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Investments in MGX shares are considered highly speculative.
Mount Gibson Iron
Corporate Overview

- Issued capital: 1,128.4 million shares
- Market capitalisation: A$536 million (at $0.475/share, 22 October 2018)
- Cash and investments: A$452 million (30 September 2018)
- Borrowings: Nil (30 September 2018)
- Index: ASX All Ordinaries

Shareholder Distribution (% issued shares)

- APAC Resources: 17.8%
- Australian Institutions: 7.5%
- Shougang Fushan: 6.3%
- Australian Retail: 14.5%
- North America: 19.0%
- UK & Europe: 33.2%
- Management: 1.3%
- Other: 0.4%

Board and Management

- Lee Seng Hui – Non-Executive Chairman
- Simon Bird – Independent Non-Executive Director
- Russell Barwick – Independent Non-Executive Director
- Paul Dougas – Independent Non-Executive Director
- Alan Jones – Independent Non-Executive Director
- Li Shaofeng – Non-Executive Director
- Peter Kerr - CEO
- Gill Dobson - CFO
- Scott de Kruijff - COO
- David Stokes – Co. Sec. & General Counsel
Koolan Island

- Australia's highest grade DSO hematite mine provides direct exposure to increasing high grade premium.
- Ore Reserves upgraded to 21.0Mt @ 65.5% Fe.*
- Seawall seepage barrier completed July 2018, dewatering progressing to plan.
- Project now +88% complete.
- On track for first ore sales by end of March 2019 Quarter.

Mid-West Region

- Iron Hill mine sales commenced June 2017, 3.2 Mwmt sold in FY2018.
- Planned DSO sales of 2.0-2.3 Mwmt in FY2019.
- Total Mid-West ore sales of 1.1 Mwmt in September 2018 Quarter.
- Mining on track for completion in late 2018, followed by final ore sales in early 2019.
- Right earned to a future income stream based on third party rail volumes, capped at ~$35 million.

*Refer ASX release dated 20 April 2018, and slide at end of this presentation.
September Quarter 2018
Overview
(All figures are expressed in Australian dollars unless stated otherwise)

- Quarterly product sales of 1.1 Mwmt* for revenue of $65 million Free on Board (FOB).
- Underlying operating cashflow of $18 million before Koolan Island restart expenditure of $23 million in the quarter.
- Cash and liquid investments of $452 million at 30 September 2018.
- All-in group cash costs** of $40/wmt FOB, and Mid West site cash costs of $37/wmt FOB^.
- Mining at the Mid-West Iron Hill deposit scheduled for completion in late 2018, with ore sales to conclude in early 2019.
- High-grade Koolan Island Mine Restart Project +88% complete, on track to commence ore sales in late March 2019 Quarter.
- CEO transition from Jim Beyer to Peter Kerr completed.
- Sales guidance for 2018/19 of 2.7-3.3 Mwmt at all-in group cash cost** of $52-57/wmt FOB.
- Net profit after tax of $99.1 million announced for FY2017/18 including $64.3 million insurance settlement proceeds.
- Fully franked final dividend for FY2017/18 of 3.0 cents per share paid on 15 October 2018.

* Million wet metric tonnes (Mwmt).
**All-in group cash costs are reported FOB and include all operating, sustaining capital, royalties and corporate costs, excluding Koolan Island restart project development capital.
^Site cash costs are reported FOB and include royalties and sustaining capital.
• Forecast FY2019 Iron Hill DSO sales of **2.0-2.3 Mwmt** at projected site cash costs\(^\text{^\textsuperscript{^\textsuperscript{\textdegree}}}\) of **$38-42/wmt** FOB.

• Iron Hill sales of **1.1 Mwmt** at site cash cost of **$37/wmt** FOB\(^\text{^\textsuperscript{^\textsuperscript{\textdegree}}}\) in September 2018 Quarter.

• Mining on track for completion in late 2018, ore sales to conclude in early 2019, followed by transition to closure.

• Lump and fines average ~60% Fe.

• High lump yield (+50%).

• Current market conditions realising a grade-adjusted discount of 10-15% for higher grade products and 30-40% for lower grade products.

• Potential future refund of historical rail access charges now triggered, with amounts receivable once MGX ends raling, based on future volumes railed by third parties, capped at ~$35 million.

• Total site closure and rehabilitation costs provisioned at ~$15 million (including redundancy), with ~$8 million to be spent during FY2019.

\(^\text{^\textsuperscript{^\textsuperscript{\textdegree}}}\)Site cash costs are reported FOB and include royalties and sustaining capital.
Koolan Island Mine Restart
A premier high grade iron ore opportunity

- One of the world's premier high grade hematite production opportunities.
- Main Pit Ore Reserves upgraded to 21.0Mt @ 65.5% Fe* extending mine life to 2023.
- Pre-tax NPV of $252m, including capex and closure costs, at 62% Fe CFR price of US$55/dmt and A$1.00/US$0.75.*
- Peak cash draw of $175m, including ~$100m development capex and pre-production mining.
- Robust economics using conservative Fe prices and FX assumptions.*
- High grade premium currently +25% compared with 10% base case assumption (65%Fe vs 62%Fe).
- On track for first ore sales late in March 2019 Quarter.

*Refer ASX release dated 20 April 2018 and slide at end of presentation.
Koolan Island Mine Restart
An unrivalled high grade hematite deposit

- High grade hematite (65.5% Fe).
- Very low contaminants (P, Al).
- Well understood orebody, consistent grade and width.
- Well understood mining characteristics.
- Ore Reserves upgraded April 2018, extending mine life to 2023.*
- High grade attracts a price premium – currently +25% for ores grading 65% Fe compared with 10% base case assumption.
- Highly sought-after product.
- Life-of-Mine production committed under existing long term offtakes.

*Refer slide at end of presentation for Competent Person’s information and ASX release dated 20 April 2018.

### Main Deposit - Ore Reserves

<table>
<thead>
<tr>
<th>Category</th>
<th>Mt</th>
<th>Fe%</th>
<th>SiO₂%</th>
<th>Al₂O₃%</th>
<th>Phos%</th>
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<tbody>
<tr>
<td>Proved</td>
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<td>63.4</td>
<td>7.25</td>
<td>1.11</td>
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<tr>
<td>Probable</td>
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<td>65.5</td>
<td>4.53</td>
<td>0.88</td>
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<tr>
<td>Total</td>
<td>21.0</td>
<td>65.5</td>
<td>4.54</td>
<td>0.88</td>
<td>0.012</td>
</tr>
</tbody>
</table>

Discrepancies may appear due to rounding. Mineral Resources are reported inclusive of Ore Reserves. All tonnages have been estimated as dry tonnages.
Koolan Island will be Australia’s highest grade DSO hematite producer at a Ore Reserve Grade of 65.5% Fe*:  
- 65% Fe premium currently +25% per dry metric tonne unit (dmtu) of contained iron relative to 62% Fe price.  
- Differential has widened since early 2016 - gap between 65% and 58% price now +100% (~US$55/dmt).  
- Structural change reflecting Chinese clampdown on airborne pollutants, transition to higher efficiency steel plants and steel makers seeking to maximise plant productivity and profit margins.  
- Demand for high grade feedstock imports by Chinese mills has increased as domestic production has reduced.

*For Ore Reserves information refer to slide at end of presentation and ASX release dated 20 April 2018.
Koolan Island Mine Restart
Forecast Operational Profile

At base case assumptions: (Platts 62% Fe of US$55/dmt CFR, USD:AUD FX rate of 0.75, 10% high grade premium).

- Peak cash draw prior to cashflow of approximately $175m, including development capex.
- Estimated payback period of 36 months from commencement of sales.
- Life of Mine (LOM) all-in cash cost of $48/wmt FOB (including development capex and closure) and $41/wmt FOB (excluding development capex and closure).
- Cash breakeven at US$40/dmt CFR (Platts 62% Fe), including capex and closure costs.
- Cash costs progressively reduce in line with strip ratio.
- Estimated pre-tax NPV of $252m and IRR of 37%.
- Estimated pre-tax NPV rises to over $900m with IRR over 90% at current spot prices. (Platts 62% Fe of US$75/dmt CFR, USD:AUD FX rate of 0.71 and high grade premium of 26%).

Note: All figures expressed in Australian dollars unless stated otherwise. For supporting information, refer to ASX release dated 20 April 2018.
Koolan Island Mine Restart Project Schedule

- Project +88% complete overall.
- On track for first ore sales late in March 2019 Quarter.
- Seawall embankment construction commenced June 2017, completed September 2017.
- Concrete seepage barrier completed in July 2018.
- Dewatering and footwall refurbishment well underway – water level now down ~20 metres.
- Mining to commence in December 2018 Quarter.
- Projected high grade sales of 0.7-1.0 Mwmt in FY2019 as production commences ramp-up.
Koolan Island Mine Restart
Dewatering progressing to plan

Main Pit dewatering and footwall refurbishment progressing, October 2018

Main Pit October 2017
Koolan Island Mine Restart
Dewatering progressing to plan

Re-profiling of central inner seawall, looking west, October 2018
Koolan Island Mine Restart
Footwall refurbishment

Shotcreting of Main Pit Footwall, October 2018.

Barge-mounted shotcreting equipment in Main Pit
Koolan Island Mine Restart
Main Pit footwall refurbishment

Avalanche mesh installation on footwall, October 2018

Avalanche mesh installation on footwall, July 2018
Koolan Island Mine Restart
Site infrastructure and mining fleet

Koolan Island Shiploader

Mining fleet on-site at Koolan Island

Koolan Island jetty and shiploader

Crushing facility & stockpile yard
• **Mid-West operations** – complete mining and sales from the Iron Hill operation and transition the Mid West operations to closure in early 2019.

• **Koolan Island** – conclude pit dewatering and commence production as scheduled in order to achieve first ore sales by the end of the March 2019 Quarter.

• **Cost reductions** - continue to drive for sustainable cost improvements.

• **Treasury returns** - maintain the increased yield on the Group’s cash and investment reserves.

• **Growth projects** - continuation of the search for acquisition opportunities.

### Guidance for 2018/19 (currency in A$)

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Iron ore sales</td>
<td>2.7 - 3.3 Mwmt</td>
</tr>
<tr>
<td>Site cash cost – Mid West</td>
<td>$38 - 42/wmt</td>
</tr>
<tr>
<td>Site cash cost – Koolan Island, initial sales*</td>
<td>$70 - 75/wmt</td>
</tr>
<tr>
<td>All-in group cash cost (excl. Koolan capital)</td>
<td>$52 - 57/wmt</td>
</tr>
<tr>
<td>Remaining Koolan Island spend to initial sales**</td>
<td>~$65 million</td>
</tr>
</tbody>
</table>

**Notes:**
- Site cash costs are reported FOB and include royalties and sustaining capital expenditure.
- All-in group cash costs are reported FOB and include all operating, sustaining capital, royalties and corporate costs, excluding development capital related to the Koolan Island restart project.
- * Site cash costs are for the initial early stage of production, and are projected to progressively decline over the mine life as the strip ratio reduces.
- ** Comprises remaining capital spend and pre-production costs prior to the commencement of ore sales, as at 30 September 2018.
• **High Grade Koolan Island Restart Project** represents a **compelling investment** that capitalises on the structural shift in favour of high grade iron ores.

• **MGX is the only Australian producer** that will provide investors with direct exposure to cashflows from sales of high grade hematite (+65% Fe) products.

• Koolan Island Restart Project on track to commence high grade sales by the end of the March 2019 Quarter.

• Sales from Iron Hill ores in the Mid-West provide a bridge to the commencement of high grade sales from Koolan Island.

• **Robust balance sheet** – cash and investment reserves of $452 million at 30 September 2018.

• **Experienced team** with a broad range of operating and corporate experience, and proven cost reduction and control capability, and ability to generate positive operating cashflows in a volatile price environment.

• Continued focus on **seeking resource investment opportunities** that leverage our strengths to provide value creation for MGX shareholders.
## Supplementary Information

### Mineral Resources and Ore Reserves Information at 30 June 2018

<table>
<thead>
<tr>
<th>Koolan Island</th>
<th>Total Group Mineral Resources and Ore Reserves at 30 June 2018</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Mineral Resources, above 50% Fe</strong></td>
<td><strong>Total Mineral Resources at 30 June 2018</strong></td>
</tr>
<tr>
<td>Measured</td>
<td>Total Ore Reserves at 30 June 2018</td>
</tr>
<tr>
<td>Indicated</td>
<td>Total Mineral Resources at 30 June 2018</td>
</tr>
<tr>
<td>Inferred</td>
<td>Total Ore Reserves at 30 June 2017</td>
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</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>Tonnage millions</th>
<th>Fe %</th>
<th>SiO₂ %</th>
<th>Al₂O₃ %</th>
<th>P %</th>
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<tbody>
<tr>
<td>Measured</td>
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<td>60.2</td>
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<td>12.21</td>
<td>0.59</td>
<td>0.013</td>
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<tr>
<td><strong>Total at 30 June 2018</strong></td>
<td><strong>1.79</strong></td>
<td><strong>55.3</strong></td>
<td><strong>9.16</strong></td>
<td><strong>2.76</strong></td>
<td><strong>0.077</strong></td>
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<tr>
<td>Measured</td>
<td>1.27</td>
<td>55.3</td>
<td>9.16</td>
<td>2.76</td>
<td>0.077</td>
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<tr>
<td>Indicated</td>
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<td>10.42</td>
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<td><strong>Total at 30 June 2018</strong></td>
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<td><strong>55.8</strong></td>
<td><strong>9.53</strong></td>
<td><strong>2.44</strong></td>
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### Extension Hill

<table>
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<tr>
<th><strong>Mineral Resources, above 50% Fe</strong></th>
<th><strong>Total Ore Reserves at 30 June 2018</strong></th>
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<tbody>
<tr>
<td>Measured</td>
<td>Total Ore Reserves at 30 June 2017</td>
</tr>
<tr>
<td>Indicated</td>
<td>Total Mineral Resources at 30 June 2017</td>
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<tr>
<td>Measured</td>
<td>20.9</td>
<td>65.5</td>
<td>4.53</td>
<td>0.88</td>
<td>0.012</td>
</tr>
<tr>
<td>Inferred</td>
<td>0.012</td>
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<td>55.8</td>
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<td><strong>56.2</strong></td>
<td><strong>11.73</strong></td>
<td><strong>1.79</strong></td>
<td><strong>0.076</strong></td>
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### Tallering Peak

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<th><strong>Mineral Resources, above 50% Fe</strong></th>
<th><strong>Total Ore Reserves at 30 June 2018</strong></th>
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<tr>
<td>Measured</td>
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<td><strong>Total at 30 June 2018</strong></td>
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<td><strong>57.9</strong></td>
<td><strong>11.10</strong></td>
<td><strong>2.15</strong></td>
<td><strong>0.069</strong></td>
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### Shine

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<th><strong>Mineral Resources, above 50% Fe</strong></th>
<th><strong>Total Ore Reserves at 30 June 2018</strong></th>
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<tbody>
<tr>
<td>Measured</td>
<td>Total Ore Reserves at 30 June 2017</td>
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<tr>
<td>Indicated</td>
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<th>SiO₂ %</th>
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<tr>
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<td><strong>9.57</strong></td>
<td><strong>1.48</strong></td>
<td><strong>0.071</strong></td>
</tr>
</tbody>
</table>

Discrepancies may appear due to rounding. Mineral Resources are reported inclusive of Ore Reserves. All tonnages have been estimated as dry tonnages.