



Mount Gibson Iron Limited

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Pages = 1

The Manager
Company Announcements
ASX Limited
Level 10, 20 Bond Street
SYDNEY NSW 2000

Iron Ore Sales Outlook

Mount Gibson Iron Limited (**Mount Gibson**) production and sales performance for the first quarter of the financial year was very strong with 1.432 Mt being shipped comprising 712 kt of Lump and 720 kt of Fine ore. Mount Gibson has however received requests from a number of its customers to delay hematite ore shipments scheduled for the second quarter of the financial year.

Mount Gibson has no obligation to agree to any of the relevant customers' requests. In this regard, each customer has entered into binding long term ore sales agreements and is contractually obligated to take delivery of the shipments allocated to it in the second quarter.

Customer and iron ore sector analysis indicates a slow down in demand for iron ore in China due to current economic uncertainty and the tightening of credit facilities, leading to reductions in steel production and the current significant build-up of iron ore stockpiles at Chinese ports.

Mount Gibson will endeavour to reach an acceptable accommodation in respect of its long term shipping schedules with its contracted customers and take the necessary steps to minimise any disruption that may result to operations. Mount Gibson is well placed to modify operational objectives, project objectives, associated expenditure and production targets should this be required and will advise the market as to the possible impact on its operations once discussions with customers are more advanced.

Final Commonwealth Environmental Approval – Extension Hill DSO Project

Mount Gibson is pleased to announce it **has** received final Environmental Approval of Management Plans for its Extension Hill DSO Project from the Federal Government's Department of the Environment, Water, Heritage and the Arts. Federal approval of Management Plans was the final environmental approval required prior to the commencement of ground disturbing activities at the Extension Hill DSO Project.

For further information:
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