



## Mount Gibson Iron Limited

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VIA: [WWW.ASX.ONLINE.COM](http://WWW.ASX.ONLINE.COM)

10 January 2008

No. Pages = 1

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

### **SUBJECT: APPENDIX 3B – ISSUE OF OPTIONS**

Attached is an Appendix 3B for unlisted options issued under the Mount Gibson Iron Limited Directors, Officers, Employees and Other Permitted Persons Option Plan, as follows:

- 3,000,000 options exercisable at \$0.78 on or before 31 December 2009
- 6,025,000 options exercisable at \$0.89 on or before 31 December 2009.

The Options were offered to employees in January 2006 and January 2007 when the share price was below the exercise price and entitlement was dependent on their continued employment at 31 December 2007.

Yours sincerely,  
**MOUNT GIBSON IRON LIMITED**

**Angela Dent**  
**Company Secretary**

Enquiries: **Mr Luke Tonkin**  
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or **Mr Alan Rule**  
CFO  
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## Appendix 3B

### New issue announcement, application for quotation of additional securities and agreement

*Information or documents not available now must be given to ASX as soon as available. Information and documents given to ASX become ASX's property and may be made public.*

Introduced 1/7/96. Origin: Appendix 5. Amended 1/7/98, 1/9/99, 1/7/2000, 30/9/2001, 11/3/2002.

Name of entity

Mount Gibson Iron Limited

ABN

87 008 670 817

We (the entity) give ASX the following information.

#### Part 1 - All issues

*You must complete the relevant sections (attach sheets if there is not enough space).*

- |   |  |  |
|---|--|--|
| 1 | +Class of +securities issued or to be issued   | Options  |
| 2 | Number of +securities issued or to be issued (if known) or maximum number which may be issued  | a) 3,000,000<br>b) 6,025,000   |
| 3 | Principal terms of the +securities (eg, if options, exercise price and expiry date; if partly paid +securities, the amount outstanding and due dates for payment; if +convertible securities, the conversion price and dates for conversion) | a) Options over Ordinary shares exercisable at \$0.78 on 31 December 2009<br>b) Options over Ordinary shares exercisable at \$0.89 on 31 December 2009 |

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**New issue announcement – 10 January 2008**

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4 Do the <sup>+</sup>securities rank equally in all respects from the date of allotment with an existing <sup>+</sup>class of quoted <sup>+</sup>securities?

If the additional securities do not rank equally, please state:

- the date from which they do
- the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment
- the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment

Yes
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5 Issue price or consideration

NIL
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6 Purpose of the issue  
 (If issued as consideration for the acquisition of assets, clearly identify those assets)

In accordance with Mount Gibson Iron Limited Directors, Officers, Employees and Other Permitted Persons Option Plan.
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7 Dates of entering <sup>+</sup>securities into uncertificated holdings or despatch of certificates

10 January 2007
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8 Number and <sup>+</sup>class of all <sup>+</sup>securities quoted on ASX (including the securities in clause 2 if applicable)

Number	<sup>+</sup> Class
793,086,821	Ordinary Shares

Number	<sup>+</sup> Class

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9	Number and <sup>+</sup> class of all <sup>+</sup> securities not quoted on ASX ( <i>including</i> the securities in clause 2 if applicable)	4,700,000	Unlisted options Exp 31/12/08 exercisable @ \$0.55
		2,000,000	Unlisted options Exp 30/06/10 exercisable @ \$0.90
		3,000,000	Unlisted options Exp 24/10/10 exercisable @ \$0.90
		2,000,000	Unlisted options Exp 24/10/12 exercisable @ \$1.10
		3,000,000	Unlisted options Exp 31/12/09 exercisable @ \$0.78
		6,025,000	Unlisted options Exp 31/12/09 exercisable @ \$0.89
10	Dividend policy (in the case of a trust, distribution policy) on the increased capital (interests)	N/A	

## Part 2 - Bonus issue or pro rata issue – Not Applicable

## Part 3 - Quotation of securities

*You need only complete this section if you are applying for quotation of securities*

34 Type of securities  
(tick one)

(a)  Shares described in Part 1

(b)  All other securities

Example: restricted securities at the end of the escrowed period, partly paid securities that become fully paid, employee incentive share securities when restriction ends, securities issued on expiry or conversion of convertible securities

### Entities that have ticked box 34(a)

#### **Additional securities forming a new class of securities**

*(If the additional securities do not form a new class, go to 43)*

*Tick to indicate you are providing the information or documents*

35  If the +securities are +equity securities, the names of the 20 largest holders of the additional +securities, and the number and percentage of additional +securities held by those holders

36  If the +securities are +equity securities, a distribution schedule of the additional +securities setting out the number of holders in the categories  
1 - 1,000  
1,001 - 5,000  
5,001 - 10,000  
10,001 - 100,000  
100,001 and over

37  A copy of any trust deed for the additional +securities

### Entities that have ticked box 34(b) – Not Applicable

#### All entities

##### **Fees**

43 Payment method (tick one)

Cheque attached

Electronic payment made

Periodic payment as agreed with the home branch has been arranged

**Quotation agreement**

- 1 +Quotation of our additional +securities is in ASX’s absolute discretion. ASX may quote the +securities on any conditions it decides.
  
- 2 We warrant the following to ASX.
  - The issue of the +securities to be quoted complies with the law and is not for an illegal purpose.
  - There is no reason why those +securities should not be granted +quotation.
  - An offer of the +securities for sale within 12 months after their issue will not require disclosure under section 707(3) or section 1012C(6) of the Corporations Act.  
Note: An entity may need to obtain appropriate warranties from subscribers for the securities in order to be able to give this warranty
  - Section 724 or section 1016E of the Corporations Act does not apply to any applications received by us in relation to any +securities to be quoted and that no-one has any right to return any +securities to be quoted under sections 737, 738 or 1016F of the Corporations Act at the time that we request that the +securities be quoted.
  - We warrant that if confirmation is required under section 1017F of the Corporations Act in relation to the +securities to be quoted, it has been provided at the time that we request that the +securities be quoted.
  - If we are a trust, we warrant that no person has the right to return the +securities to be quoted under section 1019B of the Corporations Act at the time that we request that the +securities be quoted.
  
- 3 We will indemnify ASX to the fullest extent permitted by law in respect of any claim, action or expense arising from or connected with any breach of the warranties in this agreement.
  
- 4 We give ASX the information and documents required by this form. If any information or document not available now, will give it to ASX before +quotation of the +securities begins. We acknowledge that ASX is relying on the information and documents. We warrant that they are (will be) true and complete.



Sign here: ..... Date: 10 January 2008  
(Company Secretary)

Print name: Angela Dent