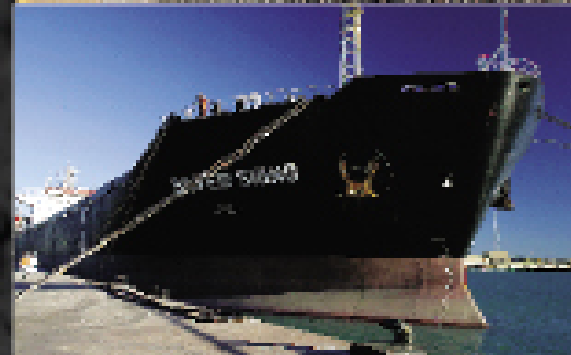


Mount Gibson Iron



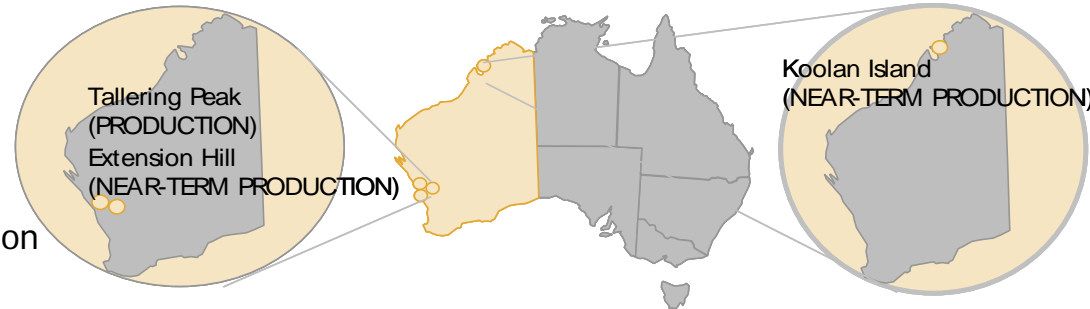
'The Mid-West's largest independent producer'



Mount Gibson Iron—background

Introduction

- Mount Gibson Iron is a mid-cap iron ore producer with operations in the mid and northern regions of Western Australia—key operating assets include Talling Peak, Extension Hill and Koolan Island
- Currently producing c.3Mtpa with forecast production of c.10Mtpa in 2010



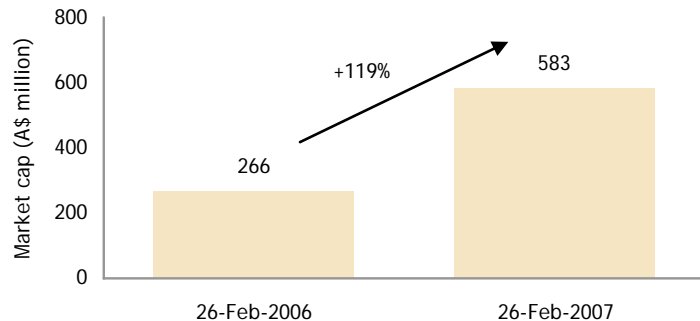
Key highlights and achievements—last 12 months

- 1 Successfully completed the acquisition of Aztec Resources by way of a takeover offer—in the process of integrating operations, optimising operations and extracting synergies
- 2 Realised A\$52.5 million as part of the divestment of the Extension Hill magnetite project—move represented a strategic shift towards hematite DSO focus
- 3 Market cap has increased c.119% from 12 months ago from A\$266 million market cap to A\$583 million today reflecting successful combination of Aztec Resources and associated market re-rating
- 4 Significantly enhanced cash flow generation — Strong current production, immanent production and near term production during a robust iron ore price environment
- 5 Established position within the mid-west as an existing producer of high-grade iron ore with strong production track record
- 6 Progressed Extension Hill—DSO and feasibility demonstrating outstanding financial returns



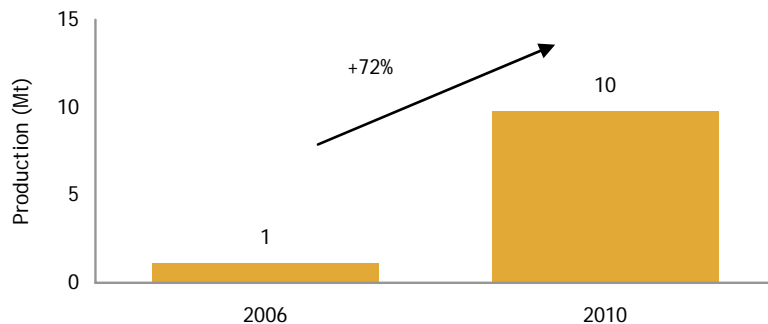
Standing out with production, cash flows and financial flexibility

Mount Gibson Iron has grown considerably in the last 12 months...



Source: Bloomberg

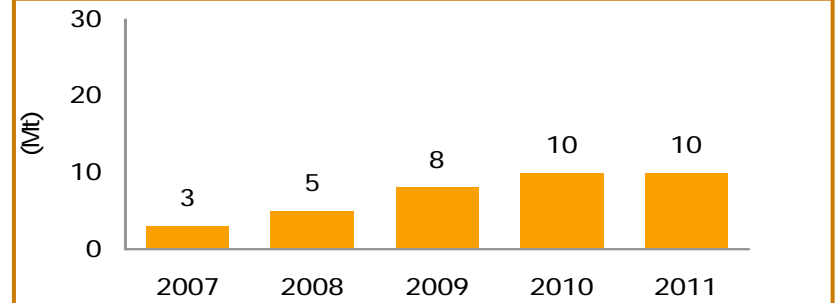
...and has forecast production CAGR of 72% from 2006 to 2010



Source: Company data



Mount Gibson Iron Reserves underpin production growth



- ◆ Market Cap = A\$583 million
- ◆ Key assets = Talling Peak, Extension Hill, Koolan Island
- ◆ Current reserves - 58Mt @ 63% Fe and Resources - 96Mt @ 63% Fe
- ◆ 100% hematite - option to increase annual production given identified exploration potential

Mount Gibson Iron DSO's fully funded

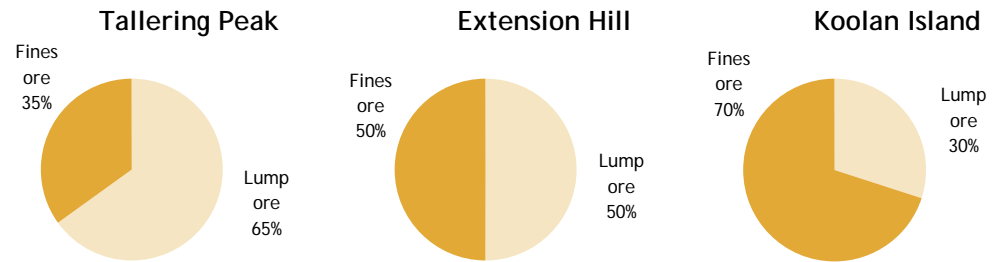
- ◆ Minimal capital cost requirements—pre-production expenditure at Koolan Island estimated at A\$147 million (c.A\$37 million remaining)
- ◆ Capital expenditure requirements are internally funded—do not need to tap equity capital markets for funding
- ◆ No infrastructure constraints in near-term—rail from Talling Peak to Geraldton; Koolan Island shipped from mine gate; Extension Hill will use upgraded Geraldton capacity

Leverage to a robust price environment with a focus on quality product

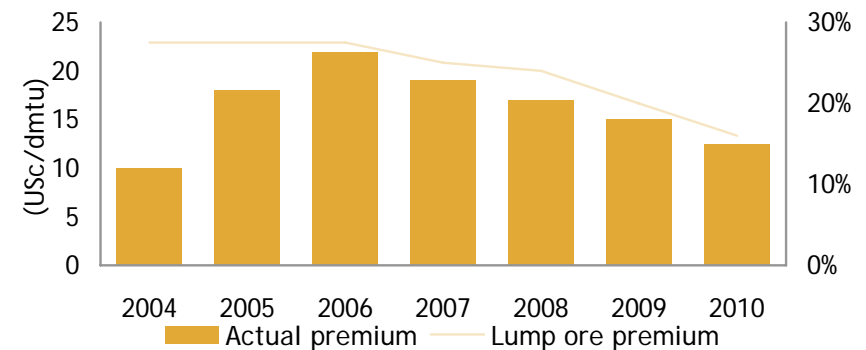
Hematite strategy allows Mount Gibson to be a premium producer

- Mount Gibson pursues a **hematite strategy** allowing it to focus on premium direct shipped iron ore products
 - premium hematite has **low levels of contaminants** such as silica, alumina, phosphorous and sulphur
 - provides **attractive iron units to steel makers**, as the lump fraction generated in crushing and screening of the ore can be fed directly to a blast furnace with no additional handling or processing
 - **lower capex/opex costs** as little processing is required prior to exports - only incremental upgrades to current infrastructure required
- Strategy should ensure **lower costs in the long-run** when compared to pellet/concentrate strategies

High proportion of lump ore produced...



...enabling Mount Gibson to take advantage of robust prices



Source: Company data, CRU Strategies

Recent evolution—Mount Gibson's current profile

Key themes

Contention

Excellent leverage to strong iron ore price

- Independent pure-play iron ore producer
- Iron ore is currently in a robust price environment and demand from China is expected to result in high prices to be maintained in the medium term
- Tallering Peak provides direct exposure through its currently producing mine (3 Mtpa)
- Aztec transaction to provide exposure to iron ore prices for longer

Premium direct ship iron ore strategy

- Mount Gibson pursues hematite strategy allowing it to focus on premium products. Benefits of this include high grade and low level of contaminants in iron ore making it a more attractive direct shipped product and low capex/operating requirements
- High proportion of lump ore production: can take advantage of lump ore premium pricing of ~28% (expected to be maintained until 2012)

Post-Aztec portfolio balanced between near term cash flow and growth

- Tallering Peak provides cash flow certainty by increasing production to 3Mtpa
- Extension Hill and Koolan Island provide growth potential with limited capex requirement
- Extension Hill: on completion of the feasibility study and approval, first production expected in early 09
- Koolan Island: first production expected in 1H07

Optionality

- Currently enjoys a strategic advantage with access to services and infrastructure. Member of Geraldton Iron Ore Alliance which focuses on creating a public policy environment enabling projects to have the ultimate capacity to succeed
- Lower capex requirements for development compared to peers
- Low gearing and improving financial flexibility to position the company to benefit from opportunities (e.g. M&A, investment for growth if price environment persists)

Value

- Still value upside to be gained in NPV terms
- Quality product always in demand
- Potentially trading discount to peer group

...Mount Gibson's investment case is solid and relatively low risk...

Koolan Island crushed ore stockpile



Koolan Island ship loader



Koolan Island berth access



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