



Mount Gibson Iron Limited

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The Manager
Company Announcements
Australian Stock Exchange Limited
Level 10, 20 Bond Street
SYDNEY NSW 2000

SUBJECT: TALLERING PEAK ORE TO BE SHIPPED NEXT MONTH

Mr Brian Johnson, Managing Director of Mount Gibson Iron Limited, announced today that the Company had commenced railing iron ore to the port of Geraldton from its recently developed mine at Tallering Peak in the Mid West region of Western Australia.

Mr Johnson said that although he was disappointed that the first shipment to Nanjing, China in mid-February 2004 will be four months later than originally planned when the Tallering Peak iron deposit was purchased in August 2002, he was particularly appreciative of the achievements of the Company's small executive team and a number of specialist contractors who had developed the project in less than 18 months.

Railing in February 2004 is expected to be at the rate of around 1.0 Mtpa which will be progressively ramped up to full production of 1.6 Mtpa in three to four months.

Mr Johnson also announced that as a consequence of recently improved ore prices and expected operational savings, the Company should still achieve operating margins of around \$12.00 per tonne at an exchange rate of 77 cents to the US dollar (before State Royalties which will average approximately \$2.40 per tonne).

With the commencement of operations, the Company is now in a position to implement a currency hedging program with HSBC Bank Australia. Details will be released after implementation.

The Company will now focus its attention on doubling production to 3.0 Mtpa through the development of the Mt Gibson hematite mine which is expected to be commissioned in mid 2005. All ore produced from the first two mines has been pre-sold for the life of mine (both 8 – 10 years).

Yours sincerely
MOUNT GIBSON IRON LIMITED

Angela Dent
Company Secretary