

REVISED PUBLIC REPORT TEMPLATE

This form is a template only. It contains the minimum fields required for public reports.

You do not need to use this form if you have made the required information publicly available in another format

Part 1 - Corporation details

Period to which the report relates

Start Period

1 /07/2012

End Period

30/06/ 2013

Controlling corporation

Insert the name of the controlling corporation exactly as it is registered with the EEO Program.

MOUNT GIBSON IRON LIMITED

Table 1.1 - Major changes to corporate group structure or operations

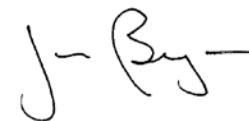
Table 1.1 – Major changes to corporate group structure or operations in the last 12 months

In line with the notation in the 2012 report, the Extension Hill mining operations have been included in this report.

Declaration

Declaration of accuracy and compliance

The information included in this report has been reviewed and noted by the board of directors and is to the best of my knowledge, correct and in accordance with the *Energy Efficiency Opportunities Act 2006* and *Energy Efficiency Opportunities Regulations 2006*. All opportunities have been assessed to a level of accuracy that is commensurate with the financial investment required for implementation.



Jim Beyer, Chief Executive Officer

Date 17 December 2013

Part 2 - Assessment outcomes

(If you are a 2006–07 trigger corporation, you do not have to complete this section. Please move on to Part 3)

It is compulsory to complete Tables 2.1 to 2.3 for each entity (subsidiary, business unit, key activity or site) that has been assessed.

Table 2.1 – Assessment details

Name of entity	Mount Gibson Mining Limited (Group Member) Extension Hill Operations	
A. Total corporate energy use in the last financial year	1,602,549	GJ
B. Total energy use covered by assessments	329,741	GJ
C. Total percentage of energy use assessed $(B \div A) \times 100$	20.58	%

Description of the way in which the entity carried out its assessment:

Note: (Total percentage of energy use assessed noted above is the percentage of energy consumed by Extension Hill, against the total energy consumption by Mount Gibson Iron Limited).

In operation and size Extension Hill and Tallering Peak, are similar facilities. Both are surface mining operations targeting hematite iron ore in the mid-west of Western Australia. One key difference is that Tallering Peak is nearing the end of its mine life where as Extension Hill's first shipment of ore occurred at the end of 2011.

All of Mount Gibson Iron (MGX) entities including Extension Hill reported their greenhouse emissions and energy use to the federal government via the National Greenhouse and Energy Reporting Scheme (NGERS) in 2012, and 2013. Those reports along with an internal audit of fuel use by an MGX Energy Reporting Group, has provided a detailed baseline of energy use across the operations.

The internal audit showed that diesel use constitutes 99.17% of the total energy consumed. The majority of remaining energy consumption relates to small sources of various hydrocarbons. In addition electricity is purchased for the sites rail siding for lighting purposes and represents 0.25% of total Extension Hill energy use.

During the reporting year the following energy efficiency initiatives were implemented:

- An informal policy has been implemented which encourages personnel to question whether a particular piece of operational equipment needs to be used. For example if an operator needs to travel across the site he or she may use a light vehicle rather than a front-end loader to reduce fuel consumption. Employees are also encouraged to turn machines off during periods of inactivity.



- The introduction of a monthly graphical report has commenced which provides information on power use which assists in more efficient management of power generation and consumption. As a result the crusher operation is switching to the smaller of its two generators, during periods of low energy requirement.
- The monitoring and reporting of diesel use at Extension Hill was also audited and assessed by an internal, 'MGX Energy Reporting Group'. The fuel flow process was checked from the point of bulk delivery, through to dispensing into production and power generation equipment. Potential opportunities from this program are currently under investigation.
- LED flood lights replacing halogen lights, at the crusher, could reduce fuel usage and maintenance and are currently under investigation.

Table 2.2 - Energy efficiency opportunities identified in the assessment of Extension Hill Operations

Status of opportunities identified		Total Number of opportunities	Total estimated energy savings per annum (GJ)
	Implemented	1	Unable to quantify
	Implementation commenced	1	
	To be implemented		
	Under investigation	2	
	Not to be implemented		
Outcomes of assessment	Total identified	4	

Please note that corporate groups **are not required** to report opportunities with a payback greater than four years. Reporting this data is voluntary.

Part 2 - Assessment outcomes

(If you are a 2006–07 trigger corporation, you do not have to complete this section. Please move on to Part 3)

It is compulsory to complete Tables 2.1 to 2.3 for each entity (subsidiary, business unit, key activity or site) that has been assessed.

Table 2.1 – Assessment details

Name of entity	Koolan Island Iron Ore Pty Ltd (Group Member) Koolan Island Operations	
D. Total corporate energy use in the last financial year	1,602,549	GJ
E. Total energy use covered by assessments	766,840	GJ
F. Total percentage of energy use assessed (B ÷ A) x 100	47.85	%

Description of the way in which the entity carried out its assessment:

Koolan Island Operations decreased its energy consumption since the last Energy Efficiency Opportunities (EEO) report by 26%. This was accompanied by a production increase of 0.7 million tonnes of ore sold. Some of this decrease is attributable to the sale of ore stock piled from previous years. Efficiencies were also gained through a drop in energy consumption resulting from initiatives flagged in the previous report.

For this reporting year, Koolan Island's diesel combustion accounted for 97.43%, of the total energy consumed. The majority of remaining energy relates to small sources of various hydrocarbons.

During the reporting year the following energy efficiency initiatives were developed:

- A remote control power system has been installed at the crusher facility. This allows the operator to view the crusher's energy status and bring more power online or reduce it as required.
- Implementation has commenced on the relocation and consolidation of mine services infrastructure including modelling and assessments of the most fuel efficient options for the new facility.
- Power generation/fuel usage, modelling has shown that if, an accommodation block and the cyclone shelter, which currently runs on 2 stand-alone generators, were linked into the main accommodation village power generation facility, fuel savings could be achieved. This project is currently under investigation.
- The 'MGX Energy Reporting Group' also conducted an audit of the fuel flow process on Koolan Island. This process may identify further potential efficiency gains some of which are currently under investigation.

Table 2.2 - Energy efficiency opportunities identified in the assessment of Koolan Island Operations

Status of opportunities identified		Total Number of opportunities	Total estimated energy savings per annum (GJ)
	Implemented	1	5,800
	Implementation commenced	1	7,500
	To be implemented		
	Under investigation	2	13,500
	Not to be implemented		
Outcomes of assessment	Total identified	4	26,800

Please note that corporate groups **are not required** to report opportunities with a payback greater than four years. Reporting this data is voluntary.

Part 2 - Assessment outcomes

(If you are a 2006–07 trigger corporation, you do not have to complete this section. Please move on to Part 3)

It is compulsory to complete Tables 2.1 to 2.3 for each entity (subsidiary, business unit, key activity or site) that has been assessed.

Table 2.1 – Assessment details

Name of entity	Mount Gibson Mining Limited (Group Member) Talling Peak Operations	
G. Total corporate energy use in the last financial year	1,602,549	GJ
H. Total energy use covered by assessments	505,968	GJ
I. Total percentage of energy use assessed $(B \div A) \times 100$	31.57	%

Description of the way in which the entity carried out its assessment:

At Talling Peak during this reporting period, diesel was assessed to constitute 98.74% of total energy use. The majority of remaining energy relates to small sources of various hydrocarbons. Purchased electricity is used at the rail siding for lighting purposes and represents 0.10% of total energy use.

- **Although closure is in the foreseeable future, the Corporate ‘MGX Energy Reporting Group’ included Talling Peak in its fuel flow process audits. This process may identify further potential efficiency some of which are currently under investigation.**
- **At Talling Peak the consumption of energy for this year was in the order of 36% less than the previous reporting year, however the quantity of ore sold increased by 1 million tonnes. A significant component of the energy reduction was attributable to the sale of stockpiled ore mined in previous years. A site wide attempt to increase efficiency, while reducing costs (ie diesel usage), also contributed to the result.**
- **The key factor in fuel use reduction however, is the scaling back of the operation as it nears the end of mine life. The number of personnel and mining equipment on site has reduced significantly and will continue to reduce through to the projected closure date which is less than a year away.**

Table 2.2 - Energy efficiency opportunities identified in the assessment for Tallering Peak Operations

Status of opportunities identified		Total Number of opportunities	Total estimated energy savings per annum (GJ)
	Implemented		
	Implementation commenced		
	To be implemented		
	Under investigation	1	
	Not to be implemented		
Outcomes of assessment	Total identified	1	

Please note that corporate groups **are not required** to report opportunities with a payback greater than four years. Reporting this data is voluntary.

Table 2.3 - Details of significant opportunities identified in the assessment

It is compulsory to report at least 1 example of a significant opportunity for improving the energy efficiency for the controlling corporation that has been identified in assessments. If a corporation has structured assessments to relate to business units or key activities they should report one significant opportunity for each of those entities to which the assessment applies.

Description of opportunity No. 1	Type of information to be covered
<p>Power generation modelling was conducted to identify the most fuel efficient option for dewatering the Koolan Island operations Main Pit.</p> <p>The modelling showed that by linking the dewatering pump to the operations principal power facility, diesel consumption could be reduced which could potentially save between 15,000 and 20,000 GJ.</p>	Equipment type
	Business response
	Energy saved (GJ)
	Greenhouse gas abated (CO2-e)
	\$ saved
	Payback period

Description of opportunity No. 2 - voluntary	Type of information to be covered
<p>Power generation modelling was conducted to identify the most fuel efficient option for powering the new Mine Operations Centre (MOC) on Koolan Island.</p> <p>The consolidated infrastructure and facilities will take power from a new dedicated generation facility, potentially saving between 5,000 and 7,500 GJ.</p>	Equipment type
	Business response
	Energy saved (GJ)
	Greenhouse gas abated (CO2-e)
	\$ saved
	Payback period

Description of opportunity No 3 - voluntary	Type of information to be covered
<p>Power generation modelling has shown that if, an accommodation block and the cyclone shelter, which currently run on 2 stand-alone generators, were linked into the main accommodation village power station, potential fuel efficiencies of between 10,000 and 13,500 GJ, could be achieved.</p>	Equipment type
	Business response
	Energy saved (GJ)
	Greenhouse gas abated (CO2-e)
	\$ saved
	Payback period

Please note that the *Description of opportunity* above should include information on the specific nature and type of opportunity as well as information on the type of equipment and/or process involved.

Part 3 - Transition to second cycle

This part should only be completed by 2006–07 trigger year corporations transitioning to the second cycle.

Table 3a – Details of business response to opportunities under investigation as at 30 June 2012

In December 2012, many corporations reported energy efficiency opportunities that were still under investigation as at 30 June 2012. This report should advise what your business response to these opportunities has been—implemented or not to be implemented. If you intend to further investigate these opportunities, they should be reported in the future public reports as opportunities identified in the second cycle.

For each entity that had energy efficiency opportunities that were still under investigation as at 30 June 2012, please complete the following table.

Name of entity								
Status of opportunities identified to an accuracy of <u>better than</u> or equal to $\pm 30\%$	Total number of opportunities	Estimated energy savings per annum by payback period (GJ)						Total estimated energy savings per annum (GJ)
		0–2 years		2–4 years		> 4 years		
		No of Opps	GJ	No of Opps	GJ	No of Opps	GJ	
As reported in December 2012	Under investigation							
Business response as at 30 June 2013	Implemented							
	Not to be Implemented							
	To be evaluated/reported in the second cycle							