port infrastructure and other assets provided for Talling Peak mine
- ◆ Current operating profit at Talling Peak approximately \$10.80 per tonne (before State royalties of \$2.50 per tonne)
- ◆ Profits at Mt Gibson should be similar – additional transport costs will be largely offset by reduced waste to ore ratio

CORPORATE DEVELOPMENT – PHASE ONE (HEMATITE)

(contd)

- ◆ Low cost of developing Mt Gibson mine (\$10 million)
- ◆ Sales to China of 1.6Mtpa from Talling Peak contracted for life of mine (Stemcor, Sinom, Shanghai Industrial, Prosperity Minerals)
- ◆ Excess production to be sold on spot market (which remains strong)
- ◆ Current production 1.8Mtpa
- ◆ Budgeted ramp-up 2.1Mtpa January 2005
2.3Mtpa January 2006
2.5Mtpa January 2007

CORPORATE DEVELOPMENT – PHASE TWO (MAGNETITE/PELLETS)

MGI's second phase of development will be the production of magnetite concentrate as feed for iron pellet production in China.

- MGI to sell its magnetite resources at Mt Gibson and technical data to Hong Kong based Asia Iron Holdings Limited (Asia Iron) for \$7.5 million
- MGI will take up 30% of Asia Iron's foundation capital in lieu of cash payment
- MGI to manage the development and operation of up to four mines which Asia Iron intends to commission in the MidWest to produce magnetite concentrate
- Concentrate will be shipped to pellet plants to be constructed in China by Asia Iron and partners
- The first mine to be developed at Koolanooka by Asia Iron and Nanjing Iron & Steel Group will produce 2.5Mtpa of concentrate with commissioning planned for September 2006

CORPORATE DEVELOPMENT – PHASE TWO (MAGNETITE/PELLETS) (contd)

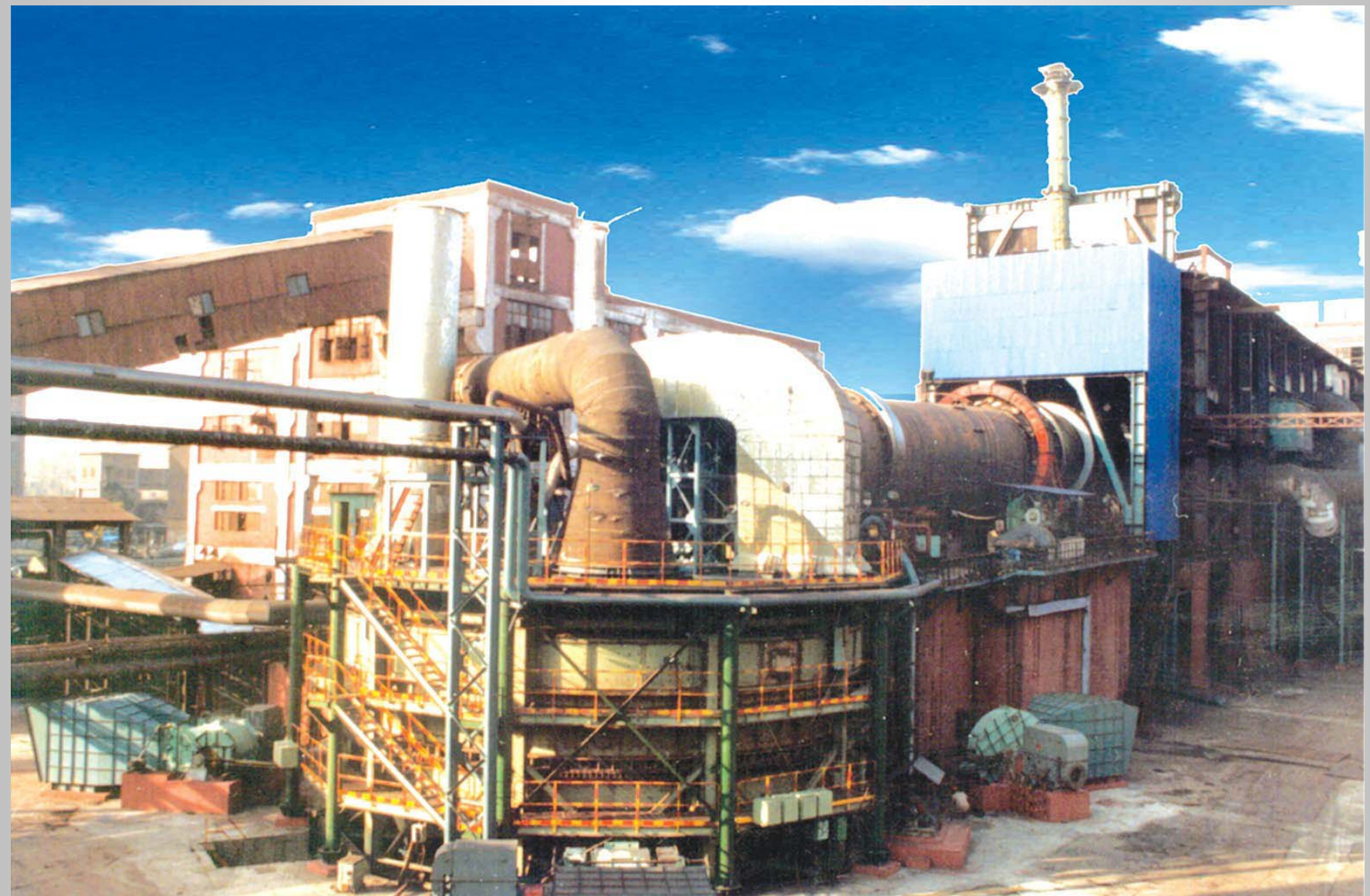
- Commissioning at Koolanooka will coincide with completion of the first pellet plant at Longtan on the Yangtze river near Nanjing.
- Asia Iron intends to develop its second mine and pellet plant twelve months after the first.
- Nanjing Iron and Steel will manage two 2.5Mtpa pellet plants planned for Longtan and purchase 50% of production for 20 years at international prices (US\$4.0 billion sales at current prices)
- One of Asia Iron's shareholders will purchase 25% of production.

CORPORATE DEVELOPMENT – PHASE TWO (MAGNETITE/PELLETS) (contd)

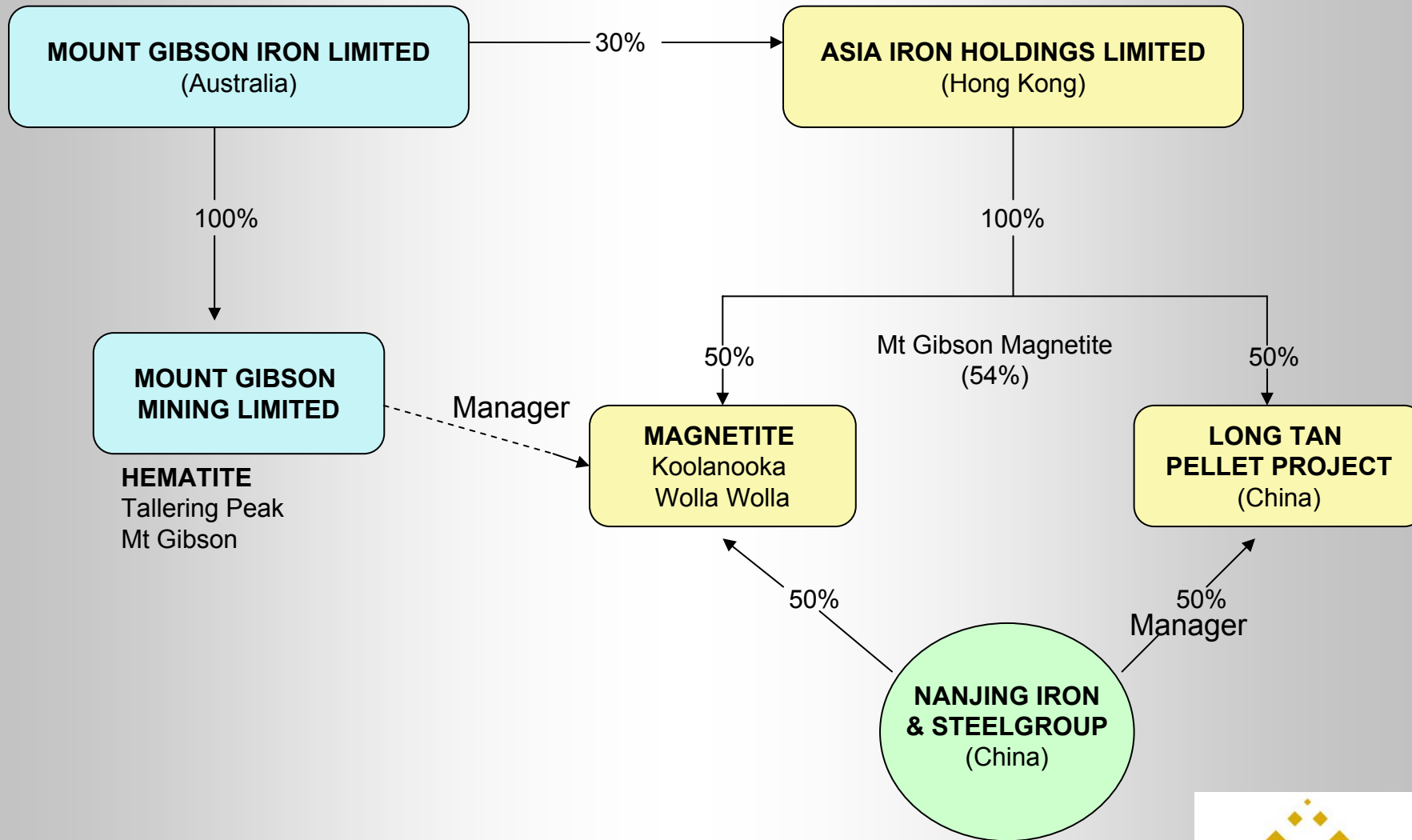
Asia Iron's concept of constructing pellet plants 450km up the Yangtze River in a major steel making region means that it will be able to ship directly from Geraldton to the river port of Longtan and avoid expensive transshipment and barging costs incurred by competitors importing pellets or pellet feed from Brazil.

- ◆ Asia Iron's financial model for pellet production is robust
- ◆ Asia Iron proposes to effect an IPO on the London AIM market in the second half of 2005
- ◆ MGI intends to maintain its 30% shareholding in Asia Iron
- ◆ MGI expects to be able to finance additional investment from option conversions in October 2005 and internal resources
- ◆ MGI will receive management fees for each mine developed by Asia Iron and will not be required to provide development capital
- ◆ MGI will equity account its 30% share of Asia Iron profits

PELLET PLANT – (Beijing Shougang Design Institute plant similar to that proposed for Longtan)



MOUNT GIBSON IRON GROUP – PROPOSED STRUCTURE



TALLERING PEAK HEMATITE MINE

Current production 1.8Mtpa ramping to 2.1Mtpa in January 2005 based on commitment by Australian Railroad Group to supply additional rail wagons.

Estimated (2004 – 5)	\$/tonne shipped
✦ Average sale price based on 65% lump ore and 35% fines at 72 cents exchange rate	36.30
✦ Operating costs (including depreciation & amortisation)	25.50
✦ Operating Margin (before State royalties of \$2.50/tonne)	10.80

FINANCIAL PROJECTIONS

		2004 - 5	2005 - 6	2006 - 7
HEMATITE – TALLERING PEAK				
Production	M Tonnes	1.8	2.1	2.3
Sales	\$Million	65.4	79.1	86.9
Operating Profit	\$Million	23.7	32.7	33.2
Royalties	\$Million	(4.5)	(5.5)	(6.1)
Depreciation & Amortisation	\$Million	(4.2)	(4.0)	(3.9)
Profit BIT	\$Million	15.0	23.2	23.2
MAGNETITE - KOOLANOOKA				
Production	M Tonnes	-	-	-
Management Fee	\$Million	-	-	-
TOTAL OPERATING PROFIT		15.0	23.2	23.2

FINANCIAL PROJECTIONS**(contd)**

		2004 - 5	2005 - 6	2006 - 7
TOTAL OPERATING PROFIT	\$Million	15.0	23.2	23.2
OVERHEADS & ADMINISTRATION	\$Million	(1.1)	(1.2)	(1.4)
DEVELOPMENT EXPENDITURE	\$Million	(0.9)	(1.7)	(0.5)
TOTAL PROFIT BIT	\$Million	13.0	20.3	21.3
INTEREST	\$Million	(0.4)	(0.1)	(0.1)
TAXATION	\$Million	-	(0.7)	(6.0)
NET PROFIT AFTER TAX	\$Million	12.6	19.5	15.2

SHARE STRUCTURE

Shares on Issue	291,566,000
Options Issued to Asia Iron (19 million) (unlisted – December 2004 – 25 cents) (unlikely to be exercised)	-
Options Issued to Sinom & Associates (listed – October 2005 – 22 cents)	18,800,000
Options Issued to Directors & Executives (listed – October 2005 – 22 cents)	12,000,000
Options carried from back door listing (unlisted – February 2006 -18 cents)	2,100,000
Options to be Issued to Directors and Staff (unlisted – December 2006 -25 cents)	<u>14,500,000</u>
TOTAL FULLY DILUTED	338,966,000

TOP 20 SHAREHOLDERS

No.	Shareholder	Shares Held (%)	No. Shares
1	Chemco Pty Ltd	9.18%	26,775,720
2	National Nominees Limited	8.32%	24,258,151
3	Sinom (Hong Kong) Ltd	7.29%	21,250,000
4	Asia Iron Holdings Limited	6.52%	19,000,000
5	Link Traders (Aust) Pty Limited	4.89%	14,243,880
6	Nefco Nominees Pty Ltd	2.51%	7,320,742
7	Dominant Holdings AG	2.06%	6,000,000
8	JP Morgan Nominees Australia Limited	1.37%	3,999,157
9	UOB Kay Hian (Hong Kong) Limited <clients A/C>	1.33%	3,876,062
10	Mr Desmond George Asmuel Anderson	1.03%	3,000,000
11	Drill Investments Pty Ltd	0.96%	2,800,000
12	Quinambo Nominees Pty Ltd	0.87%	2,540,000
13	Aileendonan Investments Pty Ltd	0.79%	2,291,682
14	Mr William Gordon Martin & Ms Beverley Michelle Martin <Chemco Super Fund A/C>	0.75%	2,200,000
15	Sun Hung Kai Investment Services Ltd <Client A/C>	0.69%	2,000,000
16	Giovanni Nominees Pty Ltd <Giovanni Family A/C>	0.64%	1,866,777
17	Ossan Pty Ltd	0.63%	1,830,937
18	Queensland Investment Corporation	0.54%	1,574,500
19	888 Trading Limited	0.51%	1,500,000
20	Merrill Lynch (Australia) Nominee Pty Ltd	0.45%	1,300,000
	TOTAL (Top 20 Shareholders)	51.3%	149,627,608

DIRECTORS

Bill Willis (Chairman)

Mr Willis is a geologist with extensive technical and management experience in the Australian mining sector, particularly in iron ore. He was Executive Director and Chief Executive of Robe River Mining Co Pty Ltd from 1993 to 1999 inclusive, and was responsible for the joint venture between North Limited, Nippon Steel, Mitsui, and Sumitomo Metals for the management, operation and expansion of the Robe River iron ore project in the Pilbara region of Western Australia. Prior to this, Mr Willis worked for BHP and was responsible for exploration, mine geology and management of iron ore production at BHP's iron ore mines at Mt Newman, Koolyanobbing and Yampi Sound.

Brian Johnson (Managing Director)

Mr Johnson is a civil engineer with extensive experience in the construction and mining industries in Australia, South East Asia and North America. As a major shareholder and Chief Executive, Mr Johnson was instrumental in establishing Portman Limited's presence in the iron ore industry between 1991 and 1994, developing mines at Koolyanobbing and Cockatoo Island. He also personally partnered Mr Lang Hancock in the development and operation of McCamey's Monster iron ore mine in the Pilbara, prior to its sale to BHP.

Craig Readhead (Non-Executive Director)

Mr Readhead is a lawyer who has spent the last 24 years practicing in the resources law area and is now a partner of the law firm Pullinger Readhead Lucas. Mr Readhead has had a significant legal role in the development of a number of mining projects within Australia, Africa and South East Asia. Mr Readhead is a director of a number of listed and unlisted mining and exploration companies and is a past President of the Australian Mining and Petroleum Law Association, and a past Vice President of the Association of Mining and Exploration Companies.

Ian Macliver (Non-Executive Director)

Mr Macliver is a Chartered Accountant with many years experience as a senior executive and director of both resource and industrial companies (including Portman Limited), with particular responsibility for capital raising and other corporate initiatives.

SENIOR EXECUTIVES

John Arbuckle (Chief Financial Officer)

Mr Arbuckle is a CPA with over 15 years experience in the mining industry, having previously occupied senior finance roles with Rio Tinto Limited, North Limited, Anaconda Nickel Limited and Perilya Limited.

Kevin Malaxos (General Manager Operations)

Mr Malaxos is a Mining Engineer with extensive experience in both open pit and underground mining operations. Mr Malaxos was the Resident Manager of the Broken Hill mine of Perilya Limited and was responsible for the start-up of that operation. Prior to this he managed the Australian operations of contract miner, Byrnescut Mining Pty Ltd, and held senior management roles with WMC Resources Ltd and KCGM Pty Ltd.

Andrew Woskett (Development Manager)

Mr Woskett is a qualified Civil Engineer with over 27 years of experience in the mining and IT industries. Previously, Mr Woskett was the Managing Director of listed miner, Ballarat Goldfields NL for 9 years. He has also been the CEO of an IT company and in recent times consulted to a major iron ore producer company on the evaluation of under performing assets.

Warwick Davies (Marketing Manager)

Mr Davies is an economist and industrial chemist with significant experience in the iron ore industry. Prior to his current role, Mr Davies was the General Manager of Marketing for Robe River Iron Associates, having worked for that company for over 28 years in a variety of roles.

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