

MOUNT GIBSON IRON LIMITED - Future Growth and Performance

Shareholder Presentations Sydney and Melbourne
14-15 February 2012



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Investments in shares in MGI is considered highly speculative.

Company overview



Corporate

- Issued capital 1082.6 million shares, 2 million options
- Market cap¹ A\$1,462 million
- Cash² A\$421 million
- Total debt² nil
- EV A\$1,041 million
- Index S&P/ASX 200
- Finance facilities A\$115m (includes A\$65m contingent debt)

Financials (year ended 30 June)

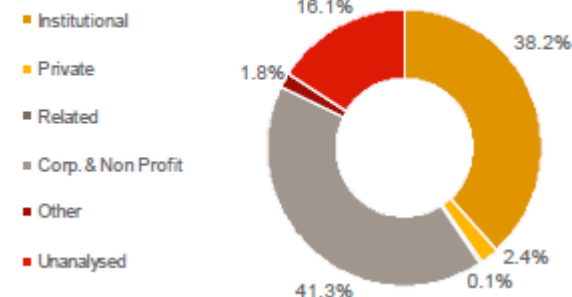
		2007	2008	2009	2010	2011	1stH 2012
• Sales volume	MWMT	2.5	5.5	5.4	6.5	5.2	2.84
• Sales	A\$ m	163	433	425	536	672	377
• NPAT	A\$ m	48 ³	113	43	132	239	121
• EPS	cps	7.4	14.1	4.6	12.3	22.1	11.4

Shareholders

- APAC Resources 26.58%
- Shougang Fushan 15.14%

Insto's represent 38% of shareholding

Total Shareholder Composition



Notes:

- 1 Share price of \$1.35 as at 10 February 2012
- 2 As at 31 December 2011
- 3 Includes \$19 million NPAT on sale of magnetite project

Company overview – What is different?



Australian based multi-operation quality hematite iron ore producer exporting to China

- Leadership renewal Board and Management
- Quality assets Optimising existing opportunities
- Financial position Strong balance sheet and cash flow generation
- Strategy Positioning for growth

Four key areas driving future corporate value

Leadership renewal



Board - Renewal well underway with mining, construction and M&A experience

- Geoffrey Hill - Chairman
- Russell Barwick
- Paul Dugas
- Alan Jones
- Cao Zhong
- Chen Zhouping
- Lee Seng Hui
- At least one new independent director to come - search well advanced

Management - Senior executive skills base being broadened

- Jim Beyer COO and Acting CEO
- Alan Rule CFO
- David Berg Company Secretary and General Counsel
- Dedicated Business Development, Human Resources managers to be appointed
- Increasing Exploration experience base

The organisation's capability continues to be strengthened

Quality assets - optimising existing opportunities



Koolan Island - up to 4 Mtpa production

- Current reserves 32.1 Mt at 64% Fe, low contaminant
- Commenced mining premium Main Pit ore in November 2011
- Targeting 3.5 Mt in FY 2013, 4 Mt in FY 2014
- Potential exists west of Mullet and Acacia orebodies
- Transition to owner mining in final stages

Mid West Region

Talling Peak, Extension Hill & Geraldton Port facilities *Up to 6 mtpa production region*

Talling Peak

- Current reserves 5.4 Mt at 61.2% Fe
- ~2.5 Mtpa until Dec 2013
- Strip ratio reduces significantly after FY2012
- Strong cash generating asset over next 2 years
- T1 access agreement - potential 3-9 months additional production

Extension Hill

- Current reserves 14.5 Mt at 59.5% Fe
- Annual production rate 3 Mt
- Road and rail commenced November 2011
- First ore sales Dec 2011
- Low strip ratio
- Operationally robust and straightforward
- Immediate cash generator
- Mt Gibson Ranges has strong DSO upside

Quality assets - Geraldton Port



- Staged commissioning March / April 2012
- Rail unloader upgrade at port funded by Mount Gibson
- Significantly reduces shipping constraints
- 50 year lease - valuable long term asset

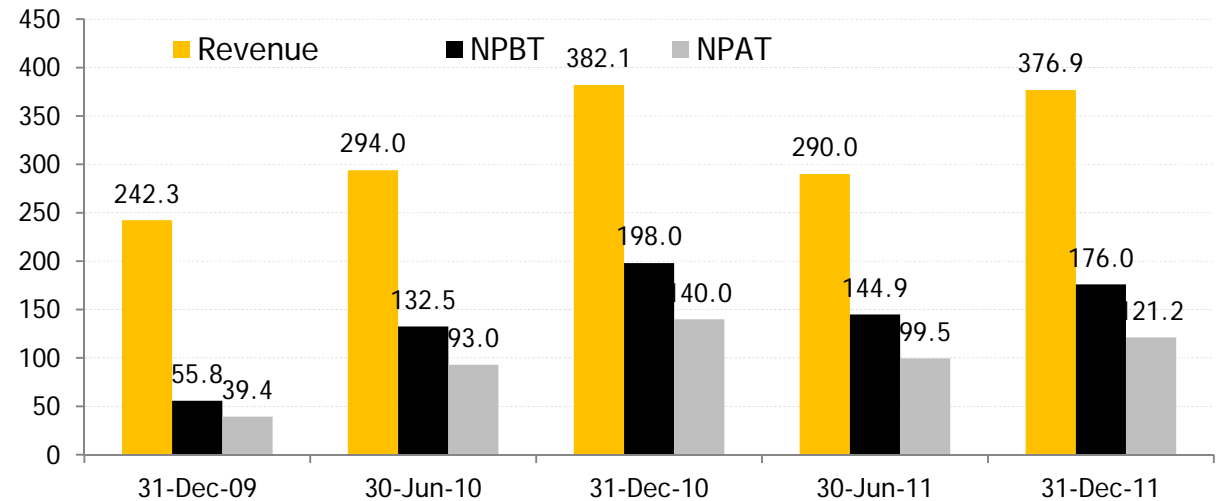


A true strategic asset, essential for getting product to market

Robust financial position

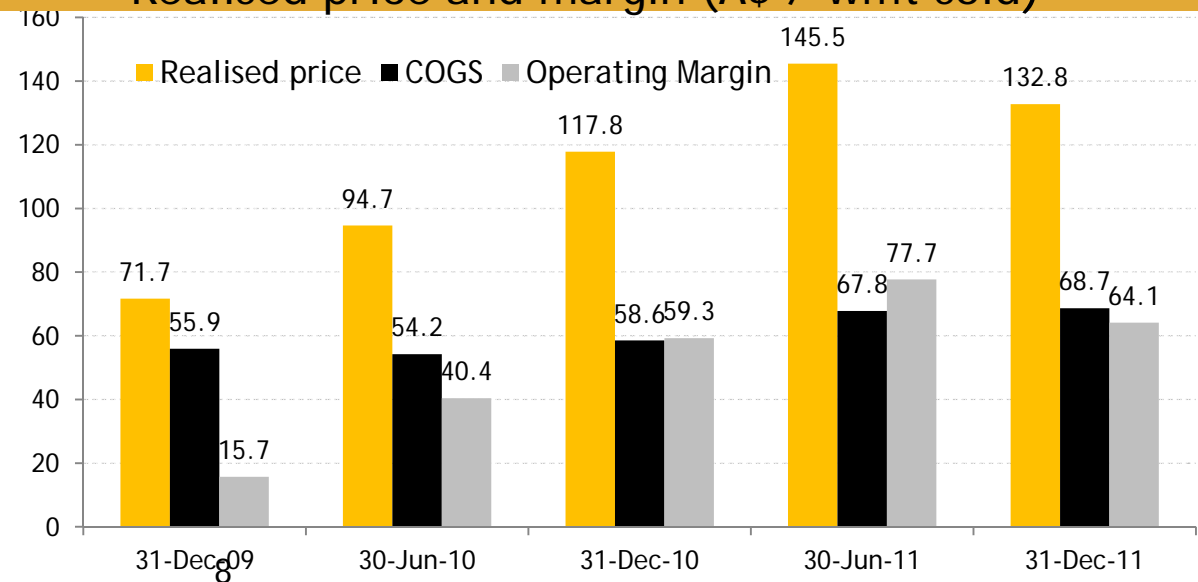


Profit and Loss (A\$m)



- Very solid and consistent profit performance
- Strong margins with capacity to generate cash in extended periods of soft prices

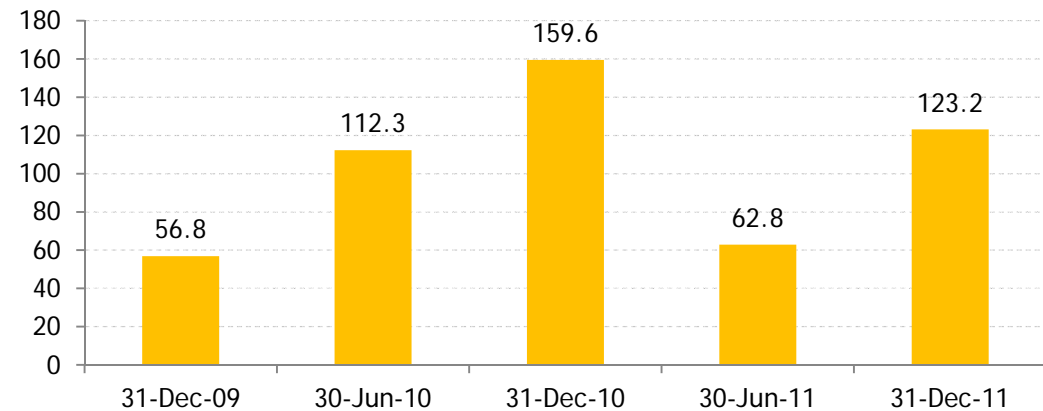
Realised price and margin (A\$ / wmt sold)



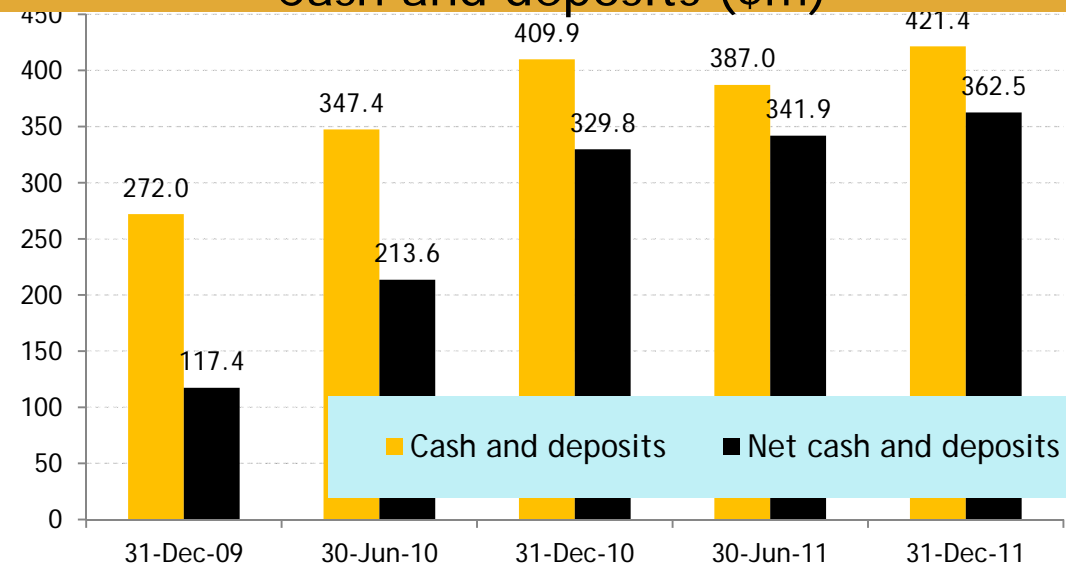
Robust financial position



Operating cash flow (\$m)



Cash and deposits (\$m)



- Strong cash position
- No large project capex requirements
- Normal sustaining capex covered by operating cash flows
- Strong capacity to fund growth options

Strategy - Positioning for Growth



Growth opportunities - M&A and Exploration driven

- Actively pursuing opportunities in carbon steel materials and diversified mineral commodities in Australia and overseas
- Revisiting and reinvigorating the exploration strategy in footprint and farm-in opportunities
- Acquisitions that:
 - lift Mount Gibson production to +10 Mtpa
 - provide longer life (>15 years) and lower cost
 - produce quality sought-after products
 - are at pre-feasibility or feasibility stage
 - internal strong cash flows can fund the acquisition and project development

Summary



Disciplined business strategy

Mount Gibson has...

- ✓ First mover status & access to existing infrastructure
- ✓ Proven operational performance
- ✓ Divested high risk, high cost and capittally intensive assets
- ✓ Organic growth plan
- ✓ Demonstrated M&A credentials
- ✓ Protected the business in adverse market environment

Strong cash flow generation

- ✓ Growing production profile
- ✓ Robust iron ore price outlook
- ✓ Clean & strong balance sheet
- ✓ Continued operating and capital cost pressures

Reinvestment of capital for growth
– organic (exploration, development)
– M&A
Or return to shareholders

Appendices

Half year results overview



- Sales revenue \$376.9 million (down 1.4% on 2010) due to 12.3% lower tonnes sold, offset by 12.5% higher realised price
- Net profit after tax \$121.2 million (down 13.4% on 2010)
- Diluted EPS of 11.4 cents
- Operating cash flows \$123.2 million (down 22.8% on 2010)
- Cash balance of \$421 million
- Interim dividend of 2.0 cents per share fully franked
- Dividend Reinvestment Plan approved

Summary half year results



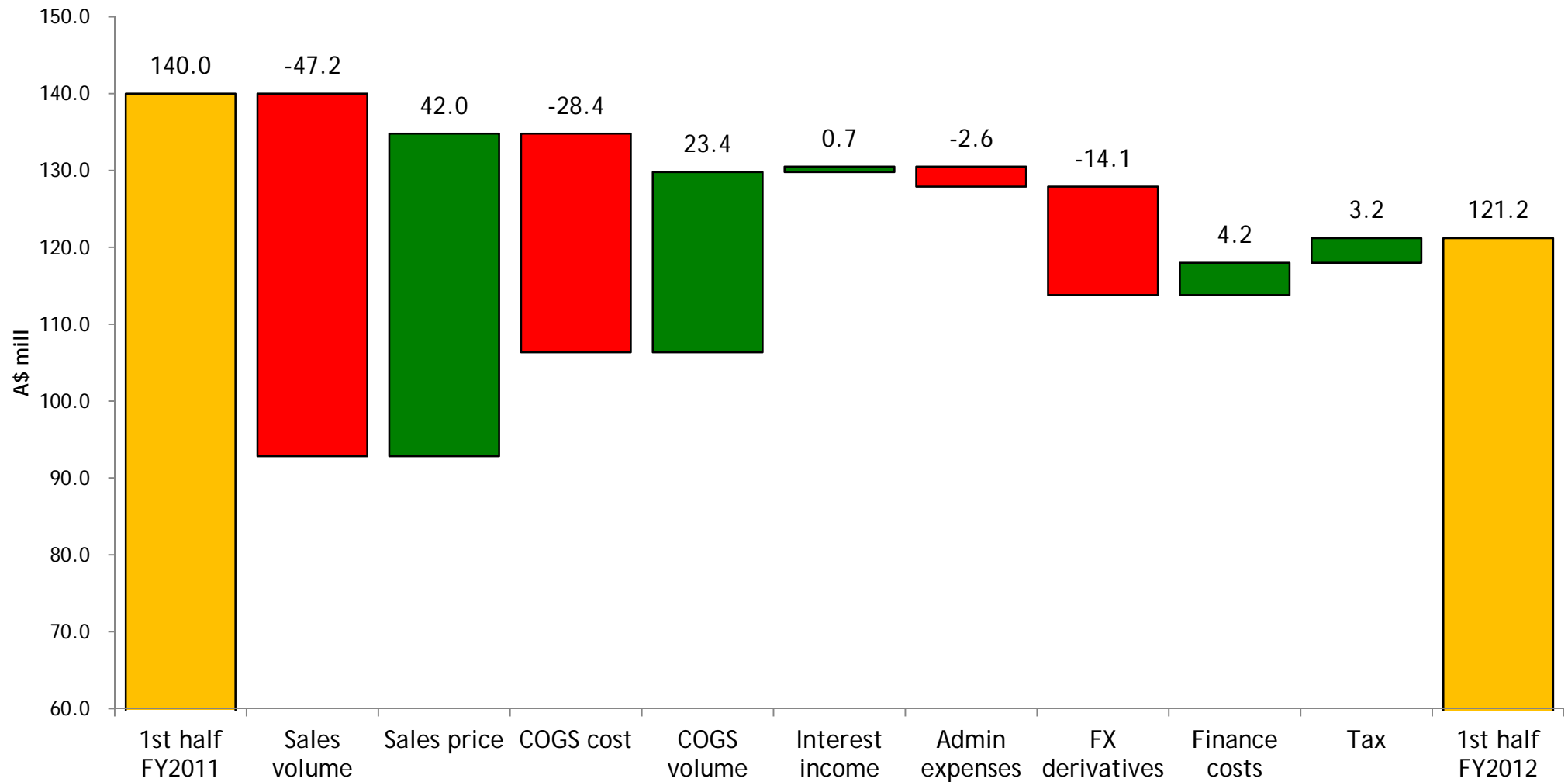
		6 months ended 31-Dec-10	6 months ended 31-Dec-11	% change pcp
Tonnes mined	<i>wmt (mill)</i>	3.13	3.55	13.4%
Tonnes sold	<i>wmt (mill)</i>	3.24	2.84	-12.3%
Sales revenue	<i>\$ mill</i>	382.1	376.9	-1.4%
Interest income	<i>\$ mill</i>	10.5	11.2	6.7%
Cost of goods sold	<i>\$ mill</i>	-189.9	-194.9	2.6%
	Gross profit	202.7	193.2	-4.7%
Admin and other expenses	<i>\$ mill</i>	-10.3	-12.9	-25.2%
FX derivatives mark-to-market gain	<i>\$ mill</i>	14.1	-	n/a
Operating profit before interest & tax	<i>\$ mill</i>	206.5	180.3	-12.7%
Finance costs	<i>\$ mill</i>	-8.5	-4.3	49.4%
Net profit before tax	<i>\$ mill</i>	198.0	176.0	-11.1%
Tax (expense)	<i>\$ mill</i>	-58.0	-54.8	5.5%
Net profit after tax	<i>\$ mill</i>	140.0	121.2	-13.4%

Key financial indicators



		6 months ended 31-Dec-10	6 months ended 31-Dec-11	% change pcp
Realised selling price	<i>A\$ / wmt</i>	117.93	132.71	12.5%
Cost of goods sold	<i>A\$ / wmt</i>	-58.61	-68.63	-17.1%
Margin	<i>A\$ / wmt</i>	59.32	64.08	8.0%
EPS	<i>cps</i>	12.95	11.34	-12.4%
Operating cash flow per share	<i>cps</i>	14.74	11.38	-22.8%
Dividend per share (annualised)	<i>cps</i>	0.00	4.00	n/a

Profit & Loss 1st half FY 2011 and 1st half FY2012 (millions)



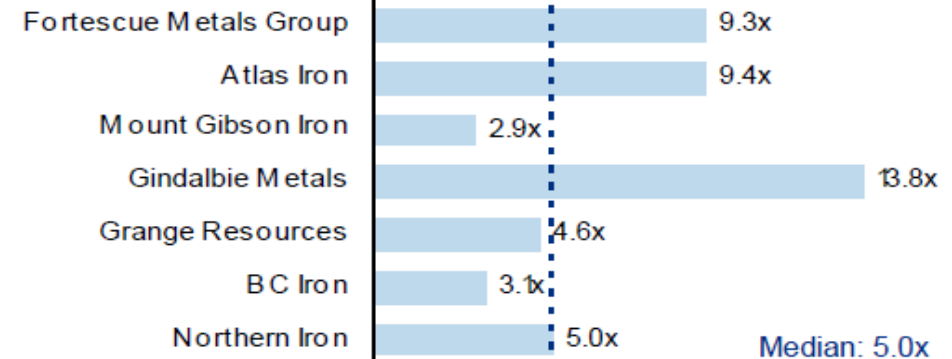
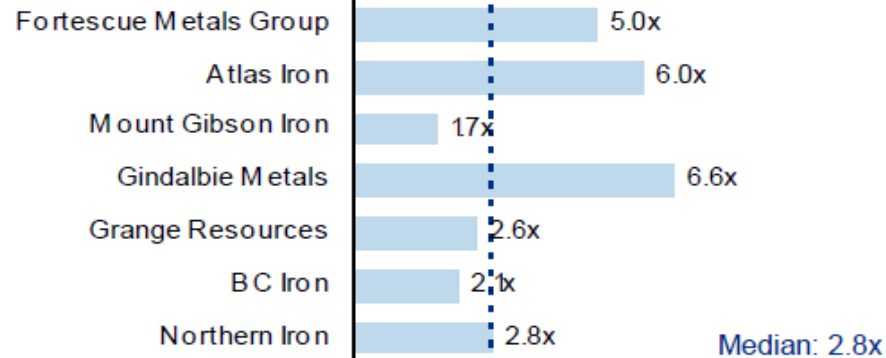
Citi peer group comparisons Feb 2012



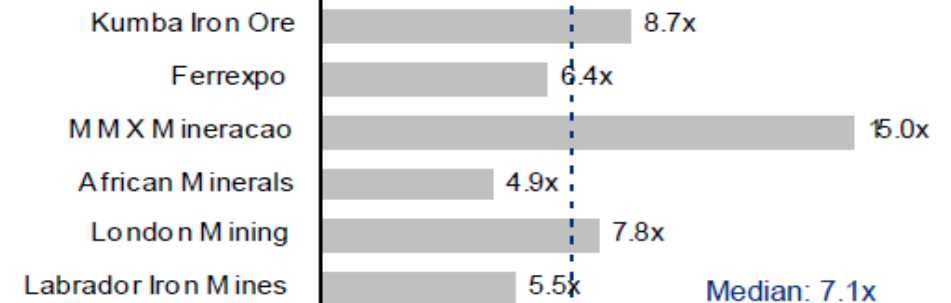
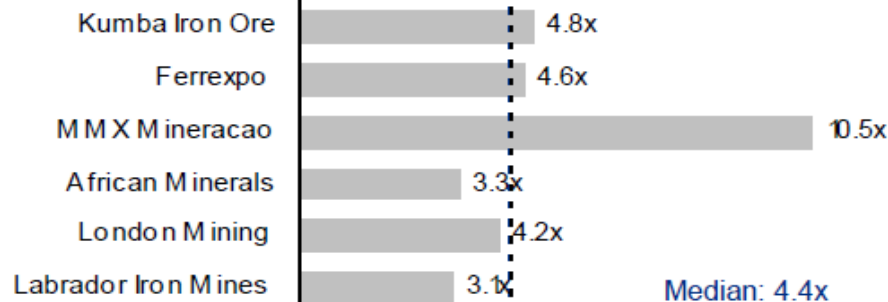
EV / EBITDA (FY12)⁽¹⁾

P / E (FY12)⁽¹⁾

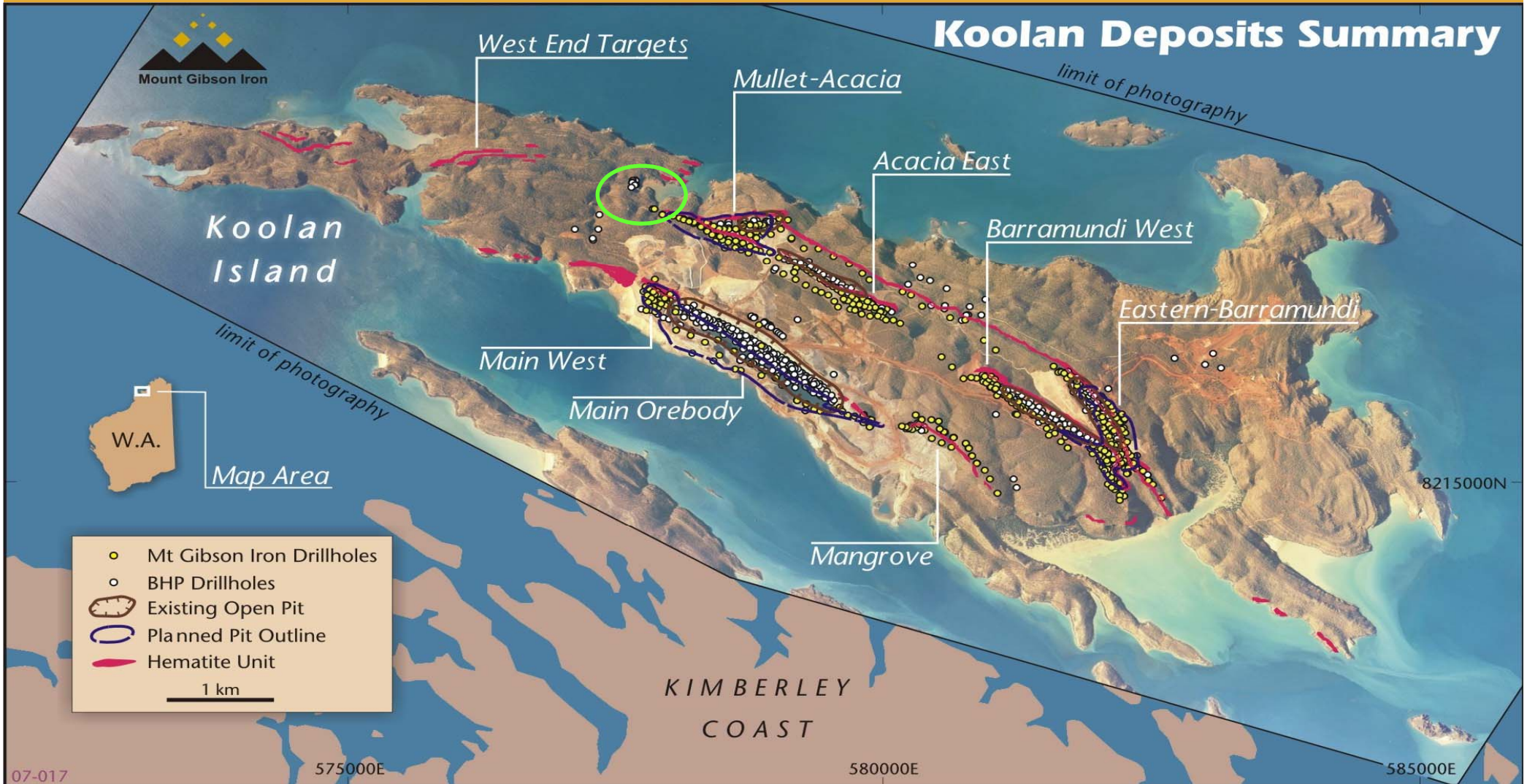
Australia



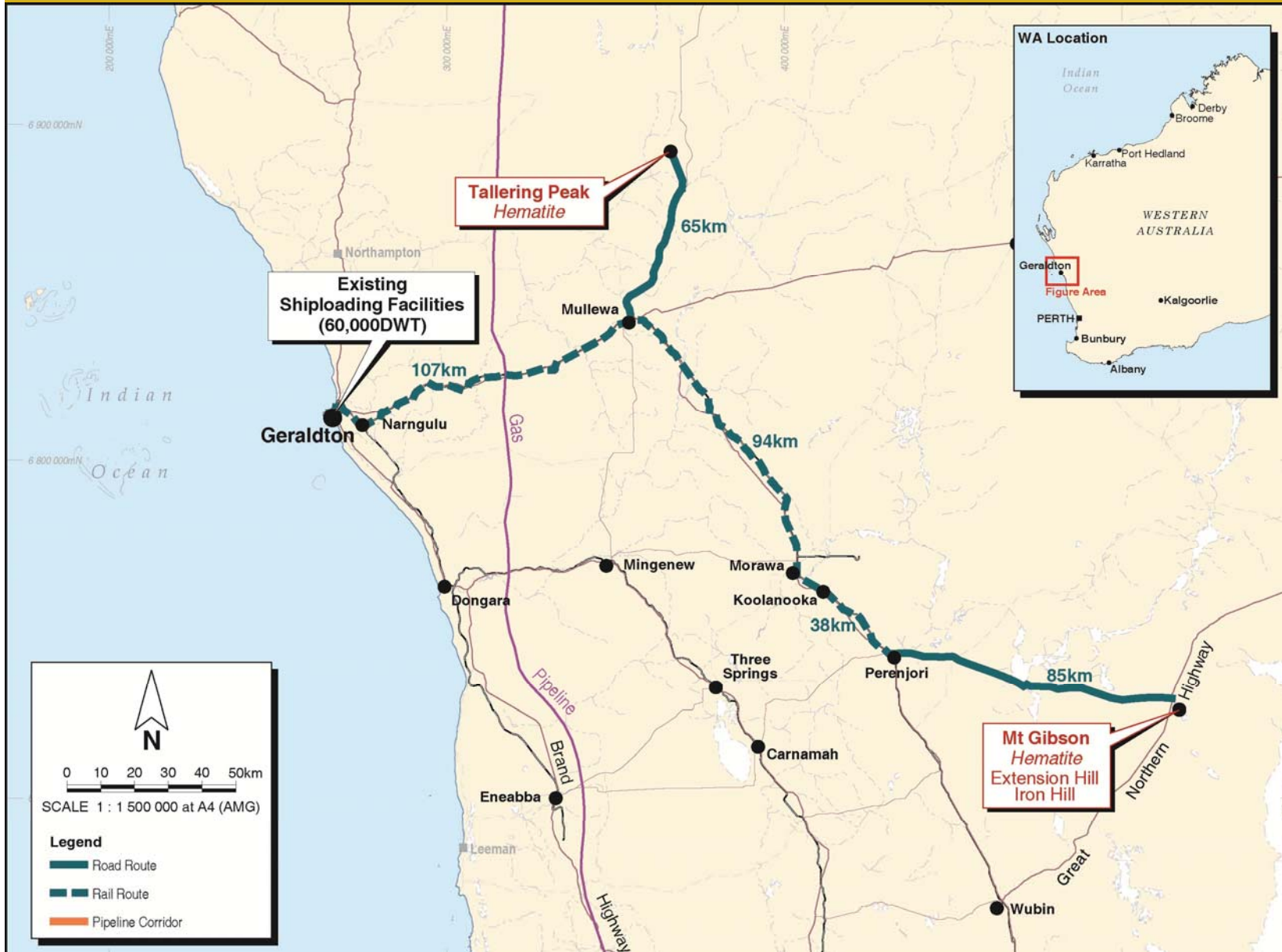
International



Quality assets - Koolan Island



Quality assets - Mid-West



Operations Key Statistics



Key Statistics

	Tallering Peak	Koolan Island	Extension Hill	Combined
Reserves and Resources¹				
Reserves <i>Proven & Probable</i>	(Mt) 5.35	32.1	14.5	56.5
Mineral Resources <i>Measured, Indicated & Inferred</i>	(Mt) 8.96	71.9	22.5	103.3
Reserve Specifications				
Fe %	61.2 %	64.0 %	59.5%	
SiO ₂	5.30 %	6.76%	5.98%	
Al ₂ O ₃	2.69 %	0.84%	1.65%	
P	0.04 %	0.01 %	0.06 %	
LOI	1.77%	0.46%	6.04%	
Calcined Fe %	62.5 %	63.8 %	63.0 %	

Note:

1 As at 30 June 2011 - see ASX announcement of 13 September 2011 and MGI website

Operations Key Statistics



Key Statistics

		Tallering Peak	Koolan Island	Extension Hill	
Operations Data					
Annual production	(Mtpa)	~3	~4	~3	
Expected minimum mine life		2	8	5	
End of mine life		End of 2013	Mid 2019	Mid 2016	
Lump : Fines ratio		65% : 35%	30% : 70%	50% : 50%	
Truck	(km)	65	-	85	
Rail	(km)	107	-	240	
Strip ratio - LOM	(t : t)	5.5:1	6:1 (est.)	1.1:1	
Port		Geraldton	Koolan Island	Geraldton	

Attributions



The information in this report relating to Mineral Resources is based on information compiled by Rolf Forster, who is a member of the Australasian Institute of Mining and Metallurgy. Rolf Forster is a consultant to Mount Gibson Mining Limited, and has sufficient experience relevant to the styles of mineralisation and type of deposit under consideration and to the activity he is undertaking, to qualify as a Competent Person as defined in the December 2004 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Rolf Forster has consented to the inclusion of the matters in this report based on his information in the form and context in which it appears.

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