

PUBLIC REPORT 2010

Please consult the explanatory document when completing this template

Controlling Corporation

Mount Gibson Iron Limited

Period to which this report relates

Start 1 July 2008

End 30 June 2010

(eg. for a Corporate Group with the trigger-year 2005-06, the report will cover the period 1.7.2006-30.6.2010)

Part 1 – Information on assessments completed to date

Table 1.1 – Description of the way in which the Corporate Group (or part of it) has carried out its assessments

Mount Gibson Iron Limited's operating entities group structure is outlined in Figure 1. Note that Mount Gibson Iron Limited (MGI) also controls 3 other small companies which do not currently have any active operations.

This document constitutes the first Energy Efficiency Opportunities (EEO) public report for MGI. The focus of this initial assessment has been the Tallering Peak Operation. The assessment was commenced in February 2010, with the Assessment & Reporting Schedule being finalised and approved in March 2010. MGI commissioned GHD to undertake the first 2 phases of a 3 phases EEO project plan.

The first phase involved the development of the framework for EEO compliance, including formalisation of the MGI EEO Project Plan, Communication Plan and Assessment & Reporting Schedule. The second phase involved conducting data analysis and identifying opportunities. The final phase of the project involved evaluating the identified opportunities, internal reporting and decision making, and public and government reporting.

As per the MGI Assessment & Reporting Schedule, the first EEO assessment for Koolan Iron Ore Pty Ltd has been commenced and is scheduled for completion by June 2011.

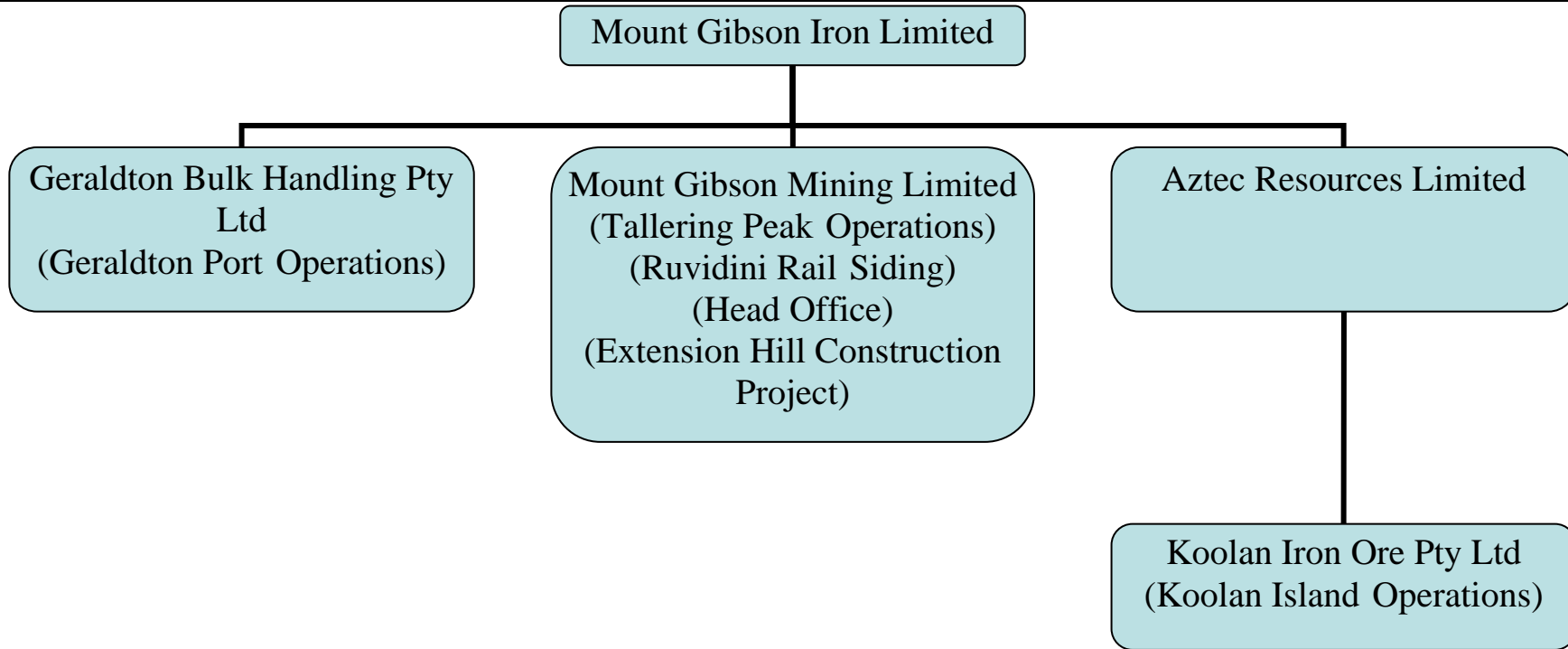


Figure 1 – Mount Gibson Iron Limited structure of operating group members

Part 1 – Information on assessments completed to date (continued)

Table 1.2 – Energy use assessed		
Group member and/or business unit and/or key activity and/or site (or part thereof) that has had an assessment completed by 30 June 2010 (Include all assessments completed to date for the current 5 year cycle).	Period over which assessment was undertaken¹	Energy use for the period 1.7.2009 to 30 June 2010 of the assessed entity (or part thereof) expressed in GJ²
Mount Gibson Mining Limited (Tallering Peak Operations)	February 2010 – Dec 2010	495 411
Total energy use of assessed entities (or part thereof)		495 411
Total energy use of the whole corporate group in the period 1.7.2009 to 30 June 2010		1 594 217
Total energy use of assessed entities (or part thereof) for the period 1.7.2009 to 30.6.2010 expressed as a percentage of total energy use for the period 1.7.2009 to 30.6.2010		31%

1. This should be the start and finish date (month and year) for the assessment (planned assessment dates were nominated in Table 3.1 of the approved ARS).

2. Energy Bandwidth may only be used if approved in the Assessment and Reporting Schedule.

Table 1.3 – Accuracy of energy use assessed data		
Entity	% achieved	Reasons for not achieving data accuracy to within ±5%
Mount Gibson Mining Limited (Tallering Peak Operations)	±5%	

Part 2 - Energy Efficiency Opportunities that have been identified and evaluated

Part 2A - New assessments completed or not reported since your last Public Report

Name of Group member or business unit or key activity or site: Mount Gibson Mining Limited (Tallering Peak Operation)

Total energy use for the period 1.7.2009 to 30.6.2010 of the assessed entity (or part thereof) from which the opportunities identified below were generated (and is reported in Table 1.2).

495 411	GJ
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Table 2.1 – Opportunities assessed to an accuracy of better than or equal to (\leq) $\pm 30\%$

Status of opportunities identified	Total Number of opportunities	Estimated energy savings per annum by payback period (GJ)						Total estimated energy savings per annum (GJ)
		0 – < 2 years		2 – \leq 4 years		> 4 years		
		No of Opps	GJ	No of Opps	GJ	No of Opps	GJ	
Business Response	Under Investigation							
	To be Implemented							
	Implementation Commenced	1	761					761
	Implemented	1	3,572					3,572
	Not to be Implemented	1	0					0
Outcomes of assessment	Total Identified	3	4,333					4,333

Part 2A - New assessments completed during the reporting period (continued)

Name of Group member or business unit or key activity or site: Mount Gibson Mining Limited (Tallering Peak Operation)

Total energy use for the period 1.7.2009 to 30.6.2010 of the assessed entity (or part thereof) from which the opportunities identified below were generated (and is reported in Table 1.2).

495 411	GJ
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Table 2.2 – Opportunities assessed to an accuracy of worse than (>) ±30%

Status of opportunities identified		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	
Business Response	Under Investigation	17							Further investigation required
	To be Implemented	2	2	162					162
	Implementation Commenced	2	2	1,690					1,690
	Implemented								Further investigation required
	Not to be Implemented	5							Further investigation required
Outcomes of assessment	Total Identified	26	4	1,852					1,852

Part 2 - Energy Efficiency Opportunities that have been identified and evaluated

Part 2C - Details of at least three significant opportunities found through EEO assessments

Table 2.5 – Description of 3 significant opportunities
Opportunity 1 – Processing Plant Generator
<p>The mine site processing plant is powered by 2 diesel powered generators. There is a larger (1250kVA) generator for powering the processing plant when operating and a smaller (200kVA) generator for powering ancillary equipment, such as lights and bores, when the processing plant is shut down. The generators are designed to meet spikes in energy requirements, ie when equipment is started, and are therefore slightly oversized for ongoing use.</p> <p>Power factor correction equipment was installed in August 2010 on the larger 1250kVA diesel powered generator. Since installation it has resulted in savings of up to 15%.</p>
Opportunity 2 – Personnel Education Program
<p>It became apparent during the EEO assessment that site lighting towers were often left on for extended periods when daylight was sufficient that additional lighting was not required. This opportunity is also being expanded to a site wide assessment of other powered appliances, such as lights, computers and air-conditioners that are left on during times they are not required. A site wide energy efficiency education program is being developed.</p>
Opportunity 3 – Operator Training
<p>The primary energy use on site was identified as being the operation of heavy vehicles and equipment. Part of the operator training program includes advising heavy vehicle operators in energy efficient methods of operation.</p> <p>The site is currently trialing data logging equipment on one of the heavy haulage dump trucks and will investigate the potential to expand this trial. This will provide data to then assess the implementation of the energy efficient driver training program.</p>

Part 3 - Voluntary Contextual Information

Table 3.1 – Contextual Information

Mount Gibson Iron Limited is an independent 'pure play' hematite iron ore producer. MGI currently has operational control over two operating mine sites (Tallering Peak and Koolan Island) and one additional site currently in construction phase (Extension Hill).

Table 3.2 – Energy use expressed in Greenhouse Gas emissions and as an energy use indicator


Period of energy use 1 July 2009 to 30 June 2010

Name of group member/ business unit/ key activity/site	Energy use pa (GJ)	Energy use pa (GGE)	Energy use as an indicator*
Koolan Iron Ore Pty Ltd (Group Member) Koolan Island Operations	919 629		0.2754 GJ/t ore shipped from Koolan Island
Mount Gibson Mining Limited (Group Member) Tallering Peak Operations	495 411		0.1470 GJ/t ore crushed
Geraldton Bulk Handling Pty Ltd (Group Member) Geraldton Port Operations	7 044		0.0022 GJ/t ore shipped from Geraldton
Mount Gibson Mining Limited (Group Member) Ruvidini Rail Siding	170 164		0.0510 GJ/t ore transported from Tallering Peak to Ruvidini Rail Siding
Mount Gibson Mining Limited (Group Member) Head Office	633		
Mount Gibson Mining Limited (Group Member) Extension Hill	1336		
Total	1 594 217		



Part 4 - Declaration

Table 4.1 - Declaration of accuracy and compliance (mandatory information)

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 <i>Energy Efficiency Opportunities Act 2006</i> and <i>Energy Efficiency Opportunities Regulations 2006</i> .	
	Luke Tonkin, Managing Director, Mount Gibson Iron Limited
	Date : 28 February 2011