

Form 605
Corporations Act 2001
Section 671B

Notice of ceasing to be a substantial holder

To Company Name/Scheme Mount Gibson Iron Limited

ACN/ARSN 008 670 617

1. Details of substantial holder (1)

Name Sinom (Hong Kong) Limited Group (see Annexure A)
ACN/ARSN (if applicable) Not Applicable

The holder ceased to be a substantial holder on 12/07/2005
The previous notice was given to the company on 05/07/2005
The previous notice was dated 04/07/2005

2. Changes in relevant interests

Particulars of each change in, or change in the nature of, a relevant interest (2) of the substantial holder or an associate (3) in voting securities of the company or scheme, since the substantial holder was last required to give a substantial holding notice to the company or scheme are as follows:

Date of change	Person whose relevant interest	Nature of change (4)	Consideration given in relation to change (5)	Class (6) and number of securities affected	Person's votes affected
13/07/05	Sinom (Hong Kong) Limited Group	Transfer of shares pursuant to the Share Sale Agreement between Sinom (Hong Kong) Limited and Shanghai Industrial Investment Holdings Pte Ltd a copy of which is contained in Annexure B.	\$1,300,000	ordinary shares	Sinom (Hong Kong) Limited Group

3. Changes in association

The persons who have become associates (3) of, ceased to be associates of, or have changed the nature of their association (7) with, the substantial holder in relation to voting interests in the company or scheme are as follows:

Name and ACN/ARSN (if applicable)	Nature of association
	see Annexure A

4. Addresses

The addresses of persons named in this form are as follows:

Name	Address
Sinom (Hong Kong) Limited	see Annexure A

Signature

print name SHEN FENGJIE capacity Director

sign here SHEN FENGJIE date 2005.7.12

MOUNT GIBSON IRON LIMITED
ACN 008 670 817

This is Annexure A of 1 page referred to in Form 605, Notice of Ceasing to be a Substantial Holder being the members of the Sinom (Hong Kong) Limited Group having a relevant interest in shares in Mount Gibson Iron Limited under section 608 of the *Corporations Act 2001*.

Name	Address	Nature of relevant interest
Sinom (Hong Kong) Limited	Room 606, Tower One, Lippo Centre, 89 Queensway, Hong Kong	Holder of shares in Mount Gibson Iron Limited
		Associate of Sinom Investments Limited
Sinom Investments Limited	Room 606, Tower One, Lippo Centre, 89 Queensway, Hong Kong	Associate of Sinom (Hong Kong) Limited
Zhang Chi	Room 606, Tower One, Lippo Centre, 89 Queensway, Hong Kong	Controlling entity - holds 100% of Sinom (Hong Kong) Limited and 100% of Sinom Investments Limited

SHEN FENG LI

Signed by:

[SHEN FENG LI]

Director

Sinom (Hong Kong) Limited

2005. 7. 12

Date

MOUNT GIBSON IRON LIMITED
ACN 008 670 817

This is Annexure B of 11 pages referred to in Form 605, Notice of Ceasing to be a Substantial Holder.

SHEN FENG LEI

Signed by:

[SHEN FENG LEI]

Director

Sinom (Hong Kong) Limited

2005. 7. 12

Date

Share sale agreement

Sinom (Hong Kong) Ltd. (Vendor)

**Shanghai Industrial Investment Holdings (S.E.ASIA) Pte
Ltd. (Purchaser)**

MinterEllison

LAWYERS

AURORA PLACE, 68 PHILLIP STREET, SYDNEY NSW 2000, DX 117 SYDNEY
TEL: +61 2 9921 8888 FAX: +61 2 9921 8123
www.minterellison.com

Share sale agreement

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Details

Date

Parties

Name Sinom (Hong Kong) Ltd.
Short form name Vendor
Notice details Room 606, Tower One, Lippo Centre, 89 Queensway, Hong Kong
Facsimile + 86 21 6886 2628
Attention: Connie Y Guo

Name Shanghai Industrial Investment Holdings (S.E.ASIA) Pte Ltd.
Short form name Purchaser
Notice details 27/F Harcourt House, 39 Gloucester Road, Wanchai, Hong Kong
Facsimile +85 22 866 3986
Attention:

Background

The Vendor has agreed to sell and the Purchaser has agreed to purchase the Sale Shares subject to and on the terms and conditions contained in this agreement.

Agreed terms

1. Defined terms & interpretation

1.1 Defined terms

In this agreement:

Associate has the same meaning as in section 12 of the Corporations Act.

Business Day means:

- (a) for receiving a Notice under clause 8, a day that is not a Saturday, Sunday, public holiday or bank holiday in the place where the Notice is received; and
- (b) for all other purposes, a day that is not a Saturday, Sunday, public holiday or bank holiday in Hong Kong.

Business Hours means from 9.00am to 5.00pm on a Business Day.

Company means Mount Gibson Iron Limited ACN 008 670 817.

Completion means completion of the sale and purchase of the Sale Shares in accordance with clause 3.

Completion Date means 12 July 2005.

Corporations Act means the *Corporations Act 2001* (Cth).

Purchase Price means \$1,300,000 being the sum calculated by multiplying the number of Sale Shares to be transferred to the Purchaser at the transfer price of \$0.65 per Sale Share.

Relevant Interest has the same meaning as in sections 608 and 609 of the Corporations Act.

Sale Shares means 2,000,000 fully paid ordinary shares in the capital of the Company, constituting approximately 0.54% of the issued share capital of the Company.

SIIN means securityholder reference number.

Warranties means each of the representations and warranties from the Vendors set out in clause 5.1.

1.2 Interpretation

In this agreement, except where the context otherwise requires:

- (a) the singular includes the plural and vice versa, and a gender includes other genders;
- (b) another grammatical form of a defined word or expression has a corresponding meaning;
- (c) a reference to a clause, paragraph, schedule or annexure is to a clause or paragraph of, or schedule or annexure to, this agreement, and a reference to this agreement includes any schedule or annexure;
- (d) a reference to a document or instrument includes the document or instrument as novated, altered, supplemented or replaced from time to time;
- (e) a reference to **A\$, \$A, dollar** or **\$** is to Australian currency;
- (f) a reference to time is to Hong Kong time;

- (g) a reference to a party is to a party to this agreement, and a reference to a party to a document includes the party's executors, administrators, successors and permitted assigns and substitutes;
- (h) a reference to a person includes a natural person, partnership, body corporate, association, governmental or local authority or agency or other entity;
- (i) a reference to a statute, ordinance, code or other law includes regulations and other instruments under it and consolidations, amendments, re-enactments or replacements of any of them;
- (j) a word or expression defined in the Corporations Act has the meaning given to it in the Corporations Act;
- (k) the meaning of general words is not limited by specific examples introduced by **including, for example** or similar expressions;
- (l) any agreement, representation, warranty or indemnity by two or more parties (including where two or more persons are included in the same defined term) binds them jointly and severally;
- (m) any agreement, representation, warranty or indemnity in favour of two or more parties (including where two or more persons are included in the same defined term) is for the benefit of them jointly and severally;
- (n) a rule of construction does not apply to the disadvantage of a party because the party was responsible for the preparation of this agreement or any part of it; and
- (o) if a day on or by which an obligation must be performed or an event must occur is not a Business Day, the obligation must be performed or the event must occur on or by the next Business Day.

1.3 Headings

Headings are for ease of reference only and do not affect interpretation.

2. Sale and purchase

2.1 Agreement to sell and purchase

The Vendor sells and the Purchaser buys the Sale Shares on the terms and conditions of this agreement.

2.2 Sale Shares free from encumbrance

The Vendor must transfer the Sale Shares at Completion:

- (a) free from all charges, liens, restrictions against transfer, encumbrances and other third party interests; and
- (b) together with all rights, including dividend and voting rights, attached or accrued to them on and after the date of this agreement.

2.3 Waiver of equitable rights

The Vendor waives in favour of the Purchaser any equitable rights (including any equitable lien) which the Vendor has or may have in respect of the Sale Shares where the Purchase Price or any part of it remains unpaid.

3. Completion

3.1 Time and place

Completion will take place on the Completion Date at a time and place agreed by the parties.

3.2 Obligations of the Vendor

At Completion, the Vendor must deliver to the Purchaser a duly executed and completed transfer in registrable form in favour of the Purchaser for the Sale Shares, specifying the Vendor's SRN.

3.3 Obligations of the Purchaser after Completion

The Purchaser must pay the Purchase Price to the Vendor as set out in clause 4.

4. Purchase price

4.1 Payment of Purchase Price

Within one month after Completion, the Purchaser must pay the Purchase Price to the Vendor by giving the Vendor a bank cheque or by telegraphic transfer to an account nominated by the Vendor.

5. Warranties and representations

5.1 Warranties

The Vendor represents and warrants to the Purchaser that the following statements are true and accurate at the date of this agreement and will be true and accurate on each day up to and including the Completion Date:

- (a) the Vendor is the registered holder and beneficial owner of the Sale Shares (which are held on the Company's issuer sponsored subregister under the Vendor's SRN) and there are no mortgages, charges, liens, restrictions against transfer, encumbrances or other third party interests over or affecting those Sale Shares; and
- (b) the Vendor has the power and lawful authority to enter into and perform this agreement and this agreement constitutes a legal, valid and binding obligation on the Vendor, enforceable in accordance with its terms.

5.2 Purchaser warranties

The Purchaser represents and warrants to the Vendor that each of the following statements is true and accurate at the date of this agreement and will be true and accurate on each day up to and including the Completion Date:

- (a) it has the power to enter into and perform its obligations under this agreement and to carry out the transactions contemplated by this agreement;
- (b) it has taken all necessary action to authorise its entry into and performance of this agreement and to carry out the transactions contemplated by this agreement;
- (c) its obligations under this agreement are valid and binding and enforceable against it in accordance with their terms; and
- (d) it is not in possession of any inside information as defined under section 1042A of the Corporations Act.

5.3 Application of Warranties

Each of the Warranties remains in full force and effect on and after the Completion Date despite Completion taking place.

6. Substantial shareholder notice

The parties acknowledge that:

- (a) either party may be obliged under section 671B of the Corporations Act to serve or arrange to be served on the Company and the Australian Stock Exchange Limited after execution of this agreement, a substantial holding notice with respect to the sale of the Sale Shares; and
- (b) such notice may include a copy of the transfer specified in clause 3.2 and may include a copy of this agreement if necessary.

7. Acknowledgment

7.1 No relevant interest

Following Completion (despite any provision contained in this agreement and despite any right arising (whether expressly or impliedly) from any provisions of this agreement) each party agrees that:

- (a) the Vendor does not have a Relevant Interest in any shares (including the Sale Shares) in the Company in which the Purchaser or any Associate of the Purchaser has a Relevant Interest; and
- (b) the Purchaser does not have a Relevant Interest in any shares in the Company in which the Vendor or any Associate of the Vendor has a Relevant Interest.

7.2 Shares owned

Without limiting the generality of clause 7.1, the parties agree that following Completion and the registration of the Sale Shares in the name of the Purchaser, the Purchaser is free to dispose of the Sale Shares at any time and in any manner that the Purchaser sees fit in its absolute discretion and the Vendor, or any Associate of the Vendor, does not have any power to vote, or to control the exercise of any voting rights attaching to, any of the Sale Shares.

7.3 Further assurance

Each of the Purchaser and the Vendor agree that it will act consistently with clauses 7.1, 7.2 and this clause 7.3 and that there are no agreements, arrangements or understandings between each of the parties and their respective Associates which are inconsistent with the operation of clauses 7.1, 7.2 and this clause 7.3.

8. Notices and other communications

8.1 Service of notices

A notice, demand, consent, approval or communication under this agreement (**Notice**) must be:

- (a) in writing and signed by a person duly authorised by the sender; and
- (b) hand delivered or sent by prepaid post or facsimile to the recipient's address for Notices specified in the Details, as varied by any Notice given by the recipient to the sender.

8.2 Effective on receipt

A Notice given in accordance with clause 8.1 takes effect when taken to be received (or at a later time specified in it), and is taken to be received:

- (a) if hand delivered, on delivery;
- (b) if sent by prepaid post, two Business Days after the date of posting (or seven Business Days after the date of posting if posted to or from a place outside Australia);
- (c) if sent by facsimile, when the sender's facsimile system generates a message confirming successful transmission of the entire Notice unless, within eight Business Hours after the transmission, the recipient informs the sender that it has not received the entire Notice,

but if the delivery, receipt or transmission is not on a Business Day or is after 5.00pm on a Business Day, the Notice is taken to be received at 9.00am on the next Business Day.

9. Miscellaneous

9.1 Alterations

This agreement may be altered only in writing signed by each party.

9.2 Assignment

A party may only assign this agreement or a right under this agreement with the prior written consent of each other party.

9.3 Costs

Each party must pay its own costs of negotiating, preparing and executing this agreement.

9.4 Stamp duty

Any stamp duty, duties or other taxes of a similar nature (including fines, penalties and interest) in connection with this agreement or any transaction contemplated by this agreement, must be paid by the Purchaser.

9.5 Counterparts

This agreement may be executed in counterparts. All executed counterparts constitute one document.

9.6 No merger

The rights and obligations of the parties under this agreement do not merge on completion of any transaction contemplated by this agreement.

9.7 Entire agreement

This agreement constitutes the entire agreement between the parties in connection with its subject matter and supersedes all previous agreements or understandings between the parties in connection with its subject matter.

9.8 Further action

Each party must do, at its own expense, everything reasonably necessary (including executing documents) to give full effect to this agreement and any transactions contemplated by it.

9.9 Severability

A term or part of a term of this agreement that is illegal or unenforceable may be severed from this agreement and the remaining terms or parts of the term of this agreement continue in force.

9.10 Waiver

A party does not waive a right, power or remedy if it fails to exercise or delays in exercising the right, power or remedy. A single or partial exercise of a right, power or remedy does not prevent another or further exercise of that or another right, power or remedy. A waiver of a right, power or remedy must be in writing and signed by the party giving the waiver.

9.11 Relationship

Except where this agreement expressly states otherwise, it does not create a relationship of employment, trust, agency or partnership between the parties.

9.12 Governing law and jurisdiction

This agreement is governed by the law of Hong Kong and each party irrevocably and unconditionally submits to the non-exclusive jurisdiction of the courts of Hong Kong.

Signing page

EXECUTED as an agreement.

Signed for and on behalf of **SINOM (HONG KONG) LTD.** by an authorised officer in the presence of

SHEN FENGLEI
Signature of officer

Zhang Lisha
Signature of witness

← SHEN FENGLEI
Name of officer (print)

ZHANG LISHA
Name of witness (print)

Director
Office held

Signed for and on behalf of **SHANGHAI INDUSTRIAL INVESTMENT HOLDINGS (S.E.ASIA) PTE LTD.** by an authorised officer in the presence of

张驰
Signature of officer

Zheng Tracy
Signature of witness

← ZHANG CHI
Name of officer (print)

Zheng Jia
Name of witness (print)

Director
Office held