



# Mount Gibson Iron Limited

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## ASX ANNOUNCEMENT

ASX code: **MGX**

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### Acquisition of Mid West Exploration Tenements Completed

Mount Gibson Iron Limited (**Mount Gibson**) has finalised the purchase of a substantial exploration landholding with Royal Resources Ltd (**Royal**) covering exploration tenements at Field's Find, 60 kilometres north of Mount Gibson's Extension Hill iron ore mine in Western Australia's Mid West region.

Mount Gibson Chief Executive Officer Jim Beyer said: "This is another example of how Mount Gibson is carefully focusing its resources on growth opportunities in areas where we have existing infrastructure and proven expertise.

"Already since mid-March we have announced the expansion of our Koolan Island mine to produce at an annual rate of 4 million tonnes. We are also advancing plans to extend operations at Tallering Peak into 2014 after proving up additional resources at the nearby T1 prospect. At Extension Hill, detailed reviews of past exploration work have identified a number of priority exploration targets south of our existing open pit mine that could hold additional mineable iron ore deposits."

The purchase of the Royal Resources tenements covering 250 square kilometres was foreshadowed last December. The acquisition is consistent with the Company's stated strategy to expand its exploration footprint around its existing Mid West iron ore operations and strategic transport infrastructure in this case nearby to the Extension Hill operation.

Subject to obtaining all necessary approvals, Mount Gibson anticipates that field activities will commence during coming months.

The tenements include a number of iron ore targets, including the Plateau prospect where Royal previously reported that drilling had intersected shallow hematite/goethite mineralisation from surface on a plateau, which covers an area of approximately 12 square km (refer Figure 1).

The purchase consideration comprises a cash amount of \$500,000 on settlement and two additional milestone payments of \$200,000 each upon the Company attaining sales of 1 million tonnes of iron ore, or 10,000 ounces of gold, from the project area within 10 years.

While not the focus of Mount Gibson's interest, the tenements are also considered prospective for gold and base metals, and contain the historic Baron Rothschild gold workings.

For further information:

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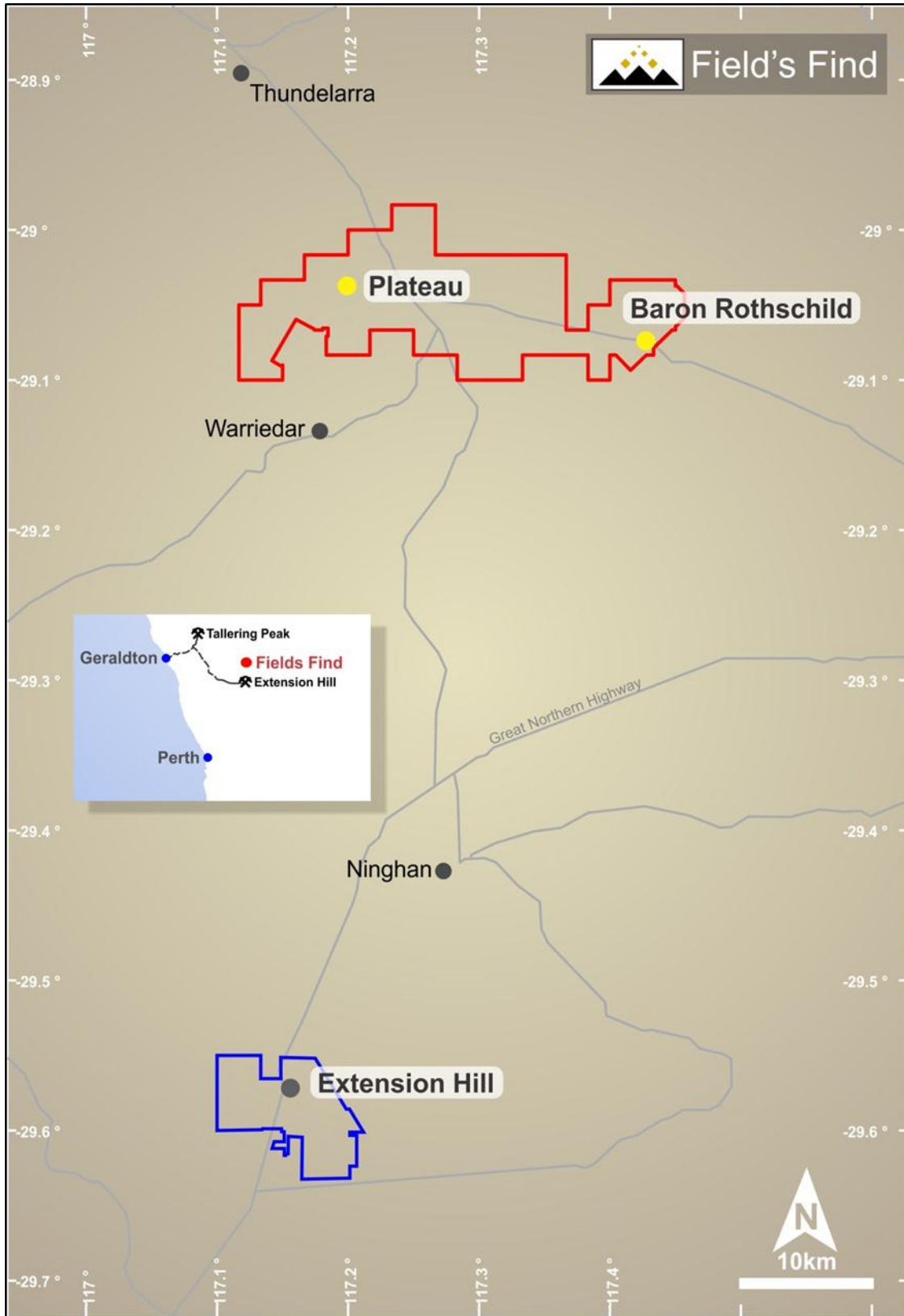
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**Figure 1** – Tenement package at Field's Find (in red) relative to Mount Gibson's Extension Hill iron ore mine (in blue).