



# Mount Gibson Iron Limited

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SYDNEY NSW 2000

## **SUBJECT: FIRST IRON ORE SHIPMENT FOR KOOLAN ISLAND OPERATION**

Mount Gibson Iron Limited ("**Mount Gibson**") (ASX Code MGX) is pleased to announce the first shipment of iron ore left the Koolan Island Port on Saturday 16<sup>th</sup> June 2007 on board the bulk carrier Coronado. The vessel is bound for southern China carrying 73,795 tonnes of lump iron ore grading +63% Fe. Another bulk carrier, Cemtex Wisdom, has berthed at Koolan Island and has commenced loading 75,000 tonnes of iron ore fines which is scheduled to be completed 19 June 2007.

Citic Australia Commodity Trading Pty Ltd nominated these bulk carriers to secure the first two iron ore shipments from Koolan Island and assist Mount Gibson commission ship loading and ore handling facilities.

Commissioning of Koolan Island plant and infrastructure has progressed as planned with all mining fleet delivered and operational. Mined material movements have increased to scheduled levels which has resulted in Run of Mine and crushed ore stockpiles exceeding 480,000 tonnes. Iron ore crushed and screened to date has produced an improved lump:fines ratio of approximately 50:50 which significantly exceeds the mine target of 30:70.

In announcing Koolan Island's first iron ore shipment, Mount Gibson's Managing Director, Mr Luke Tonkin commented on the operation's transition from construction to production.

"Mount Gibson targeted June 2007 for the first shipment of iron ore from Koolan Island. We are delighted that this significant milestone has been achieved as well as a second shipment being loaded which is ahead of schedule."

"Mining operations have grown steadily with the arrival and commissioning of Mount Gibson's Koolan Island mining fleet. This has generated significant ore stocks allowing the operations to accelerate the transition from construction activity to mine production and ore sales," he said.

Mr Tonkin said that the rebirth of Koolan Island Iron Ore Operations was a substantial collaborative effort of shareholders, community, employees, consultants, contractors, construction staff and financial institutions.

"Koolan Island is very well positioned to leverage from the strength in the iron ore market as a result of quality iron ore resources, dedicated employees, first class infrastructure and supportive long term customers," he said.



Bulk carrier Coronado berthed at Koolan Island preparing to load 73,795 tonnes of lump iron ore



Crushed lump and fine ore stockpiles and jetty at Koolan Island

Yours sincerely,  
MOUNT GIBSON IRON LIMITED



**Angela Dent**  
Company Secretary

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**About Mount Gibson Iron Limited (ASX Code: MGX)**

**Mount Gibson is Australia's leading** independent iron ore producer, and a driving force behind the development of the Mid West iron ore industry in Western Australia. Mount Gibson is leading the consolidation of the junior iron ore industry, and with the successful takeover of Aztec Resources, will build a sustainable platform for future shareholder growth. Mount Gibson has a hematite mining operation at Tallering Peak operating at its targeted production rate and has commenced production from Koolan Island hematite mining operation. Mount Gibson's plans to develop the Extension Hill hematite project are well advanced. Current production rates from Mount Gibson exceed 3Mtpa with forecast production of 10Mtpa in 2010. Mount Gibson has firm commercial relationships with major Chinese steel industry customers, and with continued strong demand and prices the Company and its shareholders are ideally leveraged to benefit from further commodity price rises. The Company is generating strong cashflow and has a stable and experienced management team focused on delivering returns to shareholders.