MOUNT GIBSON IRON LIMITED ("MOUNT GIBSON") QUARTERLY REPORT FOR THE PERIOD ENDED 30 SEPTEMBER 2007 ASX ANNOUNCEMENT 16 OCTOBER 2007

HIGHLIGHTS

- Record quarterly production and sales
  - 35% production increase compared with the previous quarter
  - 69% sales volume increase compared with the previous quarter
- Strong operational performance at Tallering Peak
- Solid increase in production and sales from Koolan Island as open pit operations are established
- Crushing and ship-loading capability increased at Koolan Island
- Increases in Reserves and Resources with further increases likely
- State government environmental approval of the Mt Gibson Iron Ore Mine and Infrastructure Project finalised. Commonwealth approval, based on the State recommendations, is expected by early November
- Mount Gibson entered into a Facility Agreement with HSBC Australia Limited and National Australia Bank Limited as the joint lead Arranger and Underwriting Banks for a $200 million debt facility

Mount Gibson Iron Limited
ABN 87 008 670 817
Level 1, 7 Havelock Street
West Perth WA 6005
PO Box 55, West Perth WA 6872

Telephone +61 9 9426 7500
Facsimile +61 8 9485 2305
Email admin@mtgibsonbiron.com.au
ASX Code MGX

Contacts
Luke Tonkin, Managing Director
Alan Rule, Chief Financial Officer

CORPORATE

Senior Debt Facility

In August 2007 the Company entered into a Facility Agreement with HSBC Australia Limited and National Australia Bank Limited as the joint lead Arranger and Underwriting Banks for a $200 million debt facility to fund the refinance of the existing project finance facility and provide additional debt funding for the Koolan Island and Extension Hill iron ore developments. Drawdown under the facility occurred on 6 September 2007.

The $200 million facility consists of:

- Senior debt facility of $175 million comprising 2 tranches:

    1. Tranche 1 of $125 million;
    2. Extension Hill tranche of $50 million which is only drawable against the Extension Hill DSO project after certain conditions precedent have been satisfied including EPA approval and Company Board approval for the project to proceed; and

- Contingent Instrument facility of $25 million (including guarantees, performance bonds).

OPERATIONS

Tallering Peak

Total material movement and ore production continued to remain strong in the September quarter whilst ore stockpiles expanded in preparation for the second half of the financial year when the Geraldton Port Authority ("GPA") is scheduled to commence dedicated iron ore ship loading from Berth 5 (Figure 1). Shipping rates were consistent with Mount Gibson's predicted first half annualised rate of 2.5Mtpa. Quarterly crushing performance established a new record for Tallering Peak which exceeded 3Mtpa crushing rates.

Productivity of the T6 cut back improved markedly as the pit floor area increased. The establishment of the T2 cut back continued as planned during the quarter with pioneering work well progressed. Ore production during the September quarter increased 19% when compared with the June quarter with ore being sourced from the T3C and T6A mine areas. These areas will continue to supply ore during the December quarter with further production to be delivered from the T2 cut back.

Mount Gibson Iron Limited
ABN 87 008 670 817
Level 1, 7 Havelock Street
West Perth WA 6005
PO Box 55, West Perth WA 6872

Telephone +61 9 9426 7500
Facsimile +61 8 9485 2305
Email admin@mtgibsonbiron.com.au
ASX Code MGX

Contacts
Luke Tonkin, Managing Director
Alan Rule, Chief Financial Officer

Figure 1 – New dedicated Berth 5 Iron Ore ship-loader arriving at the Geraldton Port

Production for the September quarter is detailed in the following table:

		Sept 2006 qtr 000's	Dec 2006 qtr 000's	March 2007 qtr 000's	June 2007 qtr 000's	TOTAL 06-07 000's	Sept 2007 qtr 000's	TOTAL YTD 000's
Mining								
Waste Mined	*bcm*	2,541	2,283	2,331	2,445	**9,600**	2,470	**2,470**
Ore Mined	*wmt*	1,092	681	468	691	**2,932**	825	**825**
Crushing								
Lump	*wmt*	411	408	398	428	**1,645**	502	**502**
Fines	*wmt*	308	255	251	252	**1,066**	280	**280**
Total	*wmt*	**719**	**663**	**649**	**680**	**2,711**	**782**	**782**
Transport to Mullewa Railhead								
Lump	*wmt*	391	370	381	435	**1,577**	482	**482**
Fines	*wmt*	254	296	248	235	**1,033**	177	**177**
Total	*wmt*	**645**	**666**	**629**	**670**	**2,610**	**659**	**659**
Transport to Geraldton Port								
Lump	*wmt*	300	331	377	417	**1,425**	422	**422**
Fines	*wmt*	216	253	279	228	**976**	74	**74**
Total	*wmt*	**516**	**584**	**656**	**645**	**2,401**	**496**	**496**
Shipping								
Lump	*wmt*	239	429	319	388	**1,375**	515	**515**
Fines	*wmt*	170	279	272	216	**937**	103	**103**
Total	*wmt*	**409**	**708**	**591**	**604**	**2,312**	**618**	**618**

Mount Gibson Iron Limited
ABN 87 008 670 817
Level 1, 7 Havelock Street
West Perth WA 6005
PO Box 55, West Perth WA 6872

Telephone +61 9 9426 7500
Facsimile +61 8 9485 2305
Email admin@mtgibsonbiron.com.au
ASX Code MGX

Contacts
Luke Tonkin, Managing Director
Alan Rule, Chief Financial Officer

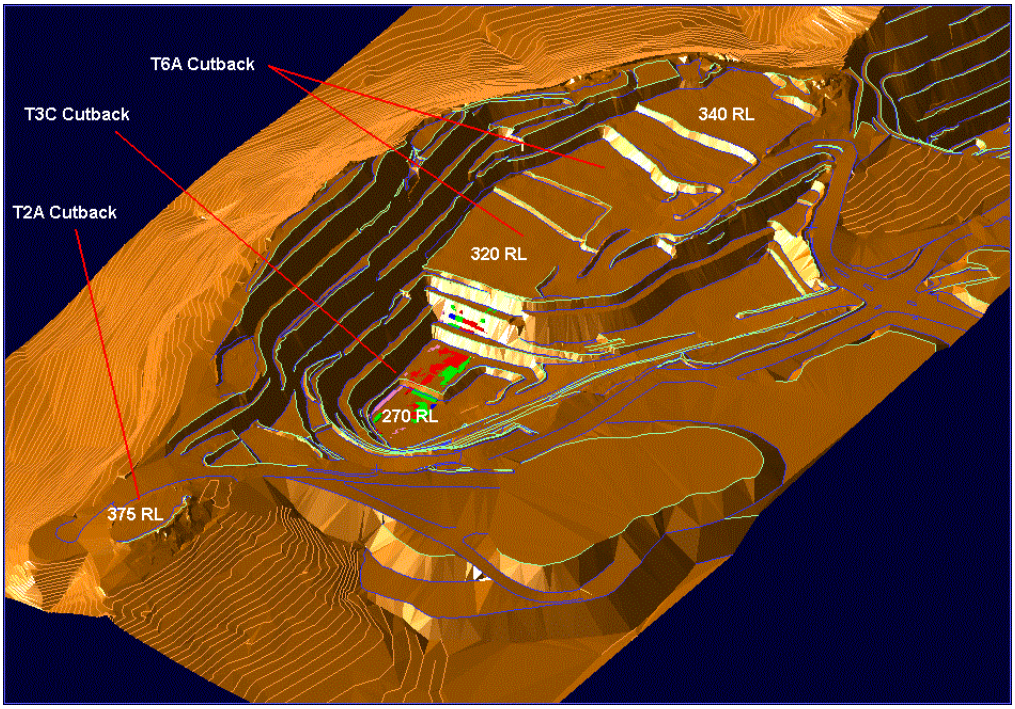

Figure 2 – Main range mining progress as at the end of June 2007

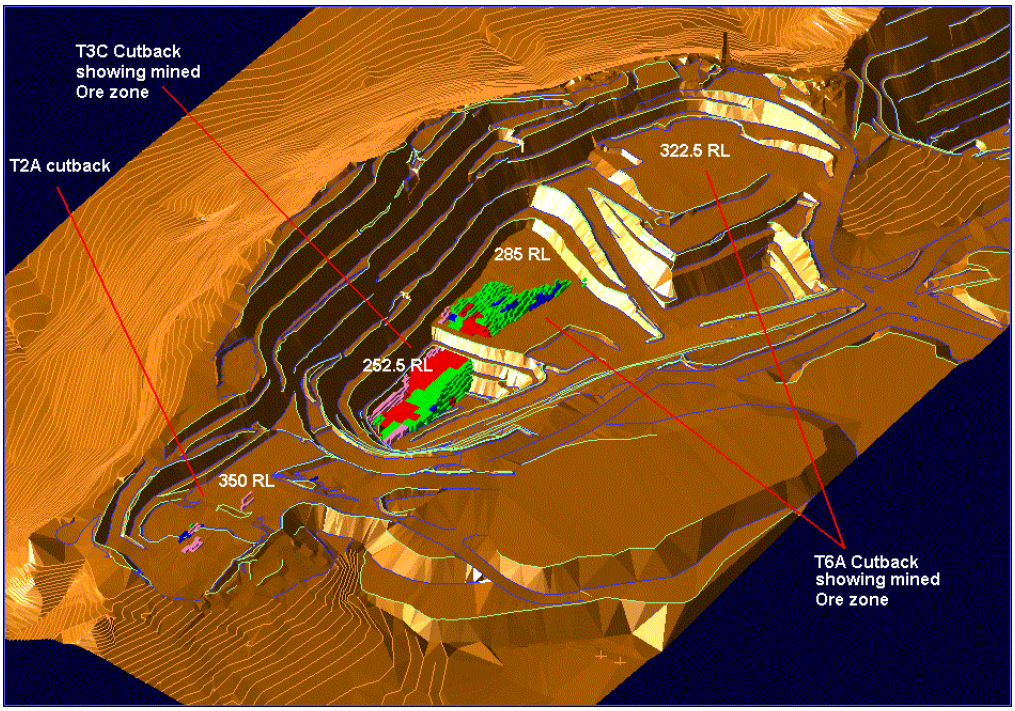

Figure 3 – Main range mining progress as at the end of September 2007

Mount Gibson Iron Limited
ABN 87 008 670 817
Level 1, 7 Havelock Street
West Perth WA 6005
PO Box 55, West Perth WA 6872

Telephone +61 9 9426 7500
Facsimile +61 8 9485 2305
Email admin@mtgibsonbiron.com.au
ASX Code MGX

Contacts
Luke Tonkin, Managing Director
Alan Rule, Chief Financial Officer

Figure 3 clearly demonstrates the rationale of Main Range open pit cut back sequencing at Tallering Peak. T3C pit floor is predominantly ore (strip ratio of 1:1), T6A (285 RL) has established benches that have intersected the top of the ore-body whilst T2 is nearing the top bench of the known ore-body. As the T3C ore is exhausted, T6A will be readily established in ore and T2 will commence ore extraction whilst the T6A (320 RL) continues waste development to the top of the Main Range ore-body. The cut back sequencing of Tallering Peak will continue to the south-west throughout the remaining life of mine.

From October 2008 the strip ratios at Tallering Peak will reduce significantly which will allow excess fleet to be transferred to Extension Hill to ramp up production in preparation for iron ore shipments early in 2009.

Figure 4 – Main range mining progress as at the end of September 2007 from the Western edge of T2

The infill resource definition drilling of the T2 mineralisation was completed in the quarter with 17 reverse circulation drill holes, totalling 1,202 m, being drilled. Drilling has significantly improved the understanding of relatively complex T2 resource whilst extending mineralisation and improving the potential to deepen the final pit in this area. Geological modelling of the resource with the latest data is in progress which will be utilised to generate updated resource and reserve calculation.

Nine reverse circulation drill holes (748 m) were also drilled in T6 to assist with definition of the top of the ore-body. Acquired data will be used to improve the existing geological model of the Main Range deposits.

Mount Gibson Iron Limited
ABN 87 008 670 817
Level 1, 7 Havelock Street
West Perth WA 6005
PO Box 55, West Perth WA 6872

Telephone +61 9 9426 7500
Facsimile +61 8 9485 2305
Email admin@mtgibsonbiron.com.au
ASX Code MGX

Contacts
Luke Tonkin, Managing Director
Alan Rule, Chief Financial Officer

The following table summarises the better results from the resource definition drilling undertaken during the quarter:

Hole	From (m)	To (m)	Interval	Fe %	SiO_2 %	Al_2O_3 %	P %	S %
TPK504	23	35	12	60.28	7.39	3.35	0.028	0.010
TPK510	13	40	27	58.30	10.09	4.17	0.018	0.012
TPK511	16	42	26	60.40	9.27	2.69	0.021	0.015
TPK513	12	67	55	61.06	6.08	3.34	0.017	0.013
TPK521	60	78	18	65.26	3.11	2.05	0.015	0.010
TPK522	29	78	49	64.37	3.37	2.30	0.015	0.014
TPK523	19	39	20	58.58	10.78	3.20	0.015	0.016
TPK527	99	144	45	62.99	3.88	2.48	0.022	0.013

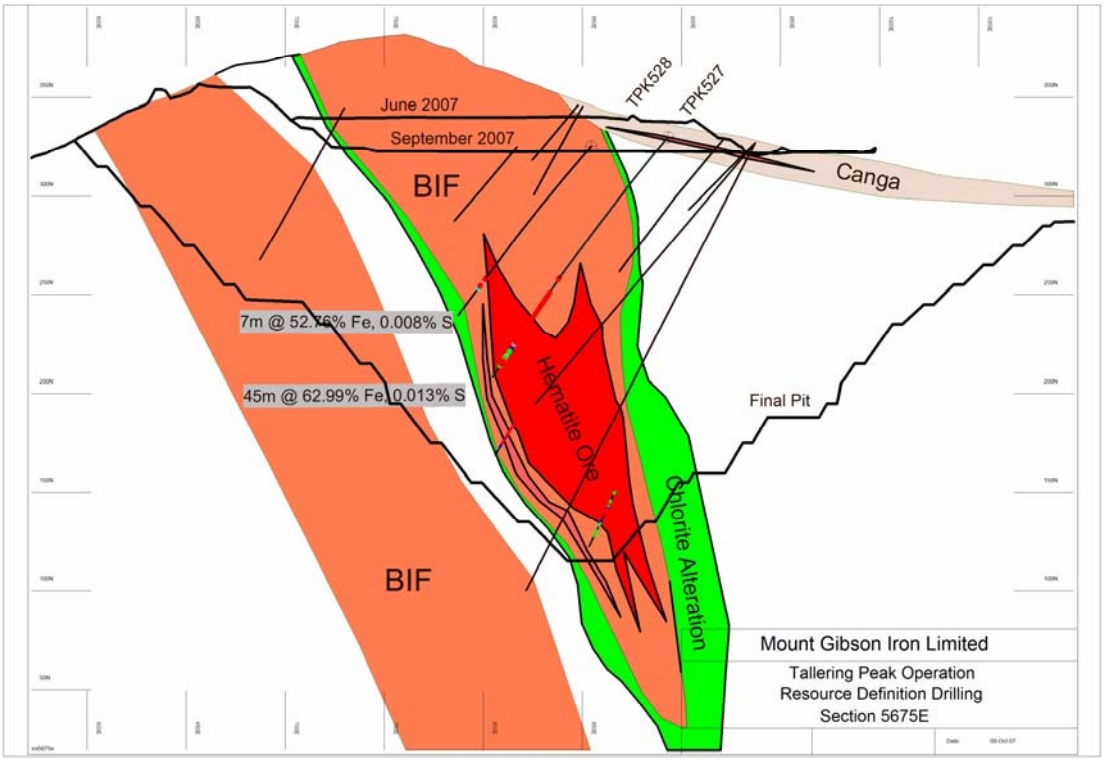

Figure 5 - Simplified geological interpretation on section 5675mE in the T6a cutback at Tallering Peak. The figure shows how two new resource definition holes (TPK527 and TPK528) drilled during the September quarter on this previously sparsely drilled section will have a significant impact on the distribution of ore near the top of the ore-body, resulting in improved planning and reconciliations.

Mount Gibson Iron Limited
ABN 87 008 670 817
Level 1, 7 Havelock Street
West Perth WA 6005
PO Box 55, West Perth WA 6872

Telephone +61 9 9426 7500
Facsimile +61 8 9485 2305
Email admin@mtgibsonbiron.com.au
ASX Code MGX

Contacts
Luke Tonkin, Managing Director
Alan Rule, Chief Financial Officer

Mount Gibson Iron

Koolan Island

The ramp up of production from Koolan Island continued during the quarter with approximately 2 million bcm of material being mined. Waste development increased 43% whilst ore production increased 66%. Wet commissioning of the crushing and screening facility has led to a 150% increase in crusher throughput when compared with the previous quarter, whilst ore shipments have increased 336%, in line with Mount Gibson's forecast. Koolan Island is due to enter the wet season from December to February when shipments are scheduled to decline however shipments will accelerate strongly once the wet season has ended and the operation further establishes production areas.

Mount Gibson completed a power upgrade at Koolan Island late in the quarter which provides sufficient power to operate the crushing and screening facility whilst being able to load ore carriers. Initial installed power on the island precluded crushing and screening operations whilst vessels were being loaded which limited both crushing and ship-loading capacity. The power upgrade increases crushing and ship-loading capability which provides the operation with the opportunity to increase ore production or alternatively recover from adverse events.

Material movements are expected to increase in the December quarter as Eastern, Mullet and Main West pits establish larger bench areas. Preparatory material movement is also schedule to commence on the southern wall of Main Pit which will allow sea wall construction and ultimately facilitate the establishment of main pit as the primary Koolan Island production source.

Production for the September quarter is detailed in the following table:

		Sept 2006 qtr 000's	Dec 2006 qtr 000's	March 2007 qtr 000's	June 2007 qtr 000's	TOTAL YTD 000's	Sept 2007 qtr 000's	TOTAL YTD 000's
Mining								
Waste Mined	*bcm*		416	588	1,245	**2,249**	1,779	**1,779**
Ore Mined	*wmt*		50	91	418	**559**	695	**695**
Crushing								
Lump	*wmt*				146	**146**	341	**341**
Fines	*wmt*				128	**128**	345	**345**
Total	*wmt*				**274**	**274**	**686**	**686**
Shipping								
Lump	*wmt*				74	**74**	406	**406**
Fines	*wmt*				76	**76**	248	**248**
Total	*wmt*				**150**	**150**	**654**	**654**

Mount Gibson Iron Limited
ABN 87 008 670 817
Level 1, 7 Havelock Street
West Perth WA 6005
PO Box 55, West Perth WA 6872

Telephone +61 9 9426 7500
Facsimile +61 8 9485 2305
Email admin@mtgibsonbiron.com.au
ASX Code MGX

Contacts
Luke Tonkin, Managing Director
Alan Rule, Chief Financial Officer

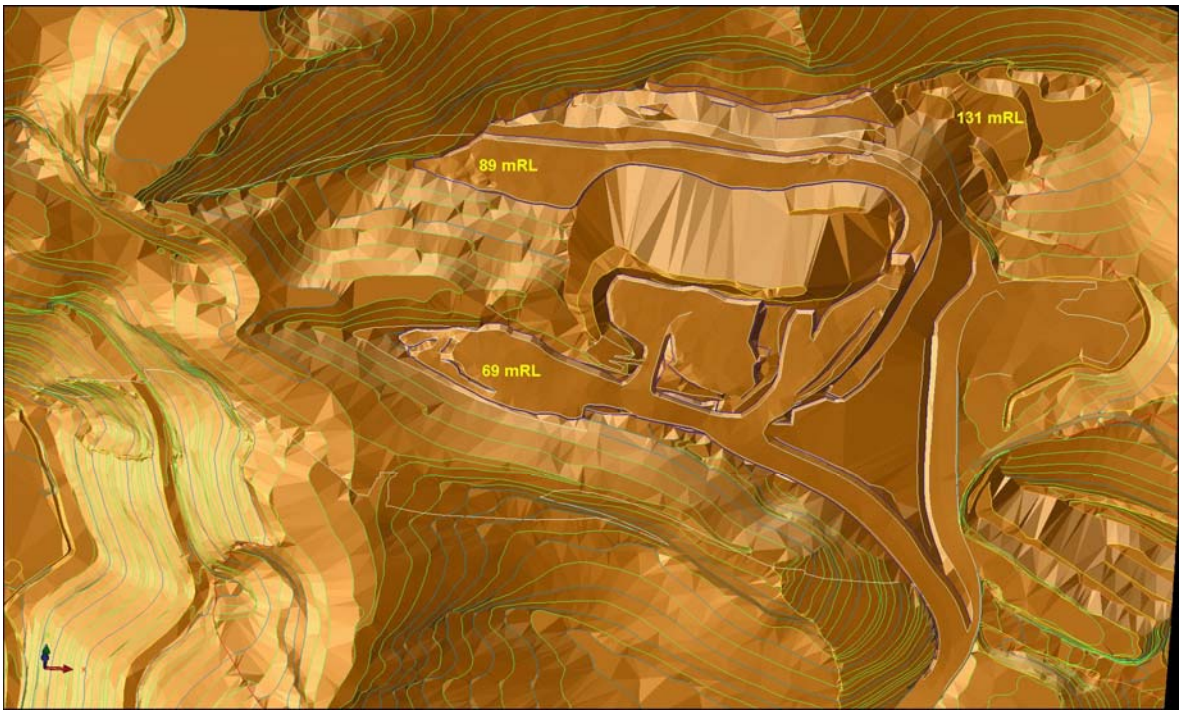

Figure 6 - Mullet Pit as at end of June 2007

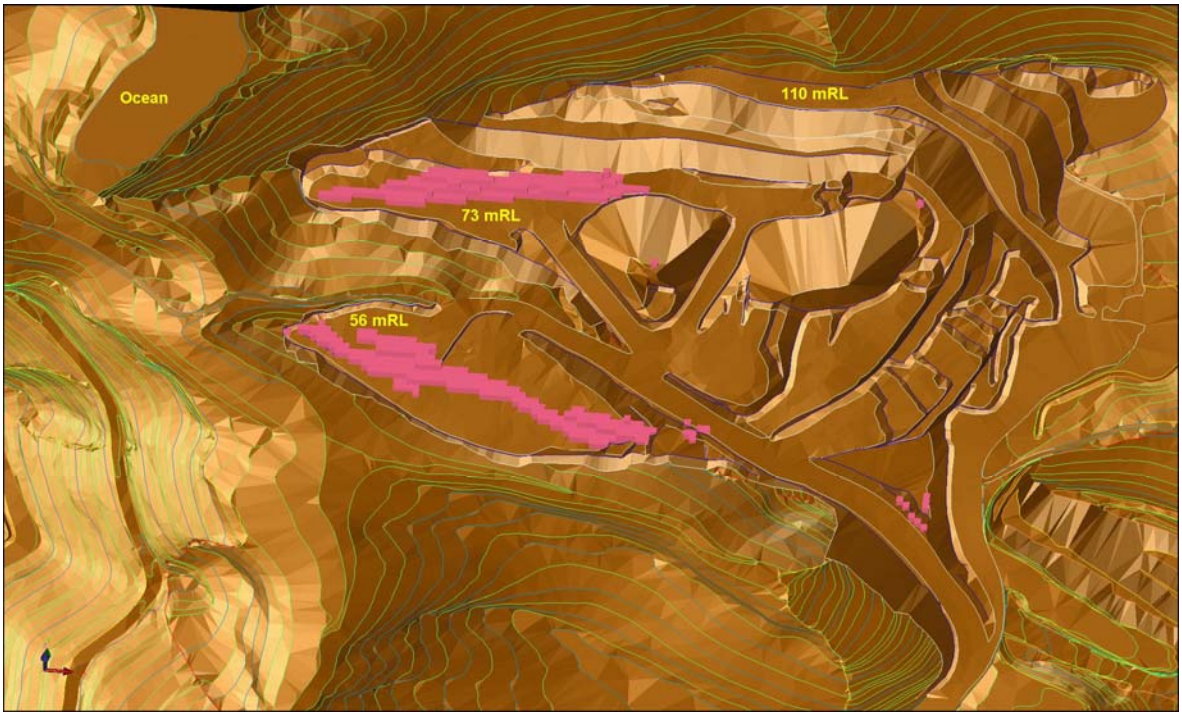

Figure 7 - Mullet Pit at the end of September 2007 showing mine development and ore mined from the Resource Block Model.

Mount Gibson Iron Limited
ABN 87 008 670 817
Level 1, 7 Havelock Street
West Perth WA 6005
PO Box 55, West Perth WA 6872

Telephone +61 9 9426 7500
Facsimile +61 8 9485 2305
Email admin@mtgibsonbiron.com.au
ASX Code MGX

Contacts
Luke Tonkin, Managing Director
Alan Rule, Chief Financial Officer

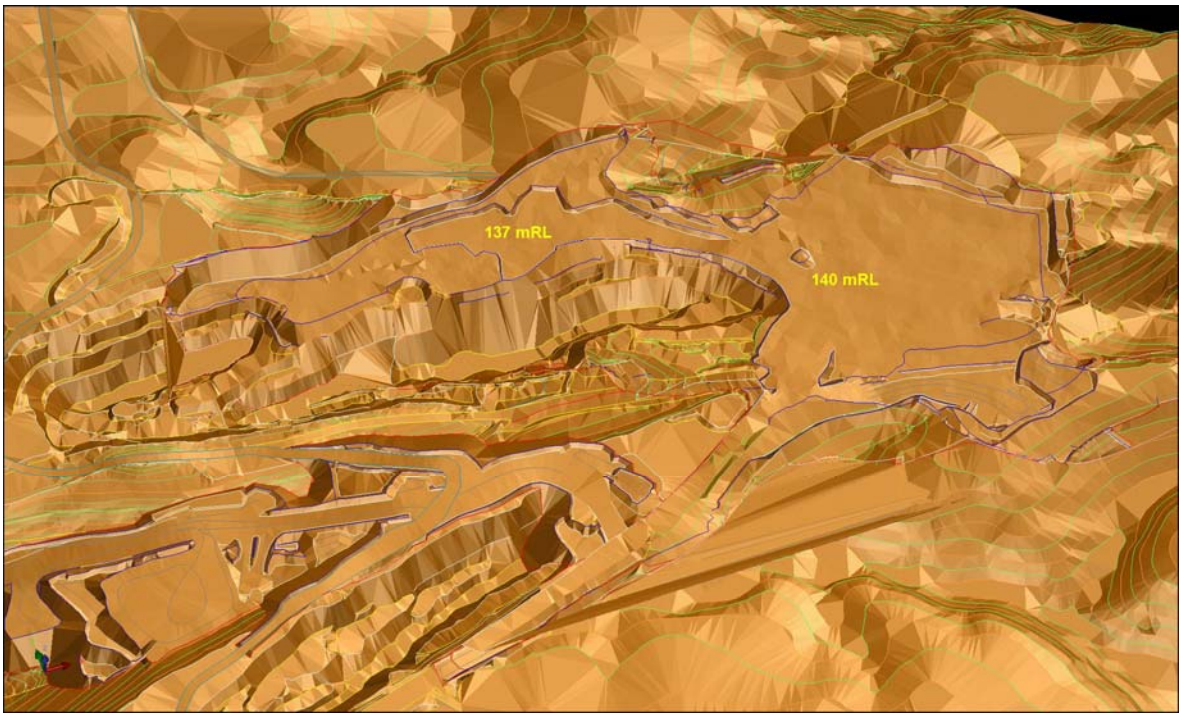

Figure 8 - East Pit as at end of June 2007

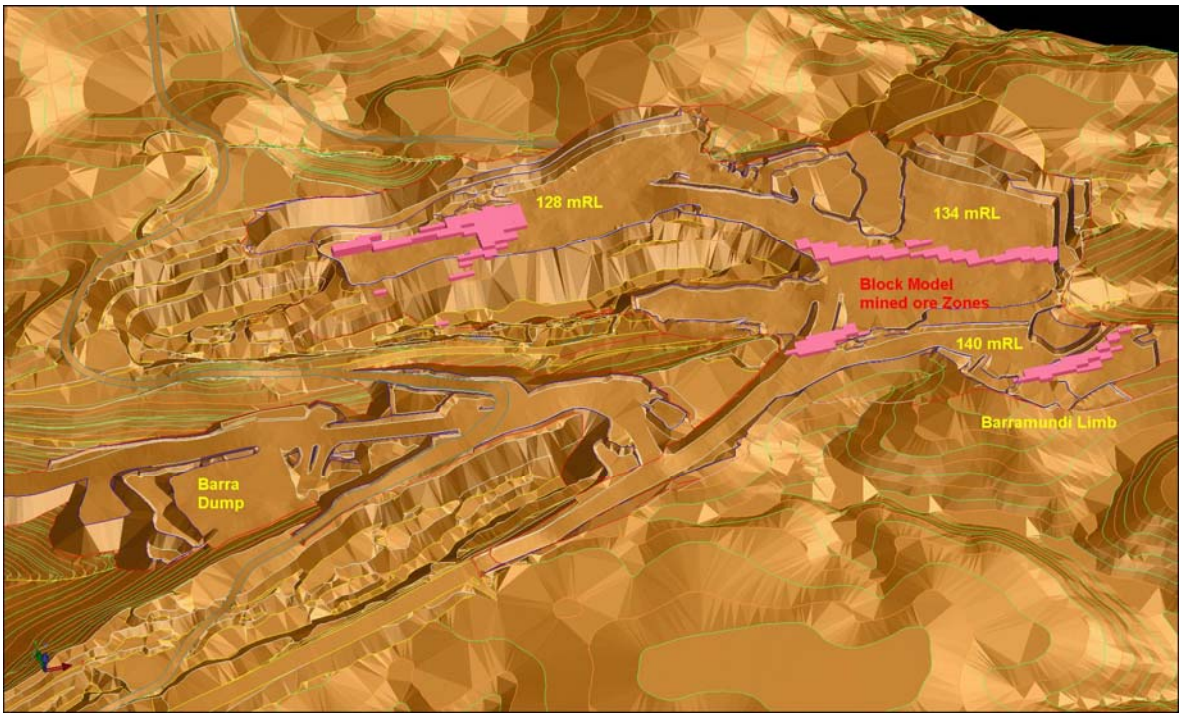

Figure 9 - East Pit at the end of September 2007 showing mine development and ore mined from the Resource Block Model.

Mount Gibson Iron Limited
ABN 87 008 670 817
Level 1, 7 Havelock Street
West Perth WA 6005
PO Box 55, West Perth WA 6872

Telephone +61 9 9426 7500
Facsimile +61 8 9485 2305
Email admin@mtgibsonbiron.com.au
ASX Code MGX

Contacts
Luke Tonkin, Managing Director
Alan Rule, Chief Financial Officer

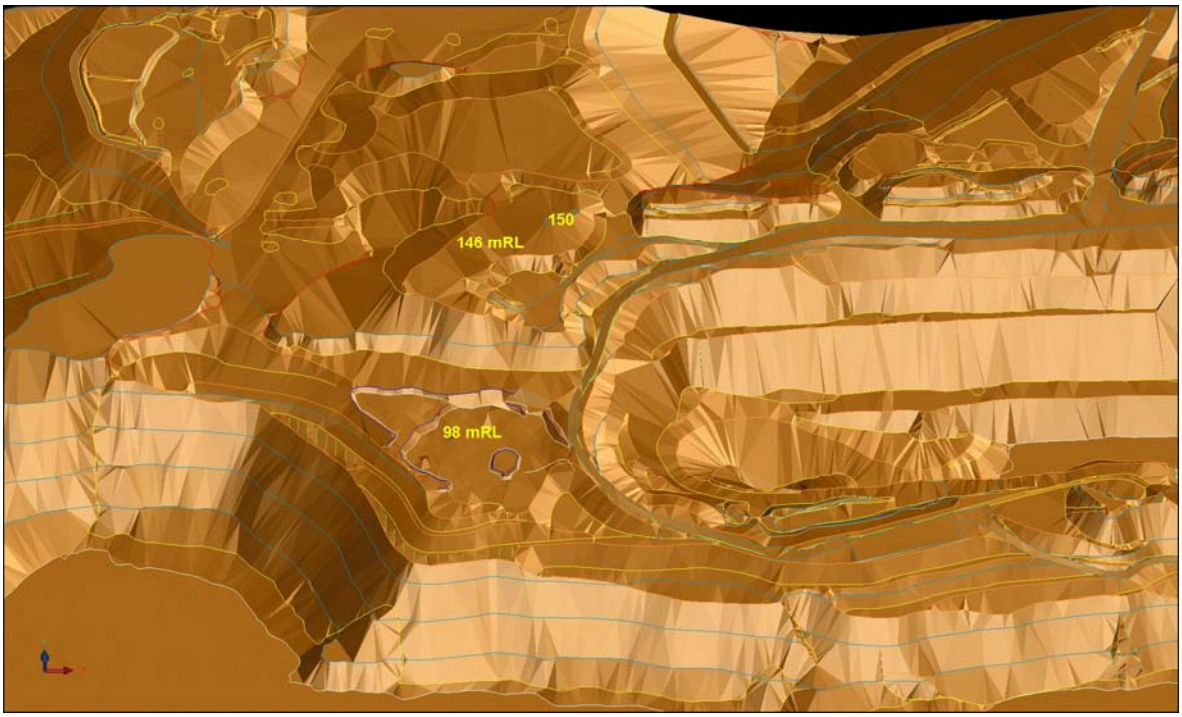

Figure 10 - Main Pit West at the end of June 2007

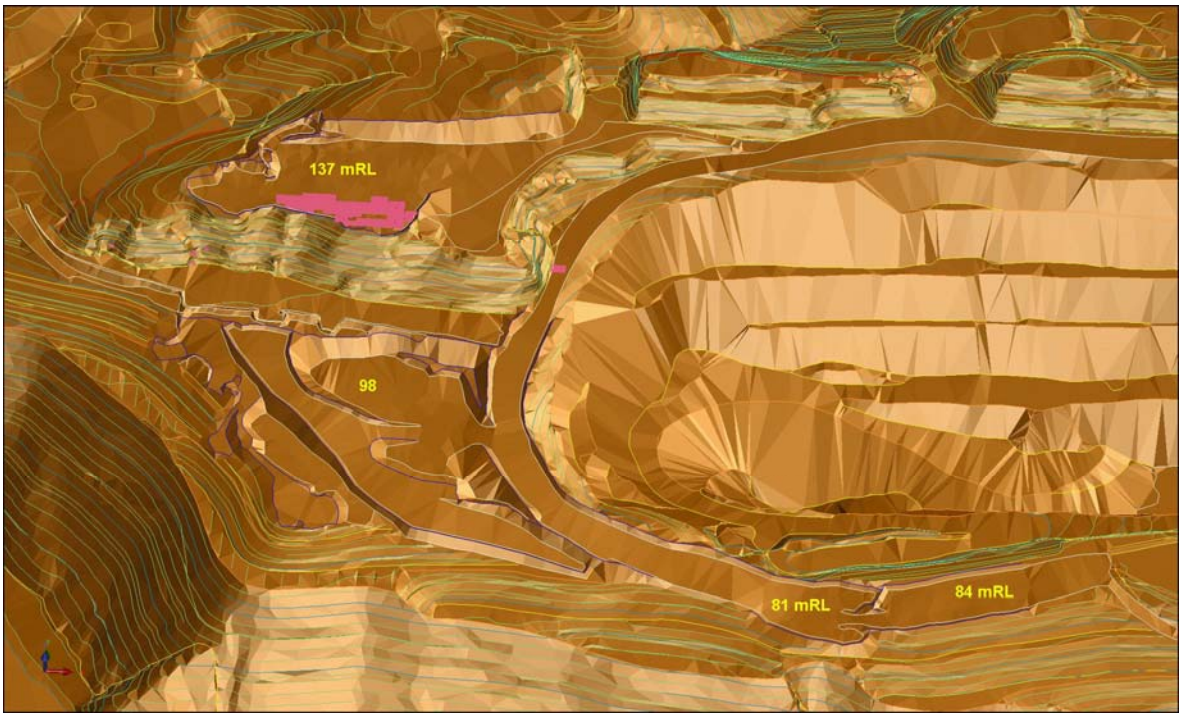

Figure 11 - Main Pit West at the end of September 2007 showing initial development and ore mined from Resource Block Model.

Mount Gibson Iron Limited
ABN 87 008 670 817
Level 1, 7 Havelock Street
West Perth WA 6005
PO Box 55, West Perth WA 6872

Telephone +61 9 9426 7500
Facsimile +61 8 9485 2305
Email admin@mtgibsonbiron.com.au
ASX Code MGX

Contacts
Luke Tonkin, Managing Director
Alan Rule, Chief Financial Officer

Figure 12 – Development of the Mullet and Acacia ore zones in September 2007

Figure 13 – Development of the Eastern and Barramundi ore zones in September 2007

Mount Gibson Iron Limited
ABN 87 008 670 817
Level 1, 7 Havelock Street
West Perth WA 6005
PO Box 55, West Perth WA 6872

Telephone +61 9 9426 7500
Facsimile +61 8 9485 2305
Email admin@mtgibsonbiron.com.au
ASX Code MGX

Contacts
Luke Tonkin, Managing Director
Alan Rule, Chief Financial Officer

Figure 14 – Development of the Main West ore zone in September 2007

Main Pit Rehabilitation

All necessary information has been provided to the appropriate State Government Departments to facilitate approval and ultimately commencement of Main Pit rehabilitation and re-entry works. Submissions included:

1. Works Approval with the Department of Environment and Conservation;
2. Mining Proposal with the Department of Industry and Resources;
3. Project Management Plan with the Department of Consumer and Employment Protection; and
4. Discussions on the Seawall and receipt of a Jetty License from the Department of Planning and Infrastructure.

Final approval for the commencement of the main pit rehabilitation project is expected by the end of October 2007.

Detailed planning and budgeting has progressed in the areas of:

- seawall construction;
- main pit dewatering; and
- geotechnical work required during footwall rehabilitation.

Contractors and equipment required for the works have been identified and are ready to mobilize to site when final statutory approval is granted.

Mount Gibson Iron Limited
ABN 87 008 670 817
Level 1, 7 Havelock Street
West Perth WA 6005
PO Box 55, West Perth WA 6872

Telephone +61 9 9426 7500
Facsimile +61 8 9485 2305
Email admin@mtgibsonbiron.com.au
ASX Code MGX

Contacts
Luke Tonkin, Managing Director
Alan Rule, Chief Financial Officer

Community Relations

The Koolan Iron Ore Mine was officially opened by Dr Ian Burston (formally Aztec Resources Ltd Chairman) and Donny Woolagoodja, Senior Elder for the Dambimangarri on the 29th August 2007.

Figure 15 – Smoking Ceremony by the Dambimangari people to welcome people to Koolan Island

Mount Gibson Iron Limited
ABN 87 008 670 817
Level 1, 7 Havelock Street
West Perth WA 6005
PO Box 55, West Perth WA 6872

Telephone +61 9 9426 7500
Facsimile +61 8 9485 2305
Email admin@mtgibsonbiron.com.au
ASX Code MGX

Contacts
Luke Tonkin, Managing Director
Alan Rule, Chief Financial Officer

Exploration

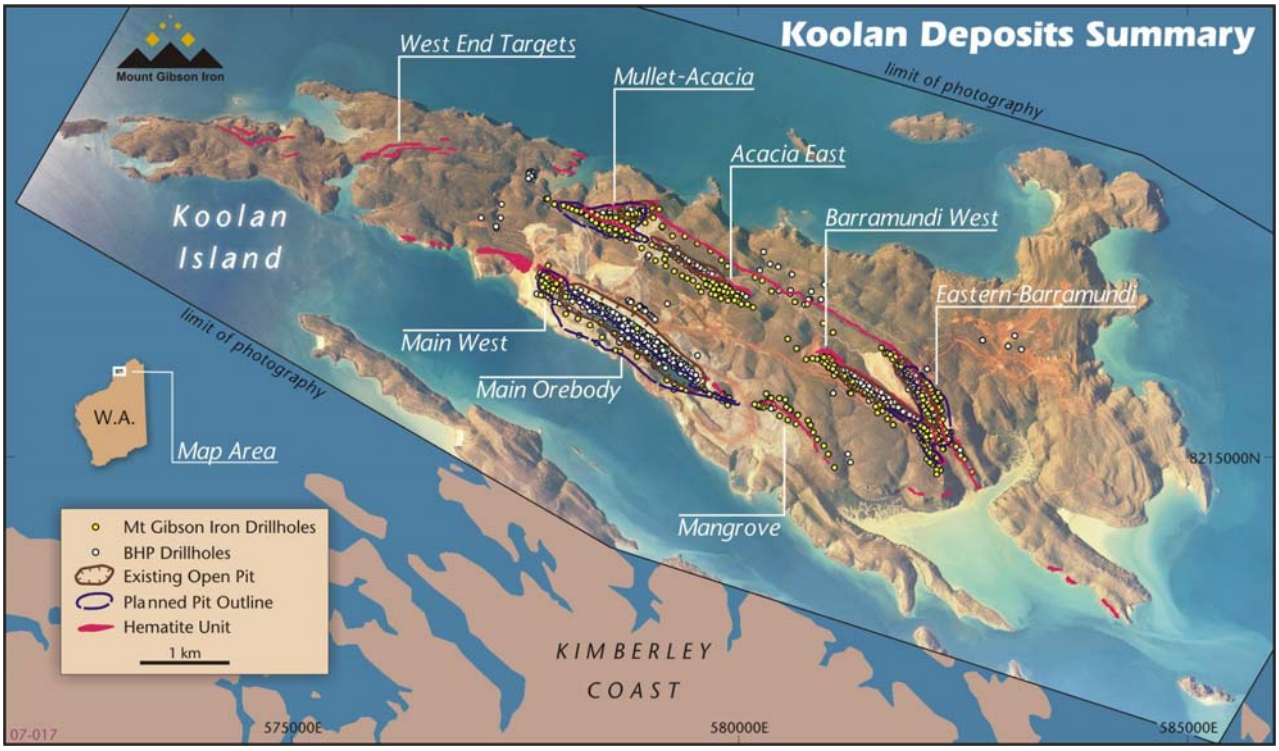

Figure 16 - Koolan Island deposit and drilling summary

The resource development and exploration drilling programme has progressed rapidly on Koolan Island since the Layne Drilling's track mounted RC drill rig was mobilised in late June 2007.

Drilling focussed on the Main West, Barramundi West, Barramundi South, Acacia, Acacia East, Mullet-Acacia and Eastern-Barramundi deposits. The drilling of these deposits includes both infill holes to gain greater pierce point density to enhance the Mineral Resource category of the hematite horizons from Inferred to Indicated within the planned pit shells and extensional holes to evaluate areas where the mineralisation remains open along strike and down dip.

To September 30 a total of 14,279 metres of drilling was completed in 153 holes.

Deposit	Metres	Holes
Main West	1,985	21
Barramundi West	342	7
Barramundi South	926	16
Eastern-Barramundi	3,514	35
Acacia East	3,447	31
Acacia	116	2
Mullet-Acacia	3,949	41
Total	14,279	153

Mount Gibson Iron Limited
ABN 87 008 670 817
Level 1, 7 Havelock Street
West Perth WA 6005
PO Box 55, West Perth WA 6872

Telephone +61 9 9426 7500
Facsimile +61 8 9485 2305
Email admin@mtgibsonbiron.com.au
ASX Code MGX

Contacts
Luke Tonkin, Managing Director
Alan Rule, Chief Financial Officer

Better intercepts from assays received to date are tabled below (55% Fe cut off):

Main West Deposit

Hole	From (m)	To (m)	Interval (m)	Fe (%)	SiO_2 (%)	Al_2O_3 (%)	P (%)	S (%)
PKRC416	76	86	10	62.5	9.9	0.2	0.00	0.00
PKRC418	3	23	20	64.5	4.9	1.8	0.01	0.00

Drill hole PKRC 418 is a vertical hole drilled at an acute angle to the 50° dipping hematite horizon and indicates an excellent ore zone from surface with an approximate thickness of 10 metres. The PKRC416 intercept is true width and confirms that zones of hematite mineralisation continue at depth. Drilling difficulties were experienced through covering waste dumps in several of the holes designed to test the down-dip extension of the Main West mineralisation. This prevented complete penetration of the hematite horizon in some holes.

Barramundi West Deposit

Hole	From (m)	To (m)	Interval (m)	Fe (%)	SiO_2 (%)	Al_2O_3 (%)	P (%)	S (%)
PKRC421	34	41	7	65.0	3.9	1.8	0.03	0.00
PKRC435	0	6	6	64.3	4.6	2.2	0.02	0.01
PKRC436	15	22	7	64.7	3.9	2.2	0.02	0.01
PKRC437	50	56	6	64.9	5.1	1.0	0.04	0.01
PKRC438	44	58	14	63.5	4.9	1.9	0.05	0.02

The excellent intercept in PKRC435 demonstrates the true thickness and grade of the adjacent outcropping hematite mineralisation. Infill and step-out drilling confirms the continuity of the mineralisation which dips at 25° to the southwest. PKRC438 is a step-out hole approximately 150 metres southwest from the hematite outcrop and indicates the deposit is open to the southwest and thickens in this area. Further drilling is warranted to determine the lateral extent of this zone.

Barramundi South Deposit

Hole	From (m)	To (m)	Interval (m)	Fe (%)	SiO_2 (%)	Al_2O_3 (%)	P (%)	S (%)
PKRC422	40	45	5	63.3	7.6	1.1	0.01	0.00
PKRC430	45	50	5	63.7	5.1	2.1	0.03	0.01
PKRC442	26	30	4	63.5	6.7	1.7	0.01	0.01
PKRC443	20	24	4	61.5	8.8	1.9	0.02	0.00

While PKRC422, 442 and 443 are infill holes to close the spacing to 50 metres by 25 metres, PKRC430 is an extensional hole and confirms the mineralisation remains open to the southwest.

Mount Gibson Iron Limited
ABN 87 008 670 817
Level 1, 7 Havelock Street
West Perth WA 6005
PO Box 55, West Perth WA 6872

Telephone +61 9 9426 7500
Facsimile +61 8 9485 2305
Email admin@mtgibsonbiron.com.au
ASX Code MGX

Contacts
Luke Tonkin, Managing Director
Alan Rule, Chief Financial Officer

Acacia East Deposit

Hole	From (m)	To (m)	Interval (m)	Fe (%)	SiO_2 (%)	Al_2O_3 (%)	P (%)	S (%)
PKRC444	65	69	4	57.9	16.4	0.6	0.02	0.01
	70	75	5	65.3	6.5	0.1	0.00	0.00
PKRC452	82	94	12	63.7	8.6	0.2	0.00	0.01
PKRC453	49	52	3	63.4	5.9	2.0	0.01	0.00
	54	70	16	62.8	9.7	0.2	0.01	0.00
	76	78	2	63.1	9.4	0.2	0.01	0.01
PKRC454	102	114	12	66.3	5.9	0.1	0.00	0.02
PKRC456	84	99	15	63.3	9.7	0.2	0.01	0.03

Infill holes at Acacia East confirm the geological model interpretations in the current Mineral Resource for the deposit. The majority of the deposit is now drilled to 50 metres by 25 metres hole spacing. PKRC454 and PKRC456 are extensional holes and demonstrate that the mineralisation remains open at depth to the south - southeast.

Mullet-Acacia Deposit

Hole	From (m)	To (m)	Interval (m)	Fe (%)	SiO_2 (%)	Al_2O_3 (%)	P (%)	S (%)
PKRC460	28	35	7	59.7	14.3	0.3	0.01	0.01
	105	107	2	61.5	10.8	0.6	0.12	0.03
PKRC462	58	69	11	62.3	10.7	0.6	0.01	0.01
PKRC463	57	73	16	63.9	7.3	1.0	0.03	0.01
PKRC464	77	86	9	60.9	9.9	1.6	0.04	0.00
PKRC465	43	48	5	65.5	5.9	0.3	0.00	0.00
PKRC466	11	13	2	62.5	10.7	0.2	0.00	0.00
	21	23	2	61.4	11.4	0.3	0.01	0.00
	24	26	2	60.8	12.2	0.2	0.00	0.00
	137	151	14	60.2	8.8	0.9	0.04	0.00
PKRC467	25	30	5	59.3	14.7	0.2	0.00	0.00
	145	158	13	61.8	8.1	1.5	0.08	0.00
PKRC468	19	22	3	64.3	7.3	0.5	0.00	0.00
	83	92	9	64.9	6.5	0.6	0.00	0.00
	94	102	8	60.7	12.6	0.3	0.00	0.00
PKRC469	37	40	3	59.5	14.6	0.2	0.00	0.00
	97	102	5	60.7	12.1	0.8	0.01	0.01
	109	116	7	60.3	14.2	0.1	0.00	0.01
PKRC470	5	12	7	60.1	11.2	0.7	0.00	0.00
	49	63	14	62.1	10.0	0.7	0.01	0.00
PKRC471	22	30	8	61.0	12.7	0.1	0.01	0.00
	61	65	4	61.4	11.9	0.4	0.01	0.00
	67	74	7	61.1	12.2	0.3	0.00	0.00
PKRC472	36	40	4	57.3	18.5	0.2	0.01	0.01
	98	103	5	64.3	7.0	0.6	0.01	0.01
PKRC474	8	12	4	61.5	11.0	0.6	0.01	0.00

Mount Gibson Iron Limited
ABN 87 008 670 817
Level 1, 7 Havelock Street
West Perth WA 6005
PO Box 55, West Perth WA 6872

Telephone +61 9 9426 7500
Facsimile +61 8 9485 2305
Email admin@mtgibsonbiron.com.au
ASX Code MGX

Contacts
Luke Tonkin, Managing Director
Alan Rule, Chief Financial Officer

Hole	From (m)	To (m)	Interval (m)	Fe (%)	SiO_2 (%)	Al_2O_3 (%)	P (%)	S (%)
	69	78	9	63.6	7.6	0.8	0.01	0.00
PKRC476	9	14	5	60.8	12.3	0.4	0.01	0.01
	67	72	5	63.30	8.9	0.3	0.00	0.00
PKRC481	48	57	9	59.6	13.9	0.4	0.00	0.00
	64	79	15	63.1	9.5	0.2	0.00	0.00
	98	105	7	60.2	13.5	0.2	0.00	0.00
PKRC482	13	26	13	63.1	9.5	0.2	0.00	0.00
	33	45	12	61.0	12.7	0.1	0.00	0.00
PKRC483	12	37	25	62.2	10.4	0.2	0.00	0.00
	43	63	20	59.4	14.5	0.1	0.01	0.00
PKRC484	21	29	8	60.3	12.8	0.4	0.00	0.00
	72	79	7	61.3	12.1	0.1	0.00	0.00
PKRC485	35	39	4	59.0	14.9	0.2	0.01	0.00
	77	85	8	64.1	7.9	0.2	0.00	0.00
PKRC486	40	49	9	62.6	9.9	0.2	0.00	0.00
PKRC487	41	55	14	60.5	12.8	0.5	0.01	0.00
	66	69	3	62.7	9.9	0.1	0.00	0.00
PKRC488	46	66	20	65.7	3.3	1.5	0.04	0.00

At the Mullet-Acacia Deposit a number of holes pierced both the Acacia limb of the overturned anticline and the deeper Mullet limb. Some of the holes were terminated in Mullet hematite mineralisation due to drilling difficulties in friable ore beneath the water table at depth.

Surtron Technologies has commenced down-hole geophysical and survey recording for the current drill programme holes.

Drill testing of two exploration targets is planned. Mapping and sampling has outlined an area of hematitic sandstone containing >60% Fe in outcrop, subcrop and float samples on a ridge extending more than 400 metres along strike from the northwest end of the historical Eastern pit. The second target is a 200 metre long hematitic sandstone horizon to the southeast of the Mullet-Acacia deposit with random chip samples of outcrop returning up to 62% Fe. Both targets are situated on the northeast arm of the overturned antiform that hosts the Mullet-Acacia and the Eastern Barramundi deposits.

Other Buccaneer Archipelago Exploration Licenses

Negotiations continue with the Kimberley Land Council to finalise a Heritage and Access Agreement for E04/1265 and ELA04/1407 which are situated adjacent to the Koolan Island Exploration License.

Mount Gibson Iron Limited
ABN 87 008 670 817
Level 1, 7 Havelock Street
West Perth WA 6005
PO Box 55, West Perth WA 6872

Telephone +61 9 9426 7500
Facsimile +61 8 9485 2305
Email admin@mtgibsonbiron.com.au
ASX Code MGX

Contacts
Luke Tonkin, Managing Director
Alan Rule, Chief Financial Officer

Extension Hill Direct Shipping Ore ("DSO") Project

The WA Minister for the Environment issued Ministerial Statement 750 on 24th September 2007 outlining implementation conditions acceptable to Mount Gibson, thereby finalising State government environmental approval of the Mt Gibson Iron Ore Mine and Infrastructure Project.

Commonwealth approval, based on the State recommendations, is expected by early November.

The Project DFS was finalised and presented to the Mount Gibson Board, with formal approval of the project granted subject to the successful execution of transport contracts. Increases in capital and operating costs over the June 2006 desktop study (12% and 3% respectively) have been offset by increased project revenue to yield similar project valuations. Like most mining projects the dominant financial sensitivities are iron ore price and exchange rate.

The DFS also highlights the value of additional Mining Reserves to the Project. A 50% increase in Mining Reserves increases Project EBITDA by 47% and NPV by 64%. Infill and extensional drilling in the area of the Extension Hill DSO open cut is planned to commence immediately all site access approvals are in place, with potential for significantly increased Reserve tonnages considered probable. Definition drilling to date has been prevented over certain parts of the deposit due to the presence and ongoing assessment of Declared Rare Flora.

Of the 23 detailed Environmental Management Plans developed specifically for the project, 22 have been completed incorporating the finalised Ministerial Conditions, with review underway by the Department of Environment and Conservation (DEC) and other stakeholders. This consultative process will support the issue of Works Approvals and Permit to Take Declared Rare Flora by the DEC, allowing access to the site for investigative and construction works, targeted for December. Timely site access is a critical project milestone towards the first product shipment target date of January 2009.

Drafting of the Project Management Plan and Mining Proposal is well underway to support project approvals by the Department of Consumer and Employment Protection (DoCEP) and the Department of Industry and Resources (DoIR), also targeted for December.

Work on the new Berth 5 iron ore ship-loader project by the Geraldton Port Authority (GPA) is on schedule for completion by January 2008. The Mount Gibson/Maunsell evaluation of engineering options for upgrade of the existing train unloader at the Port is being considered in detail by the GPA, with finalisation of the approach to be taken anticipated by December.

Detailed final design of Mount Gibson's proposed new storage and handling facility at Berth 5 is underway by Maunsell Australia, with work packages to be delivered to pre-qualified tenderers imminent.

Drafting of contracts for provision of above-rail services and rail track access to transport 3Mtpa of product from Perenjori to Geraldton was commenced by Australian Railroad Group and West Net Rail respectively. These contracts are modelled on existing agreements covering the Tallering Peak operations, and incorporate the necessary track and rolling stock capital expenditure already identified.

Consultation with the EPA determined that the referral for transport of DSO products should be made under Section 38 of the EP Act. Mount Gibson and the Shire of Perenjori are preparing a joint submission to be made during the coming quarter.

Mount Gibson Iron Limited
ABN 87 008 670 817
Level 1, 7 Havelock Street
West Perth WA 6005
PO Box 55, West Perth WA 6872

Telephone +61 9 9426 7500
Facsimile +61 8 9485 2305
Email admin@mtgibsonbiron.com.au
ASX Code MGX

Contacts
Luke Tonkin, Managing Director
Alan Rule, Chief Financial Officer

Mineral Resources and Ore Reserves Statement as at 30 June 2007

Mount Gibson Iron Limited

Since last reported for December 2006, Mount Gibson's 100% owned Ore Reserves have increased, replacing production over the half-year of 1.8 million tonnes (Mt) and rising 4.3 Mt, up from 57.7 Mt to 62.0 Mt. This increase is primarily due to:

- Incorporation of Main Pit West into Koolan Island Ore Reserves;
- More appropriate modeling of mining dilution at Koolan Island's Main Pit; and
- Refinement of pit designs at Extension Hill and Mullet-Acacia (Koolan Island).

Mineral Resources including Reserves (also 100% owned) have increased 3.9 Mt after production, up from 99.4 Mt to 103.3 Mt, primarily due to the introduction of a uniform 50% Fe lower cut-off reporting grade to better reflect blending opportunities and mining practices.

Infill, extensional and exploration drilling is planned to continue throughout the coming year at Koolan Island and Tallering Peak. Systematic updates of resource models, mine designs and mining schedules will be conducted during the year. Work at Extension Hill will commence when all site access approvals are received, anticipated for December 2007.

The next Resource and Reserve update statement is scheduled for September 2008.

Summaries of Mount Gibson's Mineral Resources and Ore Reserves at 30th June 2007 are tabled below:

>50% Fe Resources	M tonnes	Fe	SiO_2	Al_2O_3	P	S	LOI
Measured	15.5	63.4	4.12	2.04	0.022	0.076	1.56
Indicated	61.9	62.5	6.47	1.43	0.033	-	1.98
Inferred	25.9	60.9	8.69	1.39	0.032	-	1.93
MGI Total	***103.3***	***62.2***	***6.68***	***1.51***	***0.031***	***-***	***1.90***

Ore Reserves	M tonnes	Fe	SiO_2	Al_2O_3	P	S	LOI
Proved	15.6	62.8	4.67	2.18	0.023	0.092	1.62
Probable	45.4	63.0	5.59	1.42	0.032	-	2.28
Stocks	0.99	60.9	6.70	2.95	0.021	0.090	1.37
MGI Total	***62.0***	***62.9***	***5.38***	***1.63***	***0.029***	***-***	***2.10***

NOTE: All estimates quoted to three significant figures. Rounding errors may occur. All grades in percent (%).

A more detailed breakdown of Resources and Reserves by mine site and deposit follows:

Mount Gibson Iron Limited
ABN 87 008 670 817
Level 1, 7 Havelock Street
West Perth WA 6005
PO Box 55, West Perth WA 6872

Telephone +61 9 9426 7500
Facsimile +61 8 9485 2305
Email admin@mtgibsonbiron.com.au
ASX Code MGX

Contacts
Luke Tonkin, Managing Director
Alan Rule, Chief Financial Officer

Mineral Resources

Tallering Peak

No significant changes have occurred to Mineral Resources at Tallering Peak since last reporting. Recent further positive intersections in the T2 area will be incorporated into the geological interpretation and resource estimation process over coming months.

These mineral resource estimates are based on geologically controlled interpretations of iron ore mineralized zones, defined on intersections from historical and recent diamond core and RC drill-holes, including close-spaced infill and grade-control RC drilling. Monthly reconciliation of estimates with mining production data is undertaken. Major element grades have been estimated using Inverse Distance Squared and Ordinary Kriging algorithms into 3D cell models constrained by wireframes of the interpretations. No high or low grade outlier cuts have been applied. Resource tonnages and grades are reported on a dry basis applying a 50% Fe lower cut-off.

Tallering Peak Mineral Resources

Lower cut-off 50% Fe, depleted for Production to 30th June 2007

Main Range	M tonnes	Fe	SiO_2	Al_2O_3	P	S	LOI
Measured	13.6	63.5	3.79	2.12	0.022	0.071	1.66
Indicated	3.98	59.9	6.49	2.91	0.033	0.236	2.13
Inferred	0.92	54.6	11.58	5.68	0.046	1.177	3.64
Deposit Total	**18.5**	**62.3**	**4.75**	**2.46**	**0.025**	**0.161**	**1.86**

T5	M tonnes	Fe	SiO_2	Al_2O_3	P	S	LOI
Measured	0.35	59.3	6.32	2.90	0.072	0.558	2.11
Indicated	1.54	57.4	9.94	2.72	0.091	0.742	1.81
Inferred	0.62	54.1	15.4	2.18	0.118	1.240	1.91
Deposit Total	**2.50**	**56.9**	**10.77**	**2.61**	**0.095**	**0.839**	**1.87**

Tallering Peak Total	M tonnes	Fe	SiO_2	Al_2O_3	P	S	LOI
Measured	14.0	63.4	3.85	2.13	0.023	0.083	1.67
Indicated	5.51	59.2	7.45	2.86	0.049	0.377	2.04
Inferred	1.53	54.4	13.1	4.28	0.075	1.202	2.95
Grand Total	**21.0**	**61.6**	**5.47**	**2.48**	**0.033**	**0.242**	**1.86**

NOTE: All estimates quoted to three significant figures. Rounding errors may occur. All grades in percent (%).

Mount Gibson Iron Limited
ABN 87 008 670 817
Level 1, 7 Havelock Street
West Perth WA 6005
PO Box 55, West Perth WA 6872

Telephone +61 9 9426 7500
Facsimile +61 8 9485 2305
Email admin@mtgibsonbiron.com.au
ASX Code MGX

Contacts
Luke Tonkin, Managing Director
Alan Rule, Chief Financial Officer

Extension Hill

No work has been conducted at Extension Hill since March 2006 while processes related to environmental and other statutory approvals are underway. Significant, and ongoing, resource definition and extensional drilling programs are planned for the deposit to commence as soon as statutory approvals authorising site access are received. No change in Resources has occurred since last reporting, summarized as follows;

Extension Hill Mineral Resources

Lower cut-off 50% Fe, no production depletion to 30th June 2007

Main Ridge	M tonnes	Fe	SiO_2	Al_2O_3	P	S	LOI
Indicated	12.8	60.0	5.36	1.75	0.063	-	6.52
Inferred	4.69	57.8	7.76	2.23	0.058	-	6.49
Deposit Total	**17.5**	**59.4**	**6.00**	**1.88**	**0.062**	**-**	**6.51**

Iron Hill	M tonnes	Fe	SiO_2	Al_2O_3	P	S	LOI
Inferred	2.0	63.8	4.40	0.70	0.050	-	3.01
Deposit Total	**2.0**	**63.8**	**4.40**	**0.70**	**0.050**	**-**	**3.01**

Extension Hill Total	M tonnes	Fe	SiO_2	Al_2O_3	P	S	LOI
Indicated	12.8	60.0	5.36	1.75	0.063	-	6.52
Inferred	6.69	59.6	6.76	1.77	0.056	-	5.45
Grand Total	**19.5**	**59.9**	**5.84**	**1.76**	**0.060**	**-**	**6.15**

NOTE: Estimates generally quoted to 3 significant figures, rounding errors may occur. All grades in percent (%)

Koolan Island

No changes in Koolan Island Mineral Resources has occurred since last reporting, other than the adoption of a uniform 50% Fe lower cut-off grade, down from 55% Fe. Mine design and scheduling work indicates that 50% is a more appropriate lower cut-off. After depletion for production, this change has resulted in a tonnage increase of 5.0 Mt and grade decrease of 0.9% Fe, mainly due to the availability of lower-grade material at the Acacia East deposit.

Mount Gibson Iron Limited
ABN 87 008 670 817
Level 1, 7 Havelock Street
West Perth WA 6005
PO Box 55, West Perth WA 6872

Telephone +61 9 9426 7500
Facsimile +61 8 9485 2305
Email admin@mtgibsonbiron.com.au
ASX Code MGX

Contacts
Luke Tonkin, Managing Director
Alan Rule, Chief Financial Officer

Summaries of the Koolan Island Mineral Resources, depleted for production to 30 June 2007, are as follows:

Koolan Island Mineral Resources

Lower cut-off 50% Fe, depleted for production to 30th June 2007

Main	M tonnes	Fe	SiO_2	Al_2O_3	P	S	LOI
Measured	-	-	-	-	-	-	-
Indicated	25.9	66.7	3.20	0.66	0.019	0.003	0.29
Inferred	10.8	64.7	5.40	0.75	0.019	0.003	0.33
Deposit Total	**36.7**	**66.1**	**3.85**	**0.69**	**0.019**	**0.003**	**0.30**

Eastern-Barramundi*	M tonnes	Fe	SiO_2	Al_2O_3	P	S	LOI
Measured	-	-	-	-	-	-	-
Indicated	8.33	59.5	9.14	3.10	0.031	0.010	1.86
Inferred	1.84	59.0	10.1	2.91	0.031	0.010	1.83
Deposit Total	**10.2**	**59.4**	**9.32**	**3.07**	**0.031**	**0.010**	**1.85**

**Now includes Barramundi West, previously reported separately*

Mullet-Acacia	M tonnes	Fe	SiO_2	Al_2O_3	P	S	LOI
Measured	1.49	63.6	6.71	1.19	0.021	0.003	0.59
Indicated	4.33	59.8	12.3	1.04	0.020	0.003	0.49
Inferred	0.72	60.2	12.1	0.85	0.017	0.003	0.35
Deposit Total	**6.54**	**60.7**	**11.0**	**1.05**	**0.020**	**0.003**	**0.50**

Mount Gibson Iron Limited
ABN 87 008 670 817
Level 1, 7 Havelock Street
West Perth WA 6005
PO Box 55, West Perth WA 6872

Telephone +61 9 9426 7500
Facsimile +61 8 9485 2305
Email admin@mtgibsonbiron.com.au
ASX Code MGX

Contacts
Luke Tonkin, Managing Director
Alan Rule, Chief Financial Officer

Koolan Island Mineral Resources (continued)

Acacia East	M tonnes	Fe	SiO_2	Al_2O_3	P	S	LOI
Measured	-	-	-	-	-	-	-
Indicated	3.03	56.1	18.9	0.54	0.014	0.005	0.29
Inferred	3.21	55.8	18.8	0.67	0.015	0.006	0.27
Deposit Total	**6.24**	**55.9**	**18.8**	**0.61**	**0.015**	**0.006**	**0.28**

Mangrove	M tonnes	Fe	SiO_2	Al_2O_3	P	S	LOI
Measured	-	-	-	-	-	-	-
Indicated	1.97	60.3	10.9	0.81	0.028	0.170	0.79
Inferred	1.14	58.8	12.4	1.17	0.027	0.184	0.66
Deposit Total	**3.11**	**59.7**	**11.5**	**0.94**	**0.028**	**0.175**	**0.74**

Koolan Island Total	M tonnes	Fe	SiO_2	Al_2O_3	P	S	LOI
Measured	1.49	63.6	6.71	1.19	0.021	0.003	0.59
Indicated	43.6	63.6	6.68	1.16	0.021	0.012	0.63
Inferred	17.7	62.0	9.04	0.99	0.020	0.016	0.50
Deposit Total	**62.8**	**63.1**	**7.34**	**1.11**	**0.021**	**0.013**	**0.59**

NOTE: All estimates quoted to three significant figures. Rounding errors may occur. All grades in percent (%).

These mineral resource estimates are based on geologically controlled interpretations of iron ore mineralized zones, defined on intersections from historical and recent diamond core and RC drill-holes. Monthly reconciliation with mining production data is undertaken where such data is available. Major element grades have been estimated using Ordinary Kriging into 3D cell models constrained by wireframes of the interpretations. No high or low grade outlier cuts have been applied. Resource tonnages and grades are reported on a dry basis using a 50% Fe lower cut-off.

Attribution

The information in this report relating to Mineral Resources at Tallering Peak and Extension Hill is based on information compiled by Rolf Forster, who is a member of the Australasian Institute of Mining and Metallurgy.

The information in this report relating to Mineral Resources on Koolan Island is based on information compiled by Chris Arnold (CPGeo), principal of Chris Arnold Resource Consultants. Chris Arnold is a Member of The Australasian Institute of Mining and Metallurgy.

Rolf Forster and Chris Arnold are consultants to Mount Gibson Mining Limited, and have sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which they are undertaking to each qualify as Competent Persons as defined in the 2004 edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". *Rolf Forster and Chris Arnold consent to the inclusion in the report of the matters based on his information in the form and context in which it appears.*

Mount Gibson Iron Limited
ABN 87 008 670 817
Level 1, 7 Havelock Street
West Perth WA 6005
PO Box 55, West Perth WA 6872

Telephone +61 9 9426 7500
Facsimile +61 8 9485 2305
Email admin@mtgibsonbiron.com.au
ASX Code MGX

Contacts
Luke Tonkin, Managing Director
Alan Rule, Chief Financial Officer

Ore Reserves

Some changes have occurred to Mount Gibson's Ore Reserves since last reporting, incorporating slight decreases at Tallering Peak with increases at both Koolan Island and Extension Hill, as detailed below.

No lower cut-off grades are quoted for Ore Reserves, as mining and processing cut-offs vary on a monthly basis throughout the Life-of-Mine. The LOM schedules target consistent Lump and Fines product grades to meet customer specifications. Ore Reserves are therefore the sum of scheduled production, incorporating mining dilution, blending, stockpiling and transport strategies.

Tallering Peak

After half-yearly production of 1.2 Mt, a further decrease of 0.4 Mt in recoverable Ore Reserves has occurred at Tallering Peak since last reporting, primarily due to the impact of revised geotechnical design parameters for the Main Range pit, resulting in a flattening of overall footwall angles in the T3 area. These design criteria have already been applied elsewhere in the Main Range pit, restricting the impact of these changes on overall Ore Reserves.

Tallering Peak Ore Reserves

Depleted for Production to end June 2007

Main Range	M tonnes	Fe	SiO_2	Al_2O_3	P	S	LOI
Proved	13.8	62.8	4.42	2.27	0.022	0.092	1.73
Probable	3.83	58.2	8.35	3.75	0.032	0.282	2.29
Pit Total	**17.7**	**61.8**	**5.27**	**2.59**	**0.024**	**0.133**	**1.85**

T5	M tonnes	Fe	SiO_2	Al_2O_3	P	S	LOI
Proved	0.31	59.4	6.10	2.93	0.060	0.537	1.96
Probable	0.33	59.2	7.27	2.90	0.027	0.435	1.68
Pit Total	**0.64**	**57.2**	**7.22**	**2.93**	**0.042**	**0.468**	**1.81**

Tallering Peak Total	M tonnes	Fe	SiO_2	Al_2O_3	P	S	LOI
Proved	14.1	62.7	4.46	2.29	0.023	0.102	1.73
Probable	4.15	58.3	8.26	3.68	0.032	0.294	2.24
Mine Total	**18.3**	**61.7**	**5.32**	**2.60**	**0.025**	**0.145**	**1.85**

NOTE: All estimates quoted to three significant figures. Rounding errors may occur. All grades in percent (%).

Tallering Peak Stocks	M tonnes	Fe	SiO_2	Al_2O_3	P	S	LOI
Run-of-Mine Ore	0.22	59.2	7.04	3.19	0.052	0.277	2.65
Lump Product	0.28	62.2	6.35	1.91	0.016	0.060	1.40
Fines Product	0.11	58.6	9.08	3.19	0.019	0.095	1.92
Total Stocks	**0.60**	**60.5**	**7.09**	**2.61**	**0.030**	**0.145**	**1.94**

Mount Gibson Iron Limited
ABN 87 008 670 817
Level 1, 7 Havelock Street
West Perth WA 6005
PO Box 55, West Perth WA 6872

Telephone +61 9 9426 7500
Facsimile +61 8 9485 2305
Email admin@mtgibsonbiron.com.au
ASX Code MGX

Contacts
Luke Tonkin, Managing Director
Alan Rule, Chief Financial Officer

Extension Hill

Refinements in pit design and stage scheduling have resulted in an Ore Reserves increase of 0.7 Mt for the Main Ridge pit at Extension Hill. Further work awaits definition drilling and receipt of an updated Resource model. No Ore Reserves have yet been established for the Iron Hill Resource.

Current (Detailed Feasibility Study) Ore Reserves for Extension Hill are summarised as follows;

Extension Hill Ore Reserves

No Production depletion to end June 2007

Main Ridge	M tonnes	Fe	SiO_2	Al_2O_3	P	S	LOI
Probable	12.8	60.3	5.48	1.64	0.062	-	6.19
Mine Total	**12.8**	**60.3**	**5.48**	**1.64**	**0.062**	**-**	**6.19**

NOTE: All estimates quoted to three significant figures. Rounding errors may occur. All grades in percent (%).

Koolan Island

Koolan Island Ore Reserves have increased significantly since last reported, replacing production over the half-year of 0.63 Mt and rising 5.1 Mt, up from 24.8 Mt to 29.9 Mt. This increase is primarily due to:

- Extension of the Main Pit westwards, incorporating the Main Pit West Resource into Ore Reserves;
- Review of the mining dilution modelling completed for the Bankable Feasibility Study, with subsequent application of a more refined dilution modelling approach for the Main Ore-body; and
- Modification of the pit design at Mullet-Acacia to account for geotechnical (design) requirements, and to improve mining recovery of the Mineral Resource.

Mount Gibson Iron Limited
ABN 87 008 670 817
Level 1, 7 Havelock Street
West Perth WA 6005
PO Box 55, West Perth WA 6872

Telephone +61 9 9426 7500
Facsimile +61 8 9485 2305
Email admin@mtgibsonbiron.com.au
ASX Code MGX

Contacts
Luke Tonkin, Managing Director
Alan Rule, Chief Financial Officer

Koolan Island Ore Reserves are tabulated below.

Koolan Island Ore Reserves

Depleted for Production to end June 2007

Main	M tonnes	Fe	SiO_2	Al_2O_3	P	S	LOI
Proved	-	-	-	-	-	-	-
Probable	20.6	66.5	3.60	0.62	0.015	0.004	0.31
Pit Total	**20.6**	**66.5**	**3.60**	**0.62**	**0.015**	**0.004**	**0.31**

Eastern - Barramundi	M tonnes	Fe	SiO_2	Al_2O_3	P	S	LOI
Proved	-	-	-	-	-	-	-
Probable	4.00	61.0	7.42	2.81	0.031	0.010	1.66
Pit Total	**4.00**	**61.0**	**7.42**	**2.81**	**0.031**	**0.010**	**1.66**

Mullet - Acacia	M tonnes	Fe	SiO_2	Al_2O_3	P	S	LOI
Proved	1.48	63.6	6.69	1.19	0.021	0.003	0.59
Probable	3.85	60.1	11.9	1.01	0.020	0.003	0.48
Pit Total	**5.33**	**61.1**	**10.4**	**1.06**	**0.020**	**0.003**	**0.51**

Koolan Island Total	M tonnes	Fe	SiO_2	Al_2O_3	P	S	LOI
Proved	1.48	63.6	6.69	1.19	0.021	0.003	0.59
Probable	28.4	64.9	5.25	0.98	0.018	0.005	0.52
Mine Total	**29.9**	**64.8**	**5.32**	**0.99**	**0.018**	**0.005**	**0.52**

NOTE: All estimates quoted to three significant figures. Rounding errors may occur. All grades in percent (%).

Koolan Island Stocks	M tonnes	Fe	SiO_2	Al_2O_3	P	S	LOI
Run-of-Mine Ore	0.30	61.5	6.07	3.58	-	-	-
Lump Product	0.07	62.5	5.72	2.94	0.029	0.019	2.06
Fines Product	0.02	59.4	8.31	4.14	0.032	0.020	2.27
Total Stocks	**0.39**	**61.6**	**6.09**	**3.48**	**-**	**-**	**-**

Mount Gibson Iron Limited
ABN 87 008 670 817
Level 1, 7 Havelock Street
West Perth WA 6005
PO Box 55, West Perth WA 6872

Telephone +61 9 9426 7500
Facsimile +61 8 9485 2305
Email admin@mtgibsonbiron.com.au
ASX Code MGX

Contacts
Luke Tonkin, Managing Director
Alan Rule, Chief Financial Officer

Attribution

The information in this report relating to Ore Reserves is based on information compiled by Rolf Forster and Weifeng Li, who are 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 which is relevant to the styles of mineralisation and type of deposit under consideration, and to the activity which they are undertaking, to each qualify as Competent Persons 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.*

Angela Dent
Company Secretary

About Mount Gibson Iron Limited (ASX Code: MGX)

Mount Gibson is Australia's leading independent iron ore producer, and a driving force behind the development of the Mid West iron ore industry in Western Australia. Mount Gibson is leading the consolidation of the junior iron ore industry, and with the successful takeover of Aztec Resources, will build a sustainable platform for future shareholder growth. Mount Gibson has a hematite mining operation at Tallering Peak operating at its targeted production rate and has commenced production from Koolan Island hematite mining operation. Mount Gibson's plans to develop the Extension Hill hematite project are well advanced. Current production rates from Mount Gibson exceed 3Mtpa with forecast production of 10Mtpa in 2010. Mount Gibson has firm commercial relationships with major Chinese steel industry customers, and with continued strong demand and prices the Company and its shareholders are ideally leveraged to benefit from further commodity price rises. The Company is generating strong cashflow and has a stable and experienced management team focused on delivering returns to shareholders.

Mount Gibson Iron Limited
ABN 87 008 670 817
Level 1, 7 Havelock Street
West Perth WA 6005
PO Box 55, West Perth WA 6872

Telephone +61 9 9426 7500
Facsimile +61 8 9485 2305
Email admin@mtgibsonbiron.com.au
ASX Code MGX

Contacts
Luke Tonkin, Managing Director
Alan Rule, Chief Financial Officer