



Mount Gibson Iron Limited

ABN 87 008 670 817



Level 1, 2 Kings Park Road
West Perth 6005, Western Australia
PO Box 55, West Perth WA 6872
Telephone: 61-8-9426-7500
Facsimile: 61-8-9485 2305
E-mail: admin@mtgibsoniron.com.au

VIA: WWW.ASXONLINE.COM

ASX ANNOUNCEMENT

ASX Code : **MGX**

7 July 2017

MGX to receive \$64.3 million business interruption insurance settlement

Mount Gibson Iron Limited (**Mount Gibson**) is pleased to advise that it has reached final agreement with 14 insurers, representing 92.5% of the Company's underwriting cover for business interruption. This agreement is for a cash settlement of \$64.3 million for business interruption suffered as a result of the failure of the Koolan Island Main Pit seawall in October 2014.

Proceeds of the settlement are expected to be received by the end of July 2017, and will further strengthen the Company's cash position as it continues to evaluate resource investment opportunities, and progresses activities to recommence production from Main Pit at Koolan Island.

Negotiations will continue separately with one further insurer representing the remaining 7.5% of the Company's business interruption coverage.

Mount Gibson Chief Executive Officer Jim Beyer said: "This significant business interruption insurance settlement is a welcome outcome for Mount Gibson and all shareholders in the wake of the failure of the Main Pit seawall at Koolan Island. We thank our insurance brokers and advisors for their assistance in our claim preparation and negotiation, and we appreciate the diligent and systematic engagement of our insurers to achieve a timely resolution.

"This settlement, which takes combined insurance proceeds for property damage and business interruption at Koolan Island to just over \$150 million, is well timed with construction of the starter embankment for the new Main Pit seawall and related activities progressing in line with the project restart schedule."

For further information:

Jim Beyer
Chief Executive Officer
Mount Gibson Iron Limited
+61-8-9426-7500

John Phaceas
Empeiros Advisory
+61-8-9426-7500
+61-(0)411-449-621

www.mtgibsoniron.com.au