

Investor Presentation

May 2008



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Investments in shares in MGI is considered highly speculative.

Company overview

Corporate

- Issued capital 803.3 million shares, 10.8 million options
- Market cap¹ A\$2,192 million
- Cash² A\$42 million
- Total debt² A\$93 million
- EV A\$2,141 million
- Index S&P/ASX 200
- Finance facilities A\$200m (includes A\$25m contingent debt)

Financials

		2005	2006	2007	2008 (6 mths)
• Sales volume	MWMT	1.9	1.4	2.5	2.6
• Sales	A\$ m	77	73	163	177
• NPAT	A\$ m	14	23	48 ³	32

Shareholders

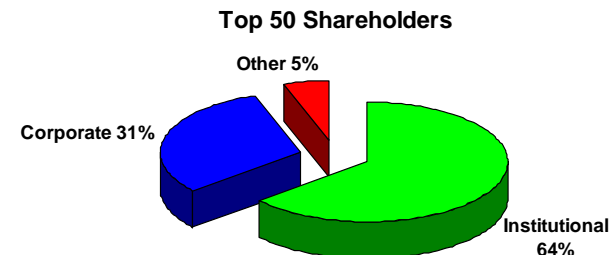
- APAC Resources 20%

Represents 75% of shareholding



Notes:

- 1 Share price of \$2.73 as at 18 April 2008
- 2 As at 31 Dec 2007
- 3 Includes \$19 million NPAT on sale of magnetite project



Mount Gibson key event timeline



Tallering Peak production commences

- Jan 2004: Mining of hematite ore commenced at Tallering Peak Iron Mine
- Sep 2004: Maiden full year profit announced
- Jan 2005: Tallering Peak production expected to exceed budget of 1.8Mtpa, producing 2.0Mtpa
- March 2005: Announces profits of \$6.1m for the H1 FY05 and revises profit forecast for H2 FY05 to \$15.0m

Production stabilised & growth explored

- July & Oct 2006: new CFO and CEO
- Feb 2006: Completes feasibility study for 5mtpa magnetite project (Asia Iron)
- Jun 2006: 73% interest in Asia Iron Holdings and its magnetite project sold
- Jul 2006: Launches takeover offer for Aztec Resources
- Dec 2006: Announces compulsory acquisition of remaining Aztec shares

Koolan Island production commences

- Apr 2007: Mining reserves and mineral resources increased by 78% and 132% respectively
- Jun 2007: Off-take agreement signed with Rizhao for up to 1.5Mtpa from Koolan Island; first iron ore shipment from Koolan Island
- Aug 2007: Extension hill DFS completed
- Oct 2007: 69% sales increase due to increased iron ore prices & production
- Mar 2008: Iron ore prices increase
- Apr 2008: Sale of Gazmetall's stake

Key investment themes

1

Quality assets

2

Solid growth profile

3

Earnings leverage to strong iron ore price outlook

4

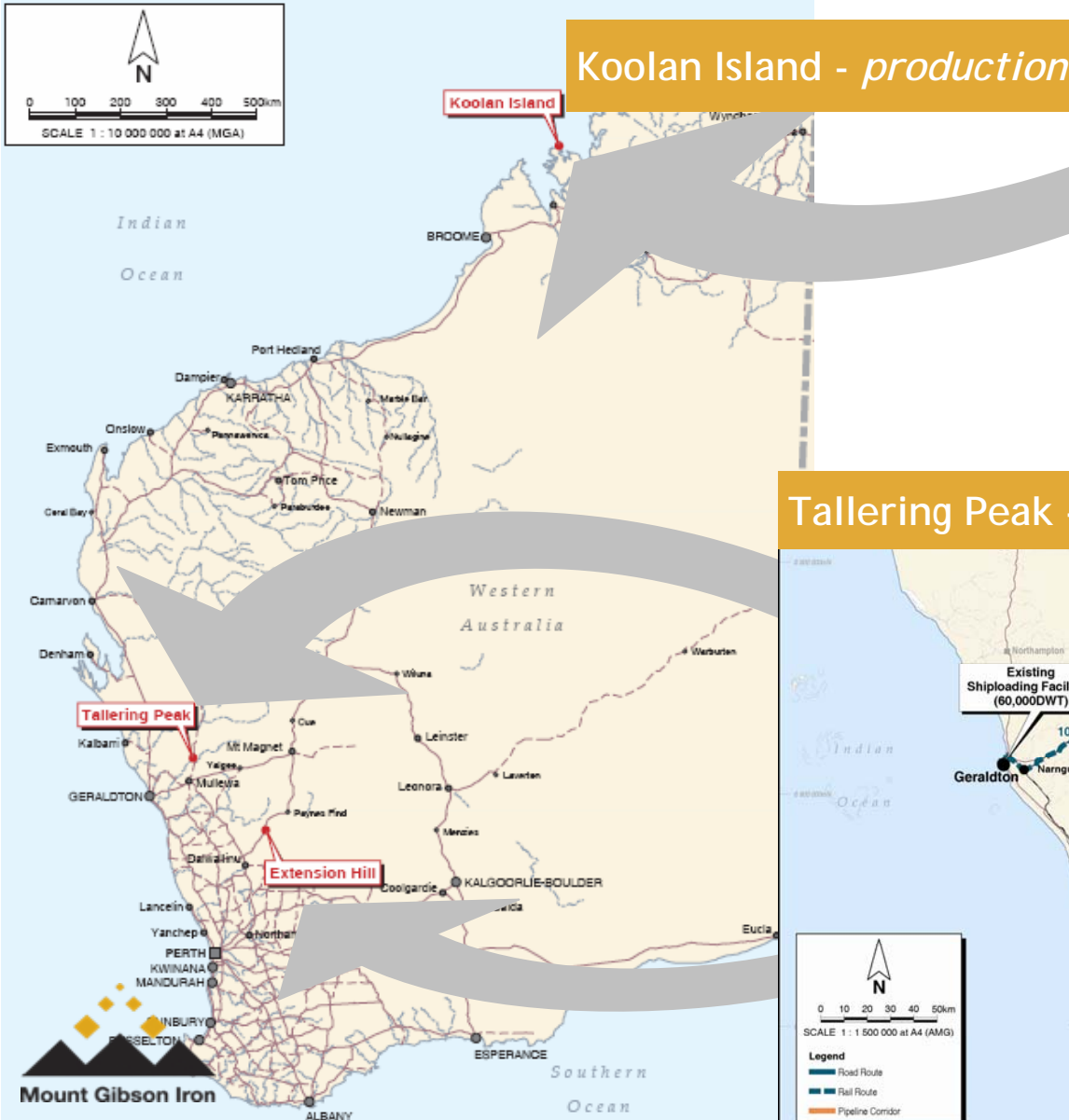
Disciplined financial strategy & strong performance

5

Experienced - disciplined Board & executive team with proven track record

...Mount Gibson has a solid investment case

1 Quality assets



Talling Peak - production



Extension Hill - near-term production

1 Quality assets

Tallering Peak

- Simple process - mine, crush, road, rail and load vessels
- First hematite ore shipped Feb 2004
- Producing 3 Mtpa
- 65% Lump & 35% Fines ratio
- Quality high grade, low contaminant product
- Access to installed infrastructure



Main Range Pits looking west at end of March 2008

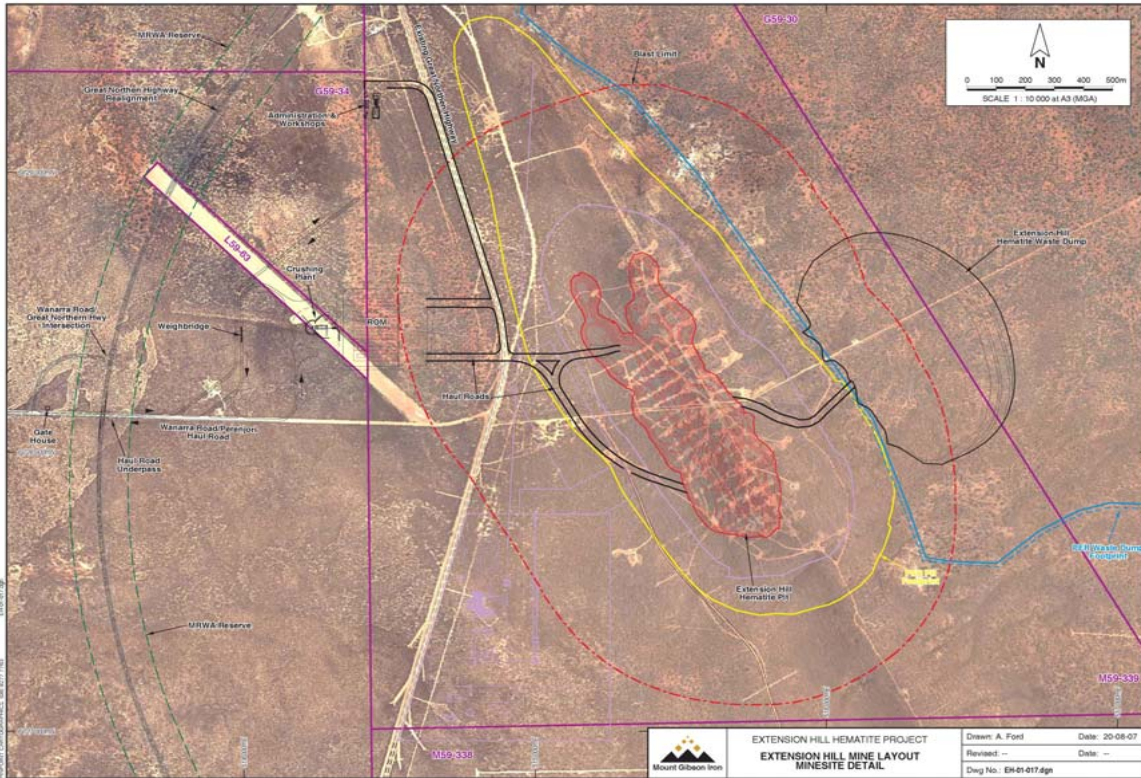


	12 months 2005-2006	12 months 2006-2007	9 months 2007-2008	Annualised Variance
	'000	'000	'000	%
Ore Mined wmt	1,122	2,932	2,682	↑ 22%
Ore Crushed wmt	1,608	2,711	2,383	↑ 17%
Shipped wmt	1,386	2,312	1,876	↑ 8%

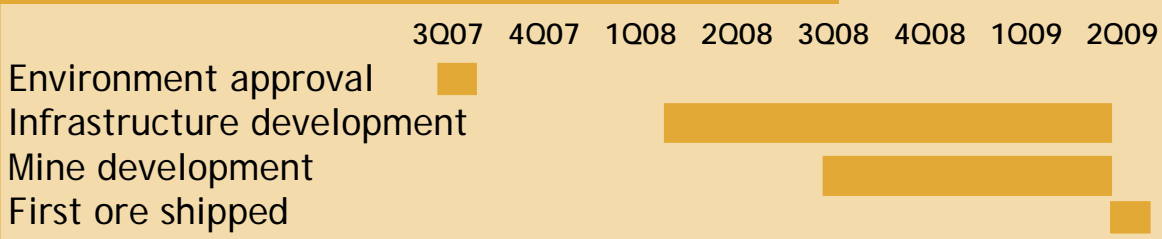
1 Quality assets

Extension Hill

- Under development - first ore shipped June qtr 2009
- Low capital cost: \$100m
- Simple process - mine, crush, road, rail and load vessels
- 3 Mtpa production rate
- Low strip ratio - 0.7:1
- 50% Lump & 50% Fines ratio
- Quality grade, low contaminant, high LOI ore
- Convert resources to reserves
- Operationally robust and straightforward
- Immediate cash generator

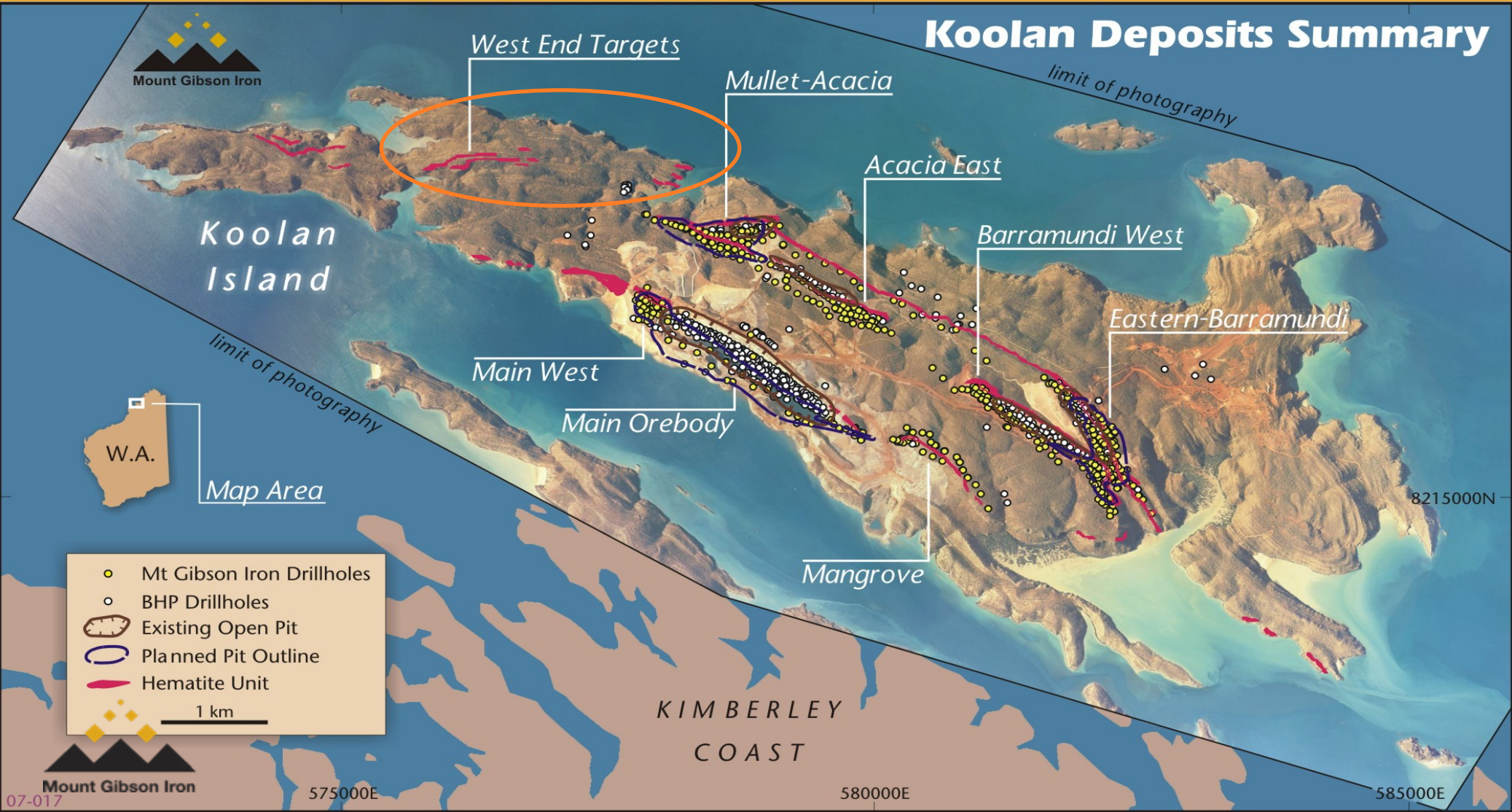


Extension Hill development timeline



1 Quality assets

Koolan Island provides significant upside potential ...



1 Quality assets

Koolan Island

- Ex BHP mine - closed 1992
- Mine, crush and shipload
- First hematite ore shipped June 2007
- Production ramping up to 4 Mtpa by June qtr 2010
- Currently mining from satellite orebodies
- Access premium Main Pit orebody - 18 months
- 30% Lump & 70% Fines ratio (initial production 50% Lump & 50% Fines)
- Quality high grade, low contaminant product
- Installed capacity 6 Mtpa



Crushing, port & ship-loading facilities

1 Quality assets

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



1 Quality assets

Koolan Island Main Pit - World class high grade DSO

Main Pit - March 2008

- 37 metres wide
- 1.5 km along strike
- 205,000 ore tonnes per vertical metre
- Access to Main Pit requires:
 - Construct seawall
 - De-water
 - Footwall rehabilitation
- Commenced Jan 2008 - scheduled to take 18 months
- Low technical risk



1 Quality assets

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



1 Quality assets

KEY STATISTICS

	Tallering Peak	Koolan Island	Extension Hill	Combined
Reserves and Resources¹				
Reserves <i>Proven & Probable</i>	(Mt) 18.3	29.9	12.8	62.0
Mineral Resources <i>Measured, Indicated & Inferred</i>	(Mt) 21.0	62.8	19.5	103.3
Reserve Specifications				
Fe %	61.7 %	64.8 %	60.3 %	
SiO ₂	5.32 %	5.32 %	5.48 %	
Al ₂ O ₃	2.60 %	0.99 %	1.64 %	
P	0.025 %	0.018 %	0.06 %	
LOI	1.85 %	0.52 %	6.20 %	
Calcined Fe %	62.9 %	65.1 %	64.3 %	



Note:
1 As at 30 June 2007

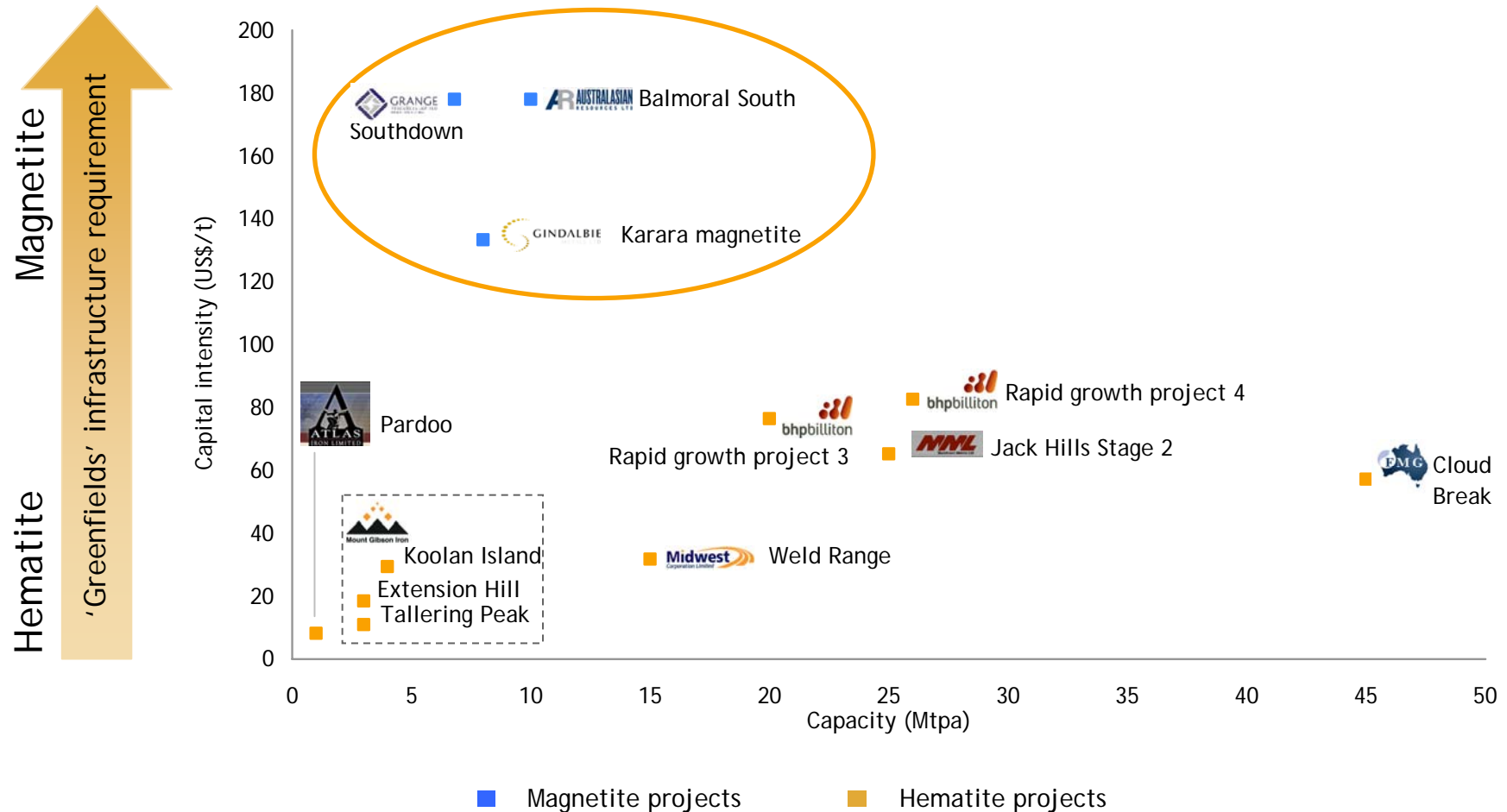
1 Quality assets

KEY STATISTICS

		Tallering Peak	Koolan Island	Extension Hill	Combined
Operations Data					
Annual production	(Mtpa)	3	4 (target)	3 (target)	10
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	(t : t)	6:1	6:1 (est.)	0.7:1	
Port		Geraldton	Koolan Island	Geraldton	

1 Quality assets

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

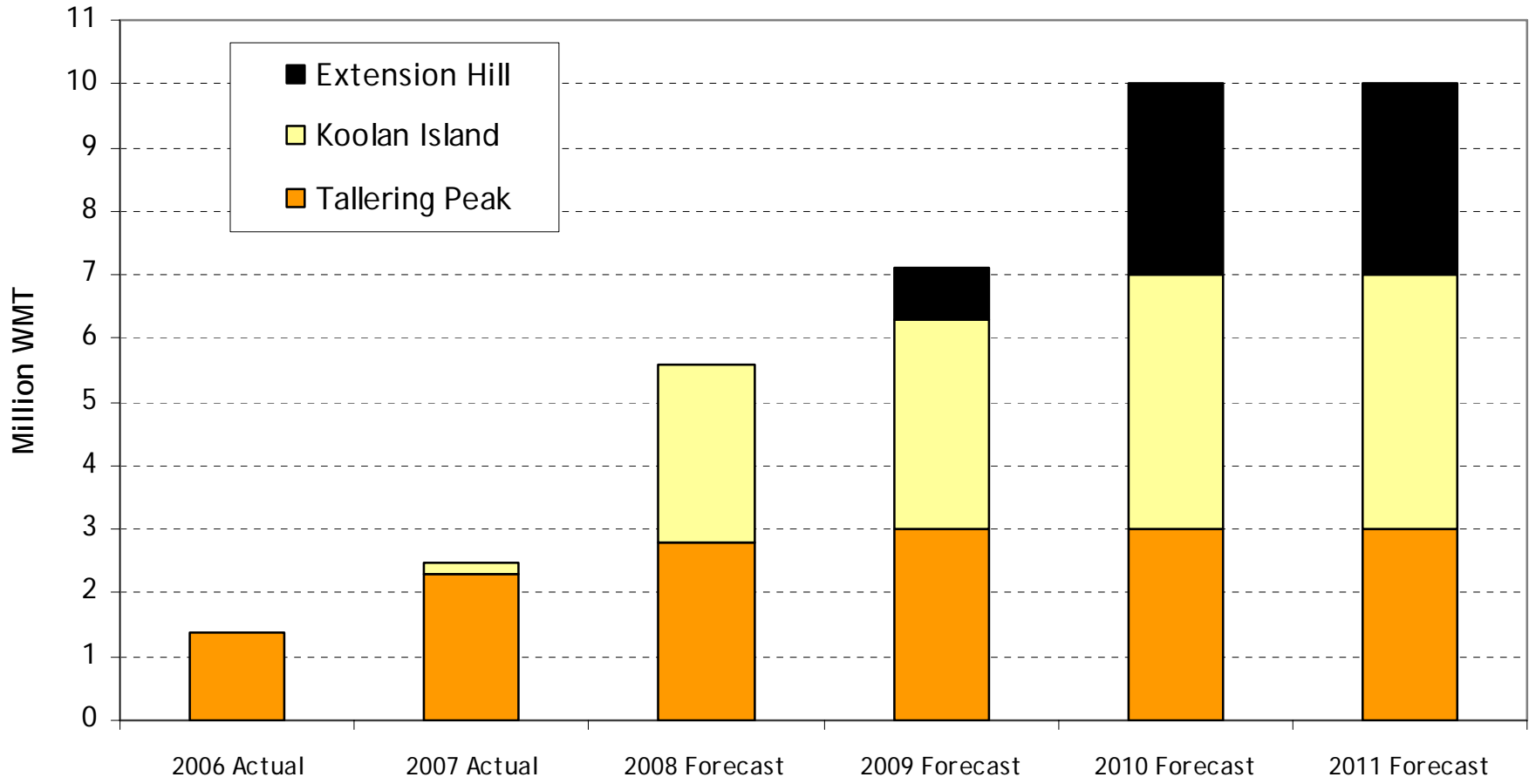


Source: Company reports



2 Solid growth profile

✓ Production growth to reach full production by 2010 ... based on reserves



2 Solid growth profile

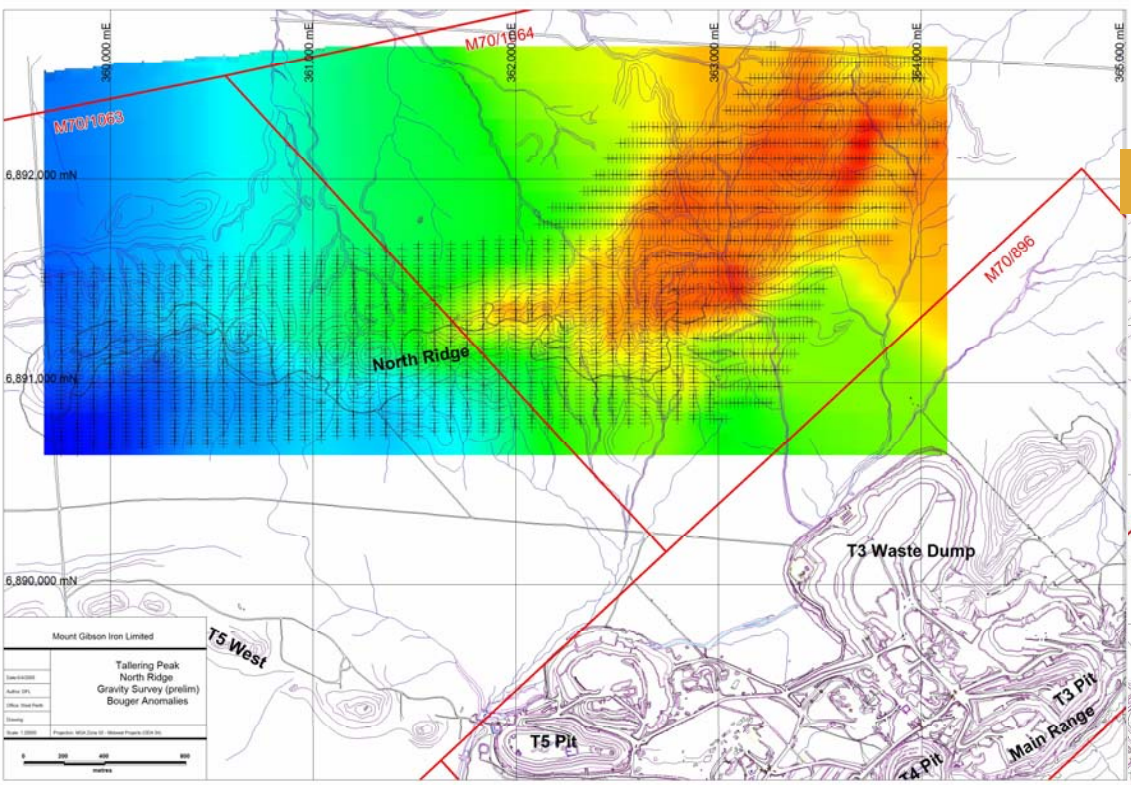


Organic growth opportunities

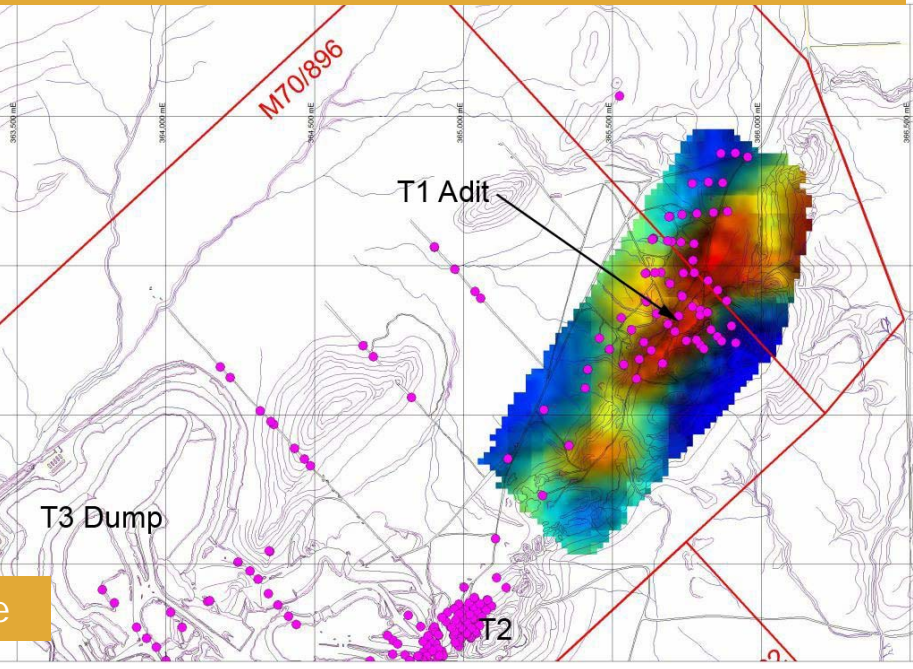
- T1 & North Ridge at Talling Peak
- Extension Hill conversion of resource to reserve
- Koolan:
 - Western side of the Island unexplored with known surface hematite identified
 - Main Pit underground potential - outstanding synclinal targets
 - Koolan ramp up to 4Mtpa - installed capacity 6Mtpa

2 Solid growth profile

Tallering Peak - North Ridge and T1 gravity survey



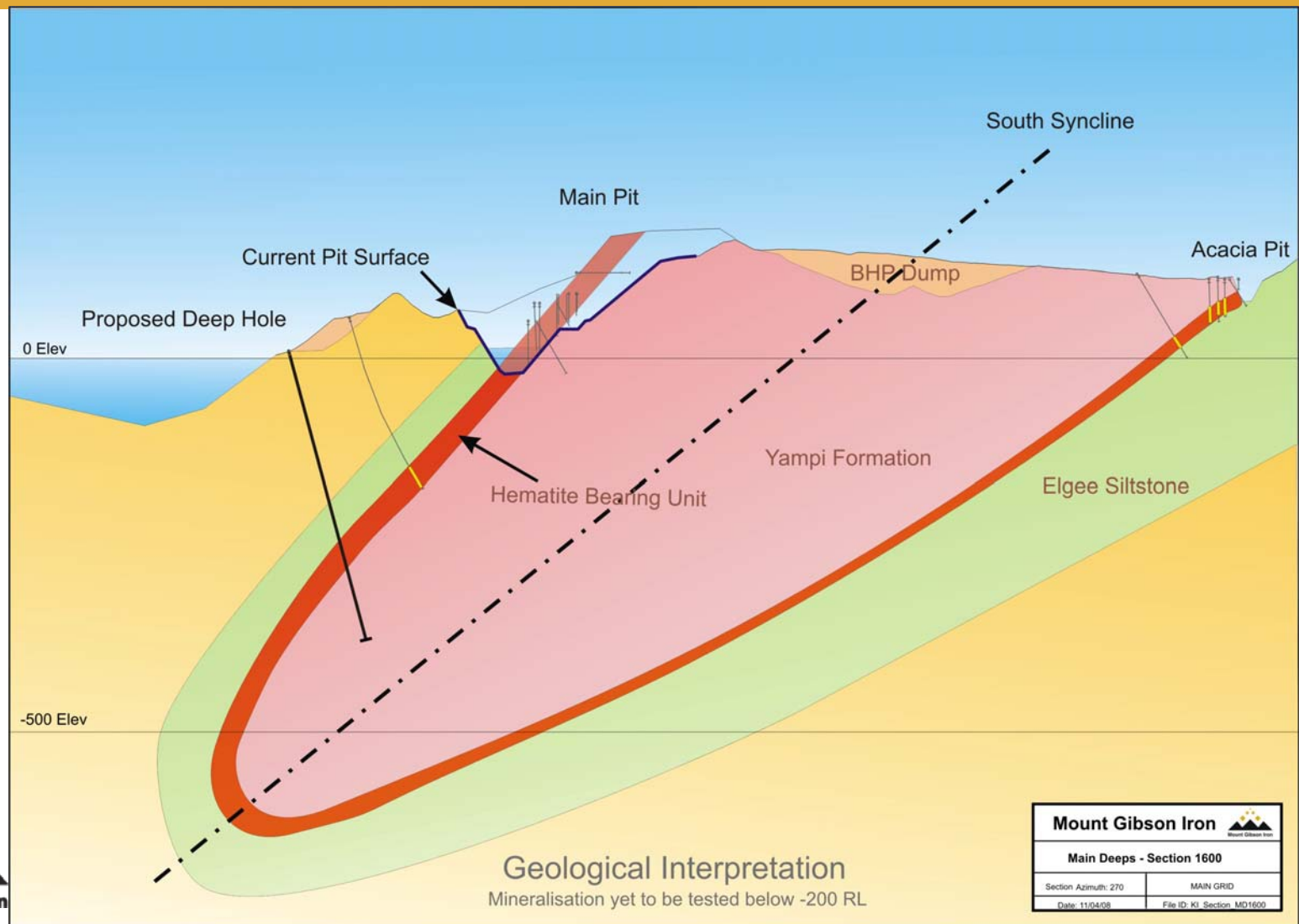
Plan showing baseline gravity survey - T1



Plan showing location of gravity survey station points - North Ridge

2 Solid growth profile

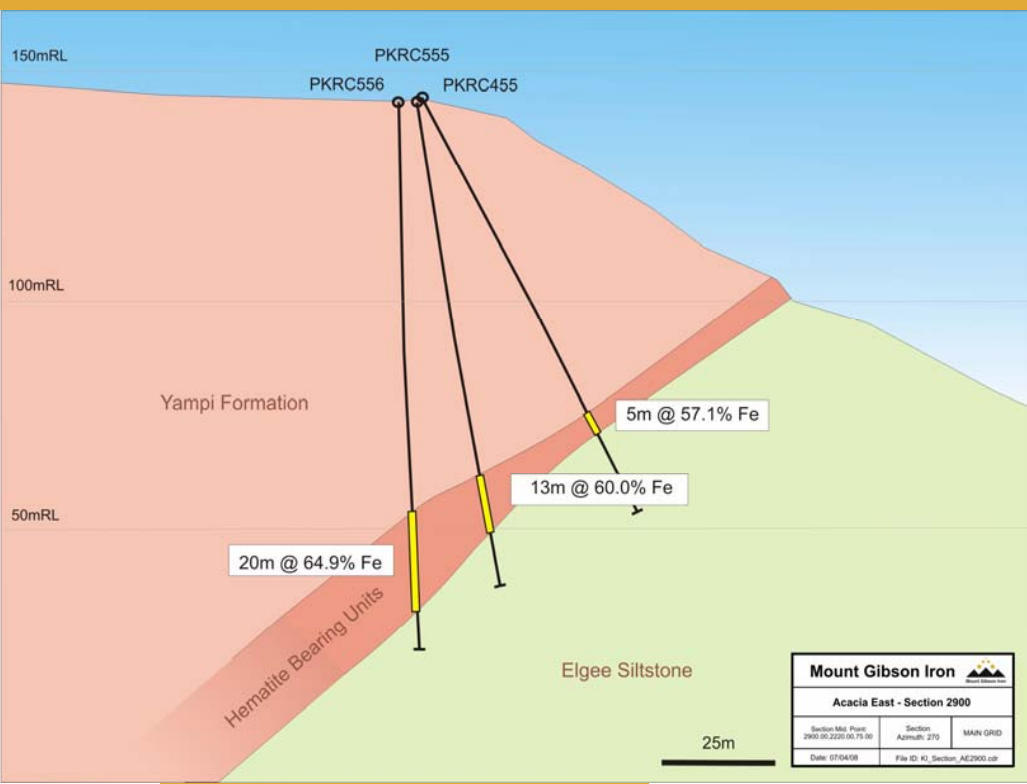
Extensive potential mineralised area under Koolan Main Pit to be drilled in coming months...



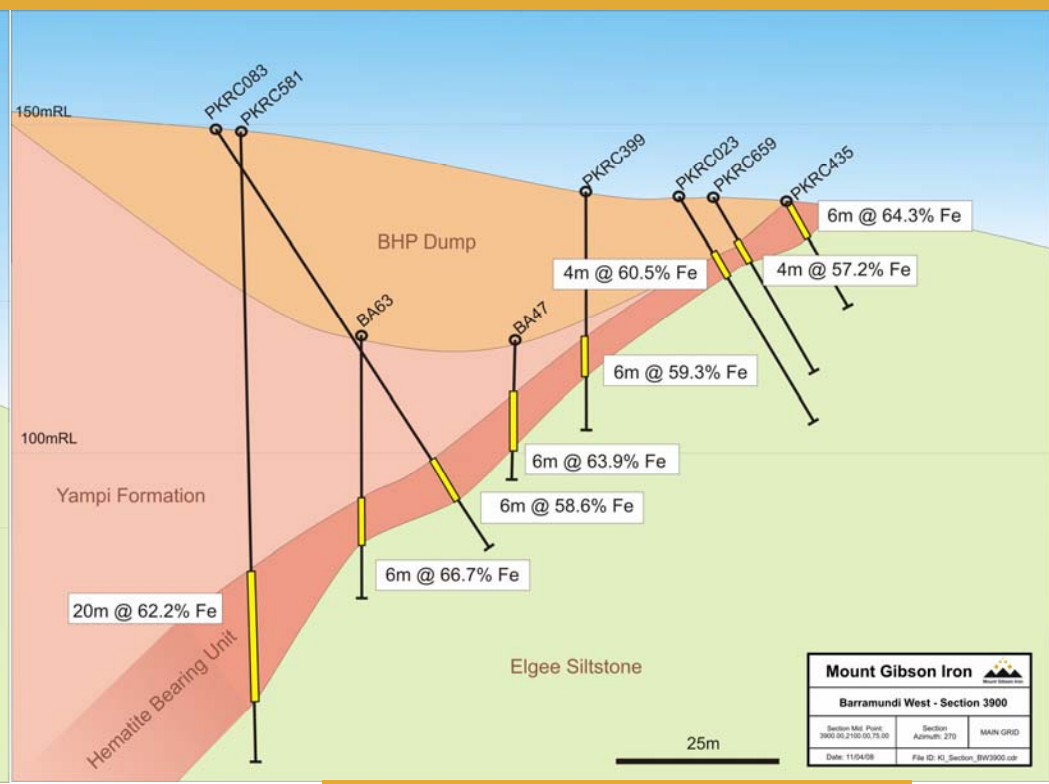
5/05/2008

2 Solid growth profile

Recent drilling in Acacia & Barramundi - increasing grade and width with depth



Section 2900E, Acacia East



Section 3900E, Barramundi West



2 Solid growth profile

✓ M&A opportunities in core steel production inputs - iron ore & coking coal

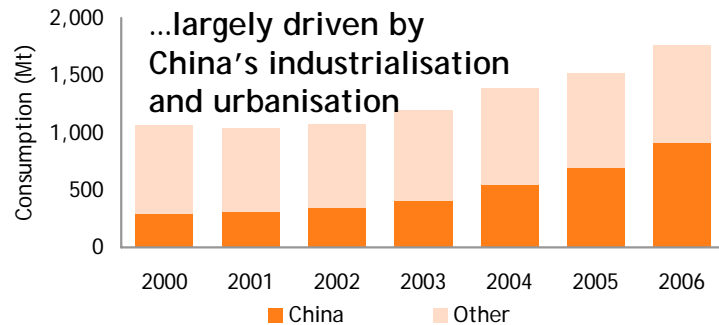
Acquisitions that:

- Lift Mount Gibson production to 15 - 20 Mtpa
- Provide longer life (>15 years) and lower cost than existing operations
- Produce high quality product (>64% Fe)
- Are at pre-feasibility or feasibility stage
- Are preferably scrip based utilising Mount Gibson strong cash flows to fund project development

Earnings leverage to strong iron ore price

Robust iron ore price outlook

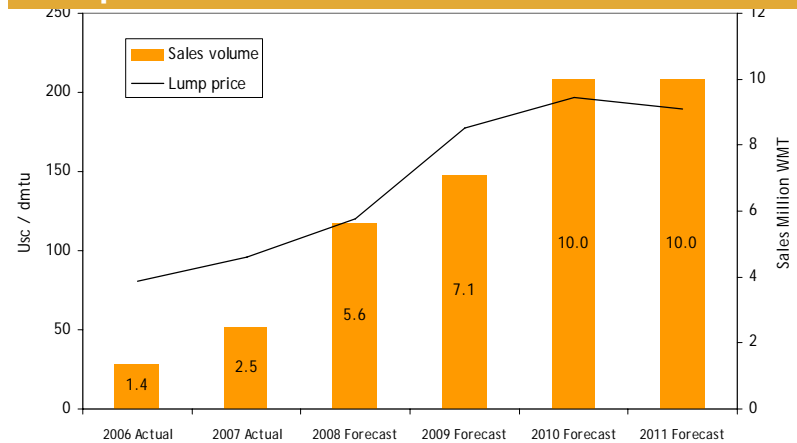
Dramatic growth in global iron ore consumption...



...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...



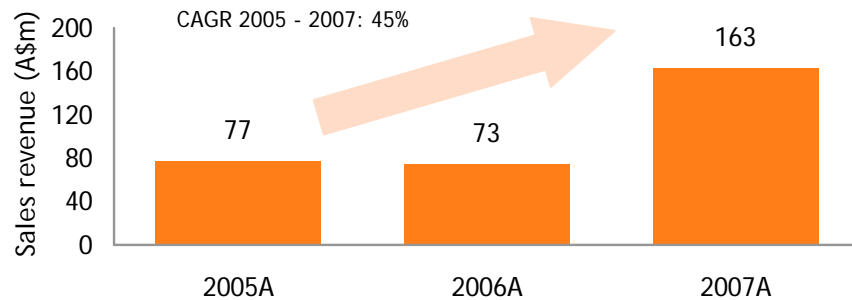
Mount Gibson has captured the sweet spot of the cycle ...

- ✓ 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

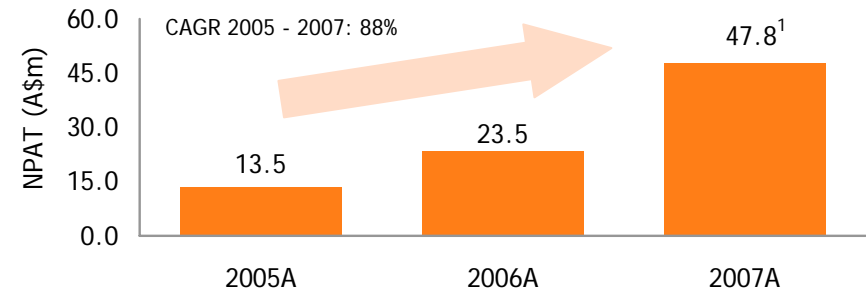
Disciplined financial strategy & strong performance

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

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



Source: Mount Gibson, Company reports

Note:

1. Includes contribution of \$18 million on sale of magnetite project during period

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 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 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 Ian Macliver
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 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 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

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

