

CEO Presentation

Annual General Meeting
14 November 2012



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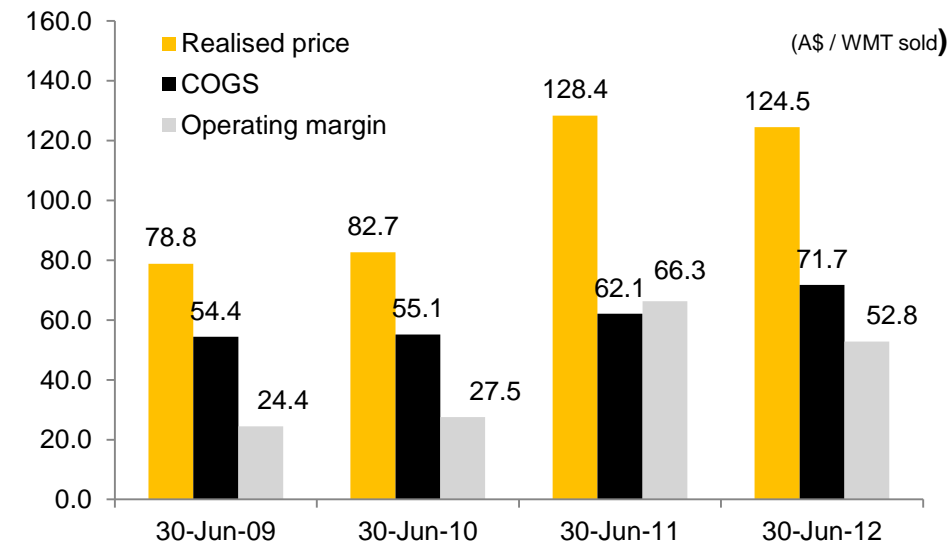
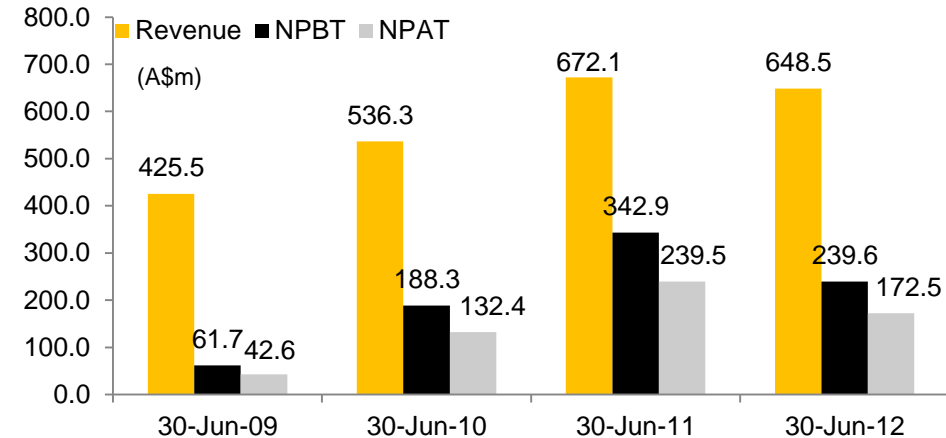
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Investments in shares in MGI is considered highly speculative.

Business Highlights FY2012

- Improved Safety with LTIFR dropping 11% to 2.62 (Metalliferous industry open/cut average 3.1)
- Strong net profit of \$172.5 million – 2nd highest on record
- Maintained solid sales volumes and margins in year of operational challenges
- Maintained full year dividend distribution of 4.0cps
- Balance sheet strength maintained
- Cash balance of \$293m @ 30 June



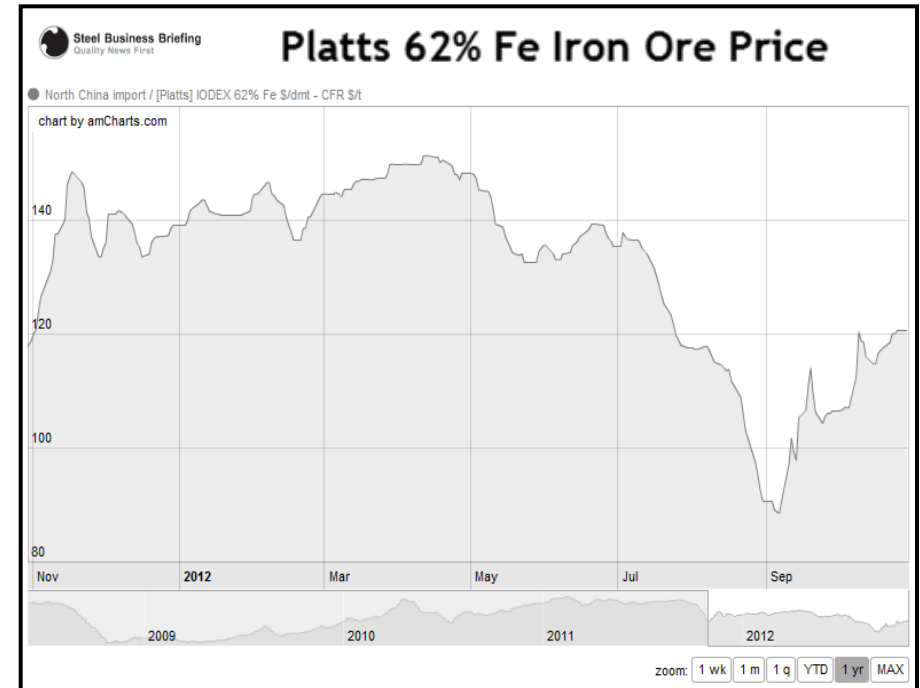
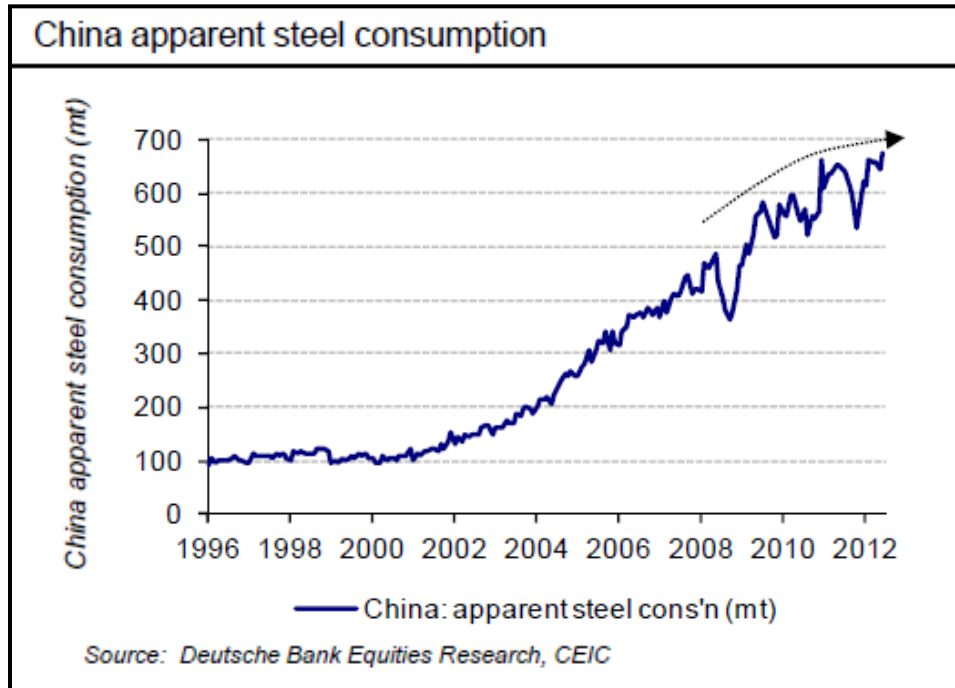
What has been achieved in the last year?

Substantial progress has been attained across the business in challenging circumstances

- ✓ Appointed 3 new independent directors
- ✓ Implemented new independent corporate governance mechanisms
- ✓ Board independence/corporate governance formally recognised by the FIRB
- ✓ Completely rebuilt and expanded executive capability:
 - new CEO appointed May
 - new CFO commenced September
 - new COO commenced September
 - new Company Secretary/General Counsel commenced April
 - dedicated executives for HR, HSE, IR
- ✓ Improved reliability of production and sales
- ✓ Commenced exports from Extension Hill
- ✓ Doubled MGI export capacity at Geraldton Port
- ✓ Implemented company wide program to reduce costs and maximise cash flow in volatile conditions
- ✓ Achieved 2nd highest profit and maintained dividend in highly volatile market
- ✓ Established new customers
- ✓ Completed first spot sales of new low grade product from Talling Peak
- ✓ Completed first mineralised waste sales from Koolan Island
- ✓ Stepped up exploration program: T1, Extension Hill, Koolan mainland
- ✓ Progressed comprehensive review of Mid West growth opportunities

Market Outlook

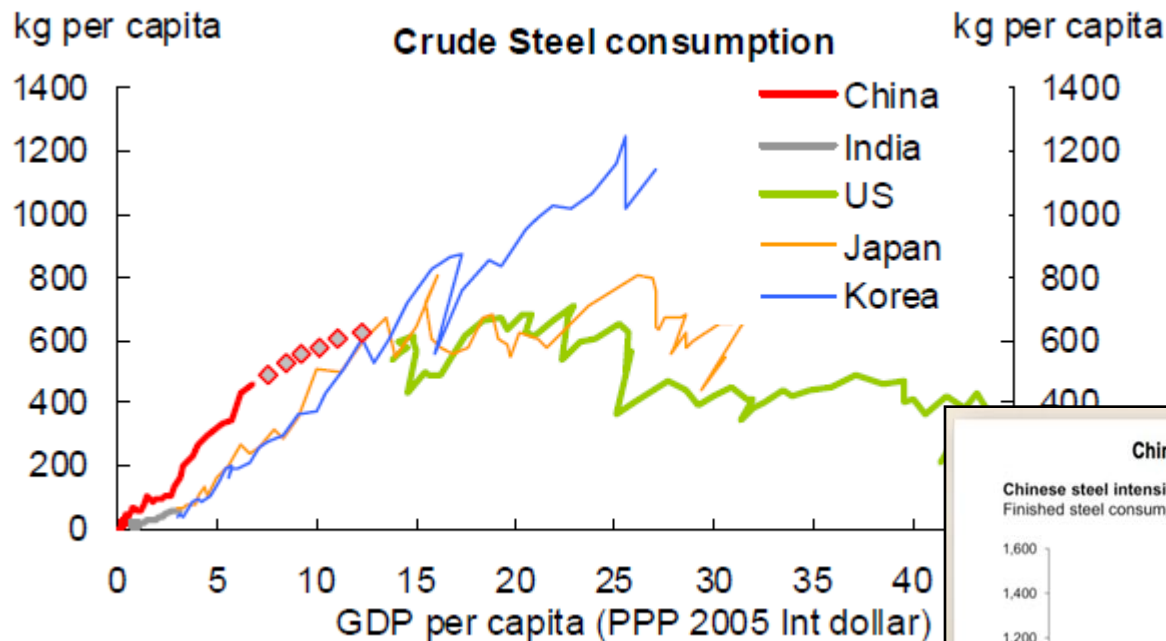
Volatility has become an increasingly prevalent factor in the iron and steel markets



A range of macro-economic factors have contributed to increased volatility for iron ore prices and Chinese steel consumption. But the fundamentals for increasing demand are still present ...

Market Outlook

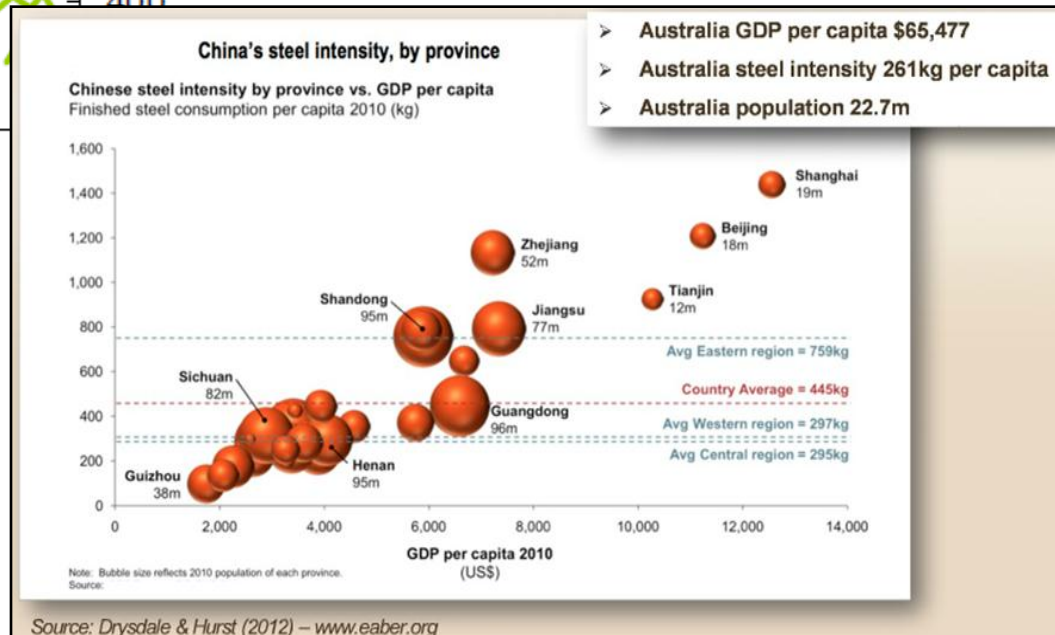
But the outlook is still strong – Chinese steel consumption has a long way to run



Source: NBS, World Bank, Macquarie Research Nov 2012

Chinese steel intensity remains well down the curve compared with other developed economies.

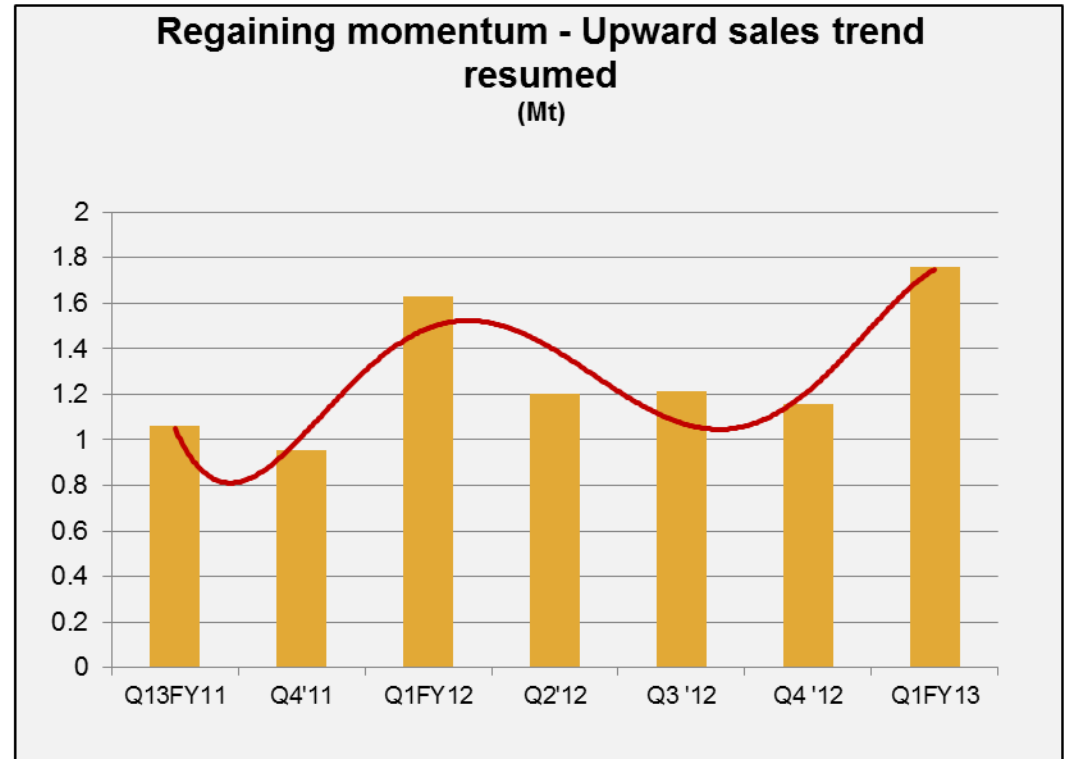
Urbanisation remains a key driver of Chinese steel consumption, with regeneration of existing urban centres also becoming important to underlying demand.



Moving in the right direction

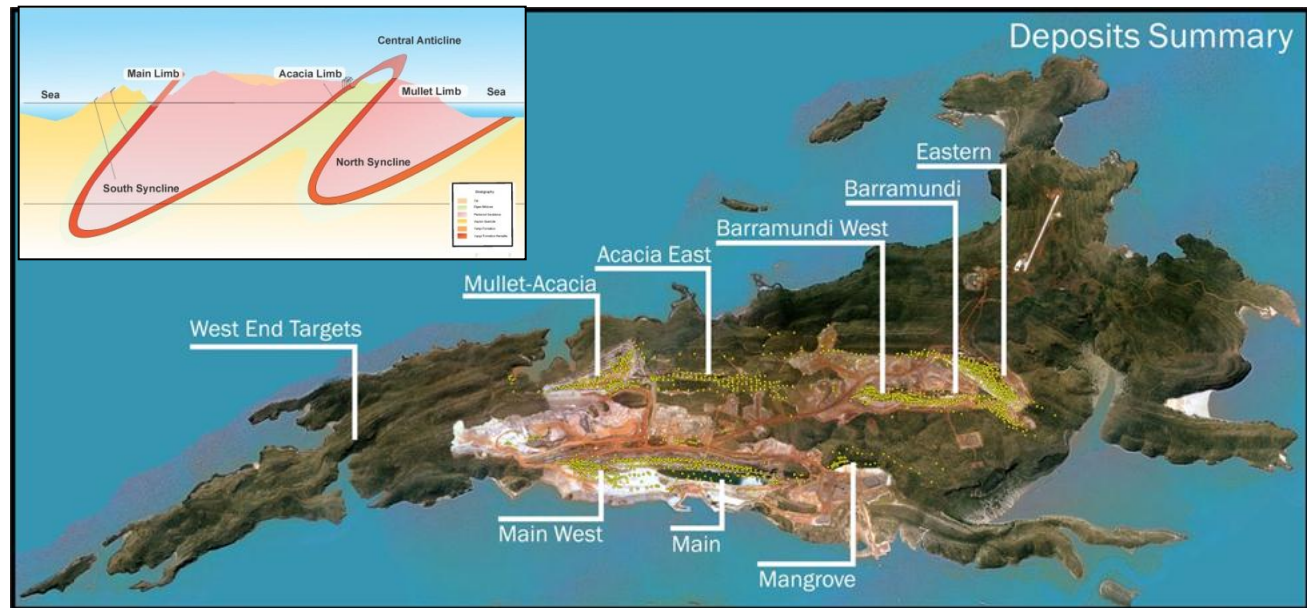
Operational performance improved significantly in the September quarter

- Sales outlook of 8 - 8.5 Mt in FY2013
- Increase in total shipments to 1.76 Mt – up 52% on prior quarter
- Koolan Island shipments increased 53% to 786Kt
- Mid West shipments increased 51% to 976Kt
- Commissioning and ramp-up of upgraded Geraldton port and rail facilities completed
- Third party upgrade of Mid West rail network completed
- Business-wide review to reduce costs and maximise cash flow in volatile conditions



Koolan Island - optimising existing operation

- Premium products
- Simple logistics – no rail, standalone ship-loader
- Current production rate ~3Mtpa, +9 year life
- Low grade sales commenced
- Study to define optimum production profile to be complete early 2013
- Operational changes to deliver major savings while optimisation completed

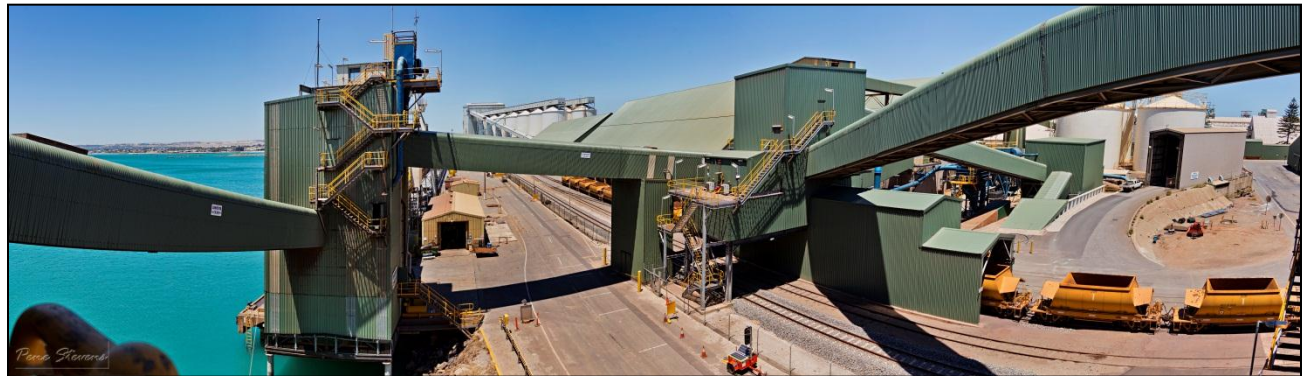


Searching for long term opportunities to utilise existing ship-loading capacity:

- Mainland tenement granted October 2012
- Main Deeps

Geraldton Port - increased export capacity

- Infrastructure access a strategic asset - key barrier to entry for new producers
- Upgrades have doubled MGI Mid West export capacity to ~6Mtpa
- 240,000t MGI Berth 5 shed commissioned April 2012
- Total MGI port storage capacity trebled to 360,000t
- 50 year leases (Berth 4 shed from 2002, Berth 5 shed from 2008) - valuable long term assets
- Rail unloader commissioning and ramp-up completed September 2012
- Regional rail upgrade completed October 2012



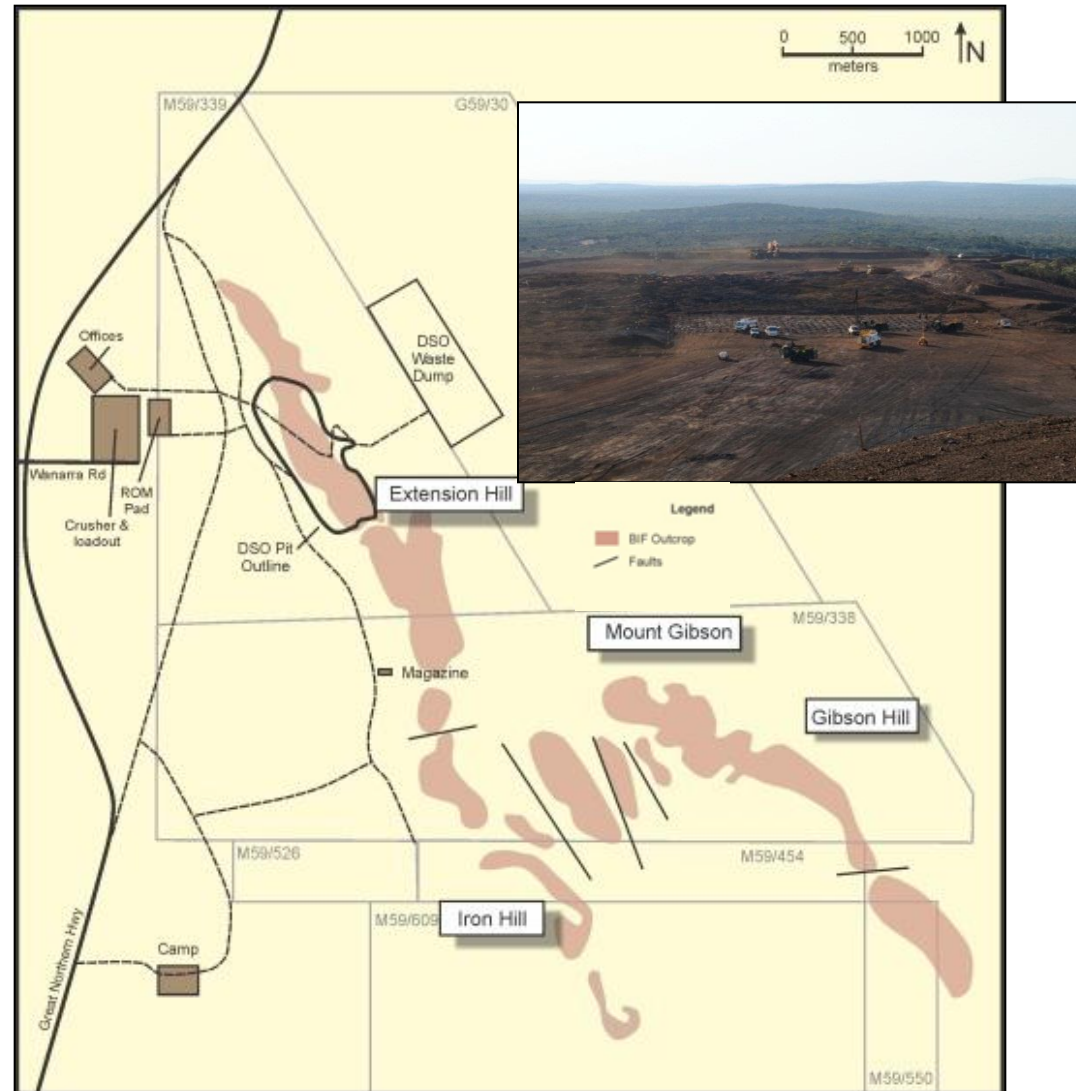
A strategic asset, essential to get product to market

Extension Hill - Exploration upside

- Simple, low cost operation, life of mine strip ratio ~1:1
- Nameplate capacity of 3Mtpa

Growth Potential:

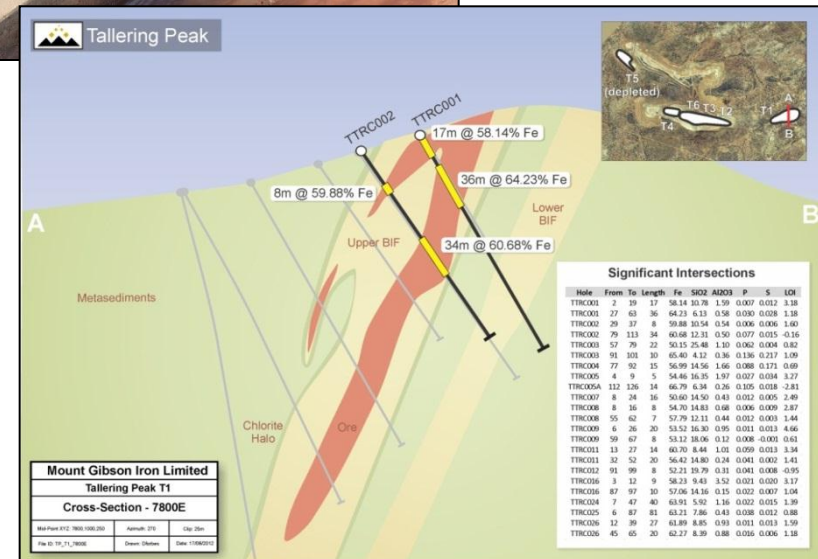
- Significant additional DSO potential in Mount Gibson Range
- DSO opportunities at Iron Hill and Gibson Hill
- Exploration access subject to regulatory approvals



Tallering Peak - finetuning for its final year



- Mining scheduled for completion in mid 2013
- Low grade stockpiles of ~1.1 Mt
- Sales from low-grade stockpiles to continue into FY2014
- T1 drilling in phase 2
- Evaluation of T1 expected to be complete early 2013



Strategy - pursuing growth

Optimising existing business, now pursuing M&A and exploration-driven growth

PRIORITIES

- Bed down recent initiatives to cut costs and maximise cash flow
- Target further cost control and elimination of waste/inefficiencies
- Evaluate early adoption of new deferred waste mining accounting standard
- Complete optimisation of Koolan mine plan
- Complete T1 assessment
- Continue to reinvigorate exploration strategy and expand footprint, particularly to capitalise on strategic export capacity in Mid West
- Continue to target opportunities in carbon steel materials in Australia and overseas that:
 - complement existing business
 - extend production profile and lower cost
 - produce quality sought-after products

Summary

Disciplined business strategy

Mount Gibson has...

- ✓ Access to existing export infrastructure
- ✓ Strengthening operational performance
- ✓ Focused growth plan
- ✓ Acted to protect the business in volatile market environment

Strong and profitable operating business

- ✓ Established DSO products
- ✓ Growing FY2013 production profile
- ✓ Strong balance sheet, cost focused
- ✓ Provides flexibility and buffer against market volatility

Thank You

For more information visit:
www.mtgibsoniron.com.au

Additional information

Total Group Mineral Resources and Reserves at 30 June 2012

	Tonnes millions	Fe %	SiO ₂ %	Al ₂ O ₃ %	P %
Mineral Resources	95.2	61.6	8.29	1.19	0.03
Mineral Reserves	44.3	62.6	6.40	1.16	0.03

NOTE: All estimates quoted to three significant figures. Rounding errors may occur.

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.



Koolan Island

Mineral Resources, above 50% Fe

	Tonnes millions	Fe %	SiO ₂ %	Al ₂ O ₃ %	P %
Measured	10.8	59.6	13.0	1.04	0.02
Indicated	44.3	64.1	6.70	0.77	0.01
Inferred	13.7	60.6	12.1	0.63	0.01
Total	68.9	62.7	8.77	0.78	0.01

Ore Reserves

Proved	5.46	60.0	13.2	0.50	0.01
Probable	23.8	65.0	5.26	0.87	0.01
Total	29.3	64.1	6.73	0.80	0.01

Extension Hill

Mineral Resources, above 50% Fe

Measured	12.0	58.0	6.69	2.16	0.06
Indicated	5.14	58.0	8.91	1.67	0.06
Inferred	2.26	62.6	5.13	1.25	0.05
Total	19.4	58.6	7.10	1.93	0.06

Ore Reserves

Proved	8.97	59.3	5.30	1.84	0.06
Probable	3.26	59.9	7.12	1.25	0.06
Total	12.2	59.5	5.78	1.68	0.06

Tallering Peak

Mineral Resources, above 50% Fe

Measured	3.48	61.5	4.76	2.65	0.04
Indicated	2.84	57.4	8.21	3.74	0.07
Inferred	0.61	55.8	12.8	2.90	0.06
Total	6.93	59.3	6.88	3.12	0.05

Ore Reserves

Proved	1.77	63.0	4.14	1.97	0.03
Probable	1.02	57.5	8.11	3.86	0.05
Total	2.80	61.0	5.59	2.66	0.04

NOTE: All estimates quoted to three significant figures. Rounding errors may occur.