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Investments in MGX shares are considered highly speculative.
Mount Gibson Iron
Corporate Overview

Issued capital 1,128.4 million shares
Market capitalisation A$767 million (at $0.68/share, 15 Feb 2019)
Cash and investments A$431 million (31 December 2018)
Borrowings Nil
Index ASX All Ordinaries

Shareholder Distribution (% issued shares)

- APAC Resources
- Australia/NZ Institutions
- Shougang Fushan
- Australian Retail
- North America
- UK & Europe
- Management
- Other

33.2%
18.1%
14.5%
18.7%
7.3%
6.6%
1.3%
0.3%

MGX Share Price (last 12 months)

Board and Management

- Lee Seng Hui – Non-Executive Chairman
- Simon Bird – Independent Non-Executive Director
- Russell Barwick – Independent Non-Executive Director
- Paul Dougas – Independent Non-Executive Director
- Alan Jones – Independent Non-Executive Director
- Li Shaofeng – Non-Executive Director
- Peter Kerr – CEO
- Scott de Kruijff – COO
- Gill Dobson - CFO
- David Stokes – Co. Sec. & General Counsel
Mount Gibson Iron
Business Overview

Koolan Island

- Australia’s highest grade DSO hematite mine.
- Ore Reserves of 21.0Mt @ 65.5% Fe.*
- Seawall seepage barrier completed July 2018, dewatering progressing and mining underway.
- First ore sales in April 2019.
- Projected FY2019 ore sales of 0.7-1.0 Mwmt.

Mid-West Region
Extension Hill & Iron Hill, Perenjori Siding, Geraldton Port

- Planned DSO sales of 2.0-2.3 Mwmt in FY2019 at projected site cash cost of $38-42/wmt FOB.
- Mining completed December 2018, final ore shipments in February 2019.
- Total site closure costs provisioned at ~$15m, of which ~$7m is anticipated to be spent in FY2019.
- Right earned to a future income stream based on third party rail volumes, capped at ~$35 million.
December 2018 Half-Year Overview

(All figures are expressed in Australian dollars unless stated otherwise)

- Net profit after tax of **$45.1 million** (1H 2017-18: $80.0 million, which included $64.3 million from the proceeds of the Koolan Island business interruption insurance settlement).

- Total product sales of **2.2 million wet metric tonnes** (Mwmt) (1H 2017-18: 1.7 Mwmt), for sales revenue of $177.4 million CFR, including shipping freight (1H 2017-18: $117.0 million).

- Cash, term deposits and liquid investments of **$431.0 million** at 31 December 2018, a reduction of $26.5 million in the half year, arising from net operating cashflows and interest of $57.3 million, Koolan Island expenditure of $65.5 million and $18.3 million in cash dividends paid in October 2018.

- Mid-West site cash costs* of **$37/wmt FOB** (1H 2017-18: $42/wmt) and Group all-in cash costs* of **$40/wmt FOB** (1H 2017-18: $46/wmt), both below guidance.

- Iron Hill mining, processing and railing completed, with the final Mid West shipments currently being loaded for export from Geraldton Port.

- Koolan Island Restart Project pre-production activity nearing completion, and mining of high grade ore about to commence. Koolan ore sales to commence in April 2019.

- Sales guidance for 2018/19 unchanged at **2.7-3.3 Mwmt**, including **0.7-1.0 Mwmt** from Koolan Island, at an average all-in Group cash cost* of **$52-57/wmt FOB**.

Mwmt = million wet metric tonnes.

* Site all-in cash costs are reported as at the loading port (Free on Board, FOB) including royalties and capital expenditure, and Group all in cash costs are reported FOB and include all operating, capital, royalties and corporate costs, excluding development costs related to the Koolan Island restart project.
December 2018 Half-Year
A solid performance during operational transition

<table>
<thead>
<tr>
<th>Results for the half-year ended 31 December 2018 compared with the prior corresponding half-year period:</th>
<th>Half-Year ended 31 December 2018</th>
<th>Half-Year ended 31 December 2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ore tonnes mined</td>
<td>wmt (mill)</td>
<td>1.9</td>
</tr>
<tr>
<td>Ore tonnes sold</td>
<td>wmt (mill)</td>
<td>2.2</td>
</tr>
<tr>
<td>Average realised price, all products (FOB)</td>
<td>$/wmt sold</td>
<td>64</td>
</tr>
</tbody>
</table>

**Continuing Operations (Extension Hill & Koolan Island):**

<table>
<thead>
<tr>
<th></th>
<th>$ mill</th>
<th>$ mill</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales revenue, including shipping freight</td>
<td></td>
<td>177.4</td>
</tr>
<tr>
<td>Interest income</td>
<td>5.9</td>
<td>6.2</td>
</tr>
<tr>
<td>Cost of sales, including shipping freight</td>
<td>(132.1)</td>
<td>(100.1)</td>
</tr>
<tr>
<td><strong>Gross profit</strong></td>
<td>$ mill</td>
<td>51.1</td>
</tr>
<tr>
<td>Administration and other expenses</td>
<td>$ mill</td>
<td>(6.5)</td>
</tr>
<tr>
<td>Other income</td>
<td>$ mill</td>
<td>1.4</td>
</tr>
<tr>
<td>Finance costs</td>
<td>$ mill</td>
<td>(0.8)</td>
</tr>
<tr>
<td><strong>Profit before tax from continuing operations</strong></td>
<td>$ mill</td>
<td>45.2</td>
</tr>
<tr>
<td>Income tax benefit/(expense)</td>
<td>$ mill</td>
<td>-</td>
</tr>
<tr>
<td><strong>Profit after tax from continuing operations</strong></td>
<td>$ mill</td>
<td>45.2</td>
</tr>
</tbody>
</table>

**Discontinued Operations (Tallering Peak):**

<table>
<thead>
<tr>
<th></th>
<th>$ mill</th>
</tr>
</thead>
<tbody>
<tr>
<td>Profit/(loss) after tax from discontinued operations</td>
<td>(0.2)</td>
</tr>
</tbody>
</table>

**Net profit/(loss) after tax**

<table>
<thead>
<tr>
<th></th>
<th>$ mill</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>45.1</td>
</tr>
</tbody>
</table>

*Note: Some totals may not add due to rounding.*
Movement in Cash, Term Deposits and Tradeable Investments
Half Year ended 31 December 2018

- Opening balance: $457.5
- Site operations: $57.5
- Interest received (net): $5.7
- Corporate & administration: ($5.9)
- Koolan restart: ($65.5)
- Dividend paid: ($18.3)
- Closing balance: $431.0

* Site operations includes working capital movements.
Market outlook
Iron ore pricing remains strong

Koolan Island will be Australia’s highest grade DSO hematite producer at an Ore Reserve Grade of 65.5% Fe*:

- 65% Fe premium currently ~10% per dry metric tonne unit (dmtu) of contained iron relative to 62% Fe price.
- Price differential pinches and swells but has widened since 2016 as steel maker margins have lifted in China and Chinese environmental regulations have curbed older less efficient capacity.
- Low grade discounts and high grade premiums moderated in late 2018 and early 2019 in step with seasonal factors and Chinese economic conditions.
- Prices for all products have risen strongly in recent weeks influenced by indefinite curtailment of a significant proportion of Brazilian high grade production.

*For Ore Reserves information refer to slide at end of presentation and ASX release dated 20 April 2018.
• Total ore sales from Extension Hill/Iron Hill of 2.2 Mwmt at average site all-in cash cost* of $37/wmt in the December 2018 half-year.

• Mining completed December 2018, final ore train departed at the end of January 2019.

• Final direct shipping ore cargoes expected in late February 2019.

• Strong performance in final months.

• Mid West business transitioning to closure.

• Total closure and rehabilitation costs of $15 million, including redundancy costs, of which ~$7m is anticipated to be spent in FY2019.

• Right earned to a future income stream based on third party rail volumes, capped at ~$35 million.

* Site all-in cash costs are reported FOB and include royalties and sustaining capital.
Koolan Island
A premier high grade iron ore opportunity

Koolan Island located in Yampi Sound in the Buccaneer Archipelago off the northern Kimberley coast of Western Australia approximately 140 kilometres north of Derby.

- One of the world’s premier **high grade hematite** production opportunities.
- Self-contained standalone site.
- Main Pit Ore Reserves of **21.0Mt @ 65.5% Fe** extending mine life to 2023/24.
- Robust economics using conservative Fe prices and FX assumptions.*
- First ore sales expected in April 2019.

*Refer ASX release dated 20 April 2018 and slide at end of presentation.*
Koolan Island
A unique high-grade hematite deposit

- High grade hematite (65.5% Fe).
- Low contaminants (P, Al, Si).
- Well understood orebody, consistent grade and width.
- Well understood mining characteristics.
- High grade premium for ores grading 65% Fe currently ~10%.
- Highly sought-after product.
- Life-of-Mine production committed under existing long term offtakes.

Main Deposit - Ore Reserves

<table>
<thead>
<tr>
<th>Category</th>
<th>Mt</th>
<th>Fe %</th>
<th>SiO₂ %</th>
<th>Al₂O₃ %</th>
<th>Phos %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Proved</td>
<td>0.1</td>
<td>63.4</td>
<td>7.25</td>
<td>1.11</td>
<td>0.013</td>
</tr>
<tr>
<td>Probable</td>
<td>20.9</td>
<td>65.5</td>
<td>4.53</td>
<td>0.88</td>
<td>0.012</td>
</tr>
<tr>
<td>Total</td>
<td>21.0</td>
<td>65.5</td>
<td>4.54</td>
<td>0.88</td>
<td>0.012</td>
</tr>
</tbody>
</table>

Discrepancies may appear due to rounding. Mineral Resources are reported inclusive of Ore Reserves. All tonnages have been estimated as dry tonnages.

*Refer slide at end of presentation for Competent Person’s information and ASX release dated 20 April 2018.
At base case assumptions: (Platts 62% Fe of US$55/dmt CFR, USD:AUD FX rate of 0.75, 10% HG premium).

- Estimated payback period of 36 months from commencement of sales.
- Life of Mine (LOM) all-in cash cost of $48/wmt FOB (including development capex and closure) and $41/wmt FOB (excluding capex and closure).
- Cash breakeven at US$40/dmt CFR *(Platts 62% Fe)*, including capex and closure costs.
- Cash costs progressively reduce in line with strip ratio.
- Estimated pre-tax NPV of $252m and IRR of 37%.
- NPV and IRR both increase significantly at current spot prices.

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Note: All figures expressed in Australian dollars unless stated otherwise. For supporting information, refer to ASX release dated 20 April 2018.
Koolan Island
Pre-production activities nearing completion

- Pre-production activities nearing completion:
  - Seawall embankment construction commenced June 2017, completed September 2017.
  - Impermeable seepage barrier within the seawall completed July 2018.
  - Dewatering and footwall refurbishment well progressed.
  - Process/site infrastructure recommissioning nearly complete.
  - Waste mining commenced November 2018, and access to first high grade ore zones is imminent.
- High grade ore sales to commence in April 2019.
- Koolan Island high grade sales guidance unchanged at **0.7-1.0 Mwmt** for FY2019.
Koolan Island
Approaching first ore sales

Main Pit, looking west, February 2019.

Waste mining progressing at current rate of +1Mt/month

Blasted waste areas ready for mining
Koolan Island
Mining progressing ahead of ore production

Waste mining in central Main Pit, looking west, February 2019
Koolan Island
Site infrastructure recommissioning underway

Crushing plant recommissioning, February 2019

Ore conveyor to ship-loader
Jetty and Ship-loader
Primary and secondary crushing circuits
Screens
Mount Gibson Iron
FY2018-19 Business Objectives

- **Mid-West operations** – complete sales from the Iron Hill operation and transition the Mid West business to closure.
- **Koolan Island** – conclude pre-production activities and commence production and sales in line with the mine plan.
- **Cost reductions** - continue to drive for sustainable cost improvements.
- **Treasury returns** - maintain the increased yield on the Group’s cash and investment reserves.
- **Growth projects** - continuation of the search for acquisition opportunities.

### Guidance for 2018/19 (currency in A$)

<table>
<thead>
<tr>
<th>Description</th>
<th>Range</th>
</tr>
</thead>
<tbody>
<tr>
<td>Iron ore sales</td>
<td>2.7 - 3.3 Mwmt</td>
</tr>
<tr>
<td>Site cash cost – Mid West</td>
<td>$38 - 42/wmt</td>
</tr>
<tr>
<td>Site cash cost – Koolan Island, initial sales*</td>
<td>$70 - 75/wmt</td>
</tr>
<tr>
<td>All-in group cash cost (excl. Koolan capital)</td>
<td>$52 - 57/wmt</td>
</tr>
</tbody>
</table>

**Notes:**
- Site cash costs are reported FOB and include royalties and sustaining capital expenditure.
- All-in group cash costs are reported FOB and include all operating, sustaining capital, royalties and corporate costs, excluding development capital related to the Koolan Island restart project.
- Site cash costs are for the initial early stage of production, and are projected to progressively decline over the mine life as the strip ratio reduces.
The high grade Koolan Island Restart Project represents a compelling investment which capitalises on the rising demand for high grade iron ores.

MGX is the only Australian producer that will provide exposure to direct shipping high grade hematite (+65% Fe).

Koolan Island sales to commence in April 2019.

Sales from Iron Hill/Mid West provide a bridge to the commencement of high grade sales from Koolan Island.

Robust balance sheet provides flexibility and opportunities – cash and investment reserves of $431 million at 31 December 2018.

Continued focus on seeking opportunities that leverage our strengths to provide value creation for MGX shareholders.

Proven cost reduction and control capability, and ability to generate positive operating cashflows in a volatile price environment.

Focused and stable team with a broad range of operating and corporate experience.
Financial Results for December 2018 Half-Year

MGX

Investor Presentation
19 February 2019
<table>
<thead>
<tr>
<th>Extension Hill (including Iron Hill)</th>
<th>Half-year ended 31-Dec-18</th>
<th>Year ended 30-Jun-18</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cost of sales (excluding impairment &amp; reversals), FOB</td>
<td>$92,609</td>
<td>$162,318</td>
</tr>
<tr>
<td>Depreciation &amp; amortisation</td>
<td>$(4,048)</td>
<td>$(5,669)</td>
</tr>
<tr>
<td>Ore inventory movements, sustaining capital &amp; other</td>
<td>$(7,929)</td>
<td>$(3,901)</td>
</tr>
<tr>
<td><strong>Site all-in cash cost, FOB</strong></td>
<td><strong>$80,632</strong></td>
<td><strong>$152,748</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Iron ore sold</th>
<th>'000 wmt</th>
<th>2,161</th>
<th>3,622</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cost of sales, FOB (rounded)</td>
<td>$ / wmt sold</td>
<td>$43</td>
<td>$45</td>
</tr>
<tr>
<td><strong>Site all-in cash cost, FOB (rounded)</strong></td>
<td>$ / wmt sold</td>
<td><strong>$37</strong></td>
<td><strong>$42</strong></td>
</tr>
</tbody>
</table>

| Group | |
|----------------|----------------|-------|-------|
| Cost of sales - all operations | $'000 | $93,346 | $159,876 |
| Depreciation & amortisation | $'000 | $(4,048) | $(5,669) |
| Corporate expenses (excluding non-cash items) | $'000 | $6,251 | $14,243 |
| Ore inventory movements, sustaining capital & other | $'000 | $(8,462) | $(5,085) |
| **All-in Group cash cost** (excluding Koolan restart capital) | $'000 | **$87,087** | **$163,365** |

<table>
<thead>
<tr>
<th>Iron ore sold - continuing &amp; discontinued operations</th>
<th>'000 wmt</th>
<th>2,161</th>
<th>3,622</th>
</tr>
</thead>
<tbody>
<tr>
<td>All-in Group cash cost, FOB, excluding Koolan restart capital (rounded)</td>
<td>$ / wmt sold</td>
<td><strong>$40</strong></td>
<td><strong>$45</strong></td>
</tr>
</tbody>
</table>
Supplementary Information
Mineral Resources and Ore Reserves Information at 30 June 2018

Total Group Mineral Resources and Ore Reserves at 30 June 2018

<table>
<thead>
<tr>
<th></th>
<th>Tonnes millions</th>
<th>Fe %</th>
<th>SiO₂ %</th>
<th>Al₂O₃ %</th>
<th>P %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Mineral Resources at 30 June 2018</td>
<td>76.4</td>
<td>61.8</td>
<td>8.23</td>
<td>0.95</td>
<td>0.032</td>
</tr>
<tr>
<td>Total Ore Reserves at 30 June 2018</td>
<td>21.0</td>
<td>65.5</td>
<td>4.58</td>
<td>0.89</td>
<td>0.012</td>
</tr>
</tbody>
</table>

Discrepancies may appear due to rounding. Mineral Resources are reported inclusive of Ore Reserves. All tonnages have been estimated as dry tonnages.

Competent Persons Statements

Mount Gibson Iron Mineral Resources:
The information in this report relating to Mineral Resources is based on information compiled by Elizabeth Haren, a Competent Person who is a member and Chartered Professional of the Australasian Institute of Mining and Metallurgy and member of the Australian Institute of Geoscientists. Ms Haren was previously a full-time employee of, and is now a consultant to, Mount Gibson Iron Limited, and has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaken to qualify as a Competent Person as defined in the 2012 Edition of the ‘Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves’. Ms Haren consents to the inclusion in this report of the matters based on her information in the form and context in which it appears.

Mount Gibson Iron Ore Reserves
The information in this report relating to Ore Reserves is based on information compiled by Brett Morey, a member of the Australasian Institute of Mining and Metallurgy. Mr Morey is a full-time employee of Mount Gibson Iron Limited and has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaken to qualify as a Competent Person as defined in the 2012 Edition of the ‘Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves’. Mr Morey consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

For more information, refer to Annual Statement of Mineral Resources and Ore Reserves released 11 October 2018.