



Mount Gibson Iron Limited

ABN 87 008 670 817



First Floor, 7 Havelock Street
West Perth 6005, Western Australia
PO Box 55, West Perth WA 6872

Telephone: 61-8-9485 2355
Facsimile: 61-8-9485 2305
E-mail: admin@mtgibsoniron.com.au

QUARTERLY REPORT FOR THE PERIOD ENDING 31st March 2004

Tallering Peak

Project Development

All outstanding development activities at the Tallering Peak Iron Mine were completed and commissioned during the quarter.

Production

Mining of hematite ore commenced in January with the Company's first shipment used to commission the Geraldton Port Authority's shiploading facilities in late February.

A second excavator and truck fleet were hired during the quarter to increase production levels in an endeavour to offset shipping volumes lost due to delays at the Geraldton Port. The increased production levels will be sustained for the life of the project with additional mining plant being sourced to join the existing fleet on a long term basis.

March Quarter Production Statistics

	Mar Qtr 2004	YTD 2004
Waste Mined (bcm)	513,599	513,599
Ore Mined (wmt)	261,846	261,846
Crushing (wmt)		
Lump	132,668	132,668
Fines	73,075	73,075
Total	205,743	205,743
Road Transport (wmt)		
Lump	118,293	118,293
Fines	69,398	69,398
Total	187,691	187,691
Rail Transport (wmt)		
Lump	79,792	79,792
Fines	64,854	64,854
Total	144,646	144,646
Shipping (wmt)		
Lump	67,466	67,466
Fines	56,963	56,963
Total	124,429	124,429

Exploration

No additional exploration work was carried out on the Tallering Peak tenements.

Proposed Work Tallering Peak

The remaining unsealed section of the Mullewa-Carnarvon Road to the mine site is to be sealed, increasing the tonnage achievable by road to 2.2 mtpa from the current 1.65mtpa, with sealing to be completed within the next quarter.

Production at the mine is scheduled to increase initially to 1.8mtpa with further increases in production possible once all three deposits (T3, T4 and T5) are fully developed. Final drilling of the T5 deposit will be completed in the June Quarter and mining rates will be re-scheduled once final results are available.

Appendix 5B

Mining exploration entity quarterly report

Introduced 1/7/96. Origin: Appendix 8. Amended 1/7/97, 1/7/98, 30/9/2001.

Name of entity

Mount Gibson Iron Limited

ABN

87 008 670 817

Quarter ended ("current quarter")

31 March 2004

Consolidated statement of cash flows

Cash flows related to operating activities		Current quarter \$A'000	Year to date (9 months) \$A'000
1.1	Receipts from product sales and related debtors	3,699	3,793
1.2	Payments for (a) exploration and evaluation	-	-
	(b) development	(175)	(2,887)
	(c) production	(5,581)	(5,581)
	(d) administration	(372)	(2,193)
1.3	Dividends received	-	-
1.4	Interest and other items of a similar nature received	17	155
1.5	Interest and other costs of finance paid	(459)	(945)
1.6	Income taxes paid	-	-
1.7	Other (inventory)	-	-
	Net Operating Cash Flows	(2,871)	(7,658)
Cash flows related to investing activities			
1.8	Payment for purchases of:		
	(a) prospects	-	-
	(b) equity investments	-	-
	(c) other fixed assets	(634)	(8,889)
1.9	Proceeds from sale of:		
	(a) prospects	-	-
	(b) equity investments	-	-
	(c) other fixed assets	-	12
1.10	Loans to other entities	-	(72)
1.11	Loans repaid by other entities	-	-
1.12	Other – payment for capitalised exploration	(917)	(1,008)
	Net investing cash flows	(1,551)	(9,957)
1.13	Total operating and investing cash flows (carried forward)	(4,422)	(17,615)

+ See chapter 19 ASX Listing Rules for defined terms.

1.13	Total operating and investing cash flows (brought forward)	(4,422)	(17,615)
	Cash flows related to financing activities		
1.14	Proceeds from issues of shares, options, etc.	2,240	5,437
1.15	Proceeds from sale of forfeited shares	-	-
1.16	Proceeds from borrowings	1,547	7,785
1.17	Repayment of borrowings	(413)	(1,124)
1.18	Dividends paid	-	-
1.19	Other (Capital raising costs)	-	(150)
	Other (Redemption – Convertible Notes)	-	-
	Net financing cash flows	3,374	11,948
	Net increase (decrease) in cash held	(1,048)	(5,667)
1.20	Cash at beginning of quarter/year to date	2,934	7,553
1.21	Exchange rate adjustments to item 1.20		-
1.22	Cash at end of quarter	1,886	1,886

Payments to directors of the entity and associates of the directors**Payments to related entities of the entity and associates of the related entities**

		Current quarter \$A'000
1.23	Aggregate amount of payments to the parties included in item 1.2	14
1.24	Aggregate amount of loans to the parties included in item 1.10	-

1.25 Explanation necessary for an understanding of the transactions

Included in "Proceeds from borrowings" are advance payments by Stemcor (S.E.A) Pte Ltd for ore sales. Funds have been spent on the development of Tallering Peak Hematite Project and construction of iron ore storage facility in Geraldton.

Non-cash financing and investing activities

2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

During the current quarter, plant totalling \$1,847,335 was purchased under Hire Purchase and Finance Lease arrangements.

2.2 Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest

Nil

Financing facilities available*Add notes as necessary for an understanding of the position.*

	Amount available \$A'000	Amount used \$A'000
3.1 Loan facilities	9,462	9,462
3.2 Credit standby arrangements	5,000	786

Estimated cash outflows for next quarter

	\$A'000
4.1 Exploration and evaluation	1,550
4.2 Development	-
Total	1,550

Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.

	Current quarter \$A'000	Previous quarter \$A'000
5.1 Cash on hand and at bank	(9)	1,039
5.2 Deposits	1,895	1,895
5.3 Bank overdraft	-	-
5.4 Other (funds held in trust)	-	-
Total: cash at end of quarter (item 1.22)	1,886	2,934

Changes in interests in mining tenements

	Tenement reference	Nature of interest (note (2))	Interest at beginning of quarter	Interest at end of quarter
6.1	Interests in mining tenements relinquished, reduced or lapsed	N/A		
6.2	Interests in mining tenements acquired or increased	N/A		

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Issued and quoted securities at end of current quarter

Description includes rate of interest and any redemption or conversion rights together with prices and dates.

	Total number	Number quoted	Issue price per security (see note 3) (cents)	Amount paid up per security (see note 3) (cents)
7.1 Preference + securities <i>(description)</i>	-	-	-	-
7.2 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions	-	-	-	-
7.3 +Ordinary securities	282,565,822	282,565,822	-	-
7.4 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs	11,200,000	11,200,000	20 cents	20 cents
7.5 +Convertible debt securities <i>(description)</i>	Convertible @ 30 cents 6 monthly to 30/6/05 Interest @ 10% pa 6 monthly in arrears Total on issue 7,916,667	-	-	-
7.6 Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted	- -	- -		
7.7 Options <i>(description and conversion factor)</i>	18,800,000 2,083,332 10,000,000	-	<i>Exercise price</i> 22.00 cents 15.84 cents 25.00 cents	<i>Expiry date</i> 15/10/05 28/02/06 31/12/04
7.8 Issued during quarter	10,000,000	-	25.00 cents	31/12/04
7.9 Exercised during quarter	-	-	-	-
7.10 Expired during quarter	-	-	-	-
7.11 Debentures <i>(totals only)</i>	-	-	-	-
7.12 Unsecured notes <i>(totals only)</i>	-	-	-	-

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Compliance statement

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act or other standards acceptable to ASX (see note 4).
- 2 This statement does ~~not~~* (*delete one*) give a true and fair view of the matters disclosed.

Sign here:



Date: 30 April 2004
(~~Director~~/Company Secretary)

Print name: Angela Dent

Notes

- 1 The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.
- 2 The "Nature of interest" (items 6.1 and 6.2) includes options in respect of interests in mining tenements acquired, exercised or lapsed during the reporting period. If the entity is involved in a joint venture agreement and there are conditions precedent which will change its percentage interest in a mining tenement, it should disclose the change of percentage interest and conditions precedent in the list required for items 6.1 and 6.2.
- 3 **Issued and quoted securities** The issue price and amount paid up is not required in items 7.1 and 7.3 for fully paid securities.
- 4 The definitions in, and provisions of, *AASB 1022: Accounting for Extractive Industries* and *AASB 1026: Statement of Cash Flows* apply to this report.
- 5 **Accounting Standards** ASX will accept, for example, the use of International Accounting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

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