

Appendix 3Y

Change of Director's Interest Notice

Information or documents not available now must be given to ASX as soon as available. Information and documents given to ASX become ASX's property and may be made public.

Introduced 30/9/2001.

Name of entity	MOUNT GIBSON IRON LIMITED
ABN	87 008 670 817

We (the entity) give ASX the following information under listing rule 3.19A.2 and as agent for the director for the purposes of section 205G of the Corporations Act.

Name of Director	William B Willis
Date of last notice	20 December 2006

Part 1 - Change of director's relevant interests in securities

In the case of a trust, this includes interests in the trust made available by the responsible entity of the trust

Note: In the case of a company, interests which come within paragraph (i) of the definition of "notifiable interest of a director" should be disclosed in this part.

Direct or indirect interest	1. Direct 2. Indirect
Nature of indirect interest (including registered holder) Note: Provide details of the circumstances giving rise to the relevant interest.	a) William B Willis <Cameron Wallace A/c> b) William B Willis <Jake Willis A/c> c) William B Willis <Trey Dawson A/c> d) William B Willis and Rhonda M Willis <Willis Super Fund A/c>
Date of change	4 January 2007
No. of securities held prior to change	1: A: 200,000 2a): A: 40,000 2b) A: 40,000 2c) A: 40,000 2d) A: 1,020,000 2d) B: 1,000,000
Class	A. Ordinary shares B. Options exercisable on or before 31 December 2006 at 25 cents
Number acquired	2d) A. 1,000,000

+ See chapter 19 for defined terms.

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Number disposed	2d) B. 1,000,000
Value/Consideration Note: If consideration is non-cash, provide details and estimated valuation	2d) A: \$250,000
No. of securities held after change	1: A: 200,000 2a): A: 40,000 2b) A: 40,000 2c) A: 40,000 2d) A: 1,720,000
Nature of change Example: on-market trade, off-market trade, exercise of options, issue of securities under dividend reinvestment plan, participation in buy-back	exercise of options

Part 2 – Change of director's interests in contracts

Note: In the case of a company, interests which come within paragraph (ii) of the definition of "notifiable interest of a director" should be disclosed in this part.

Detail of contract	NIL
Nature of interest	NIL
Name of registered holder (if issued securities)	NIL
Date of change	NIL
No. and class of securities to which interest related prior to change Note: Details are only required for a contract in relation to which the interest has changed	NIL
Interest acquired	NIL
Interest disposed	NIL
Value/Consideration Note: If consideration is non-cash, provide details and an estimated valuation	NIL
Interest after change	NIL

+ See chapter 19 for defined terms.