



Mount Gibson Iron Limited

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The Manager
Company Announcements
Australian Stock Exchange Limited
Level 10, 20 Bond Street
SYDNEY NSW 2000

SUBJECT: MOUNT GIBSON IRON INCREASES IRON ORE PRODUCTION WITH BENEFIT OF SUBSTANTIALLY INCREASED PRICES

Mr Brian Johnson, Managing Director of Mount Gibson Iron Limited (ASX Code "MGX") advises that the Company shipped 509,000 tonnes of iron ore from its Talling Peak mine in Western Australia, in the quarter ending 31 March 2005.

The volume is in line with forecast production for the period which will be increased from 2.0Mtpa to 3.0Mtpa in January 2006 following delivery of additional rail wagons.

Mr Johnson said that the Company was benefiting from substantially increased iron ore prices with operating profits now in excess of \$25.00 per tonne.

Yours sincerely,
MOUNT GIBSON IRON LIMITED

Angela Dent
Company Secretary

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