

MOUNT GIBSON IRON LIMITED

MT GIBSON MAGNETITE PROJECT

1 June 2005



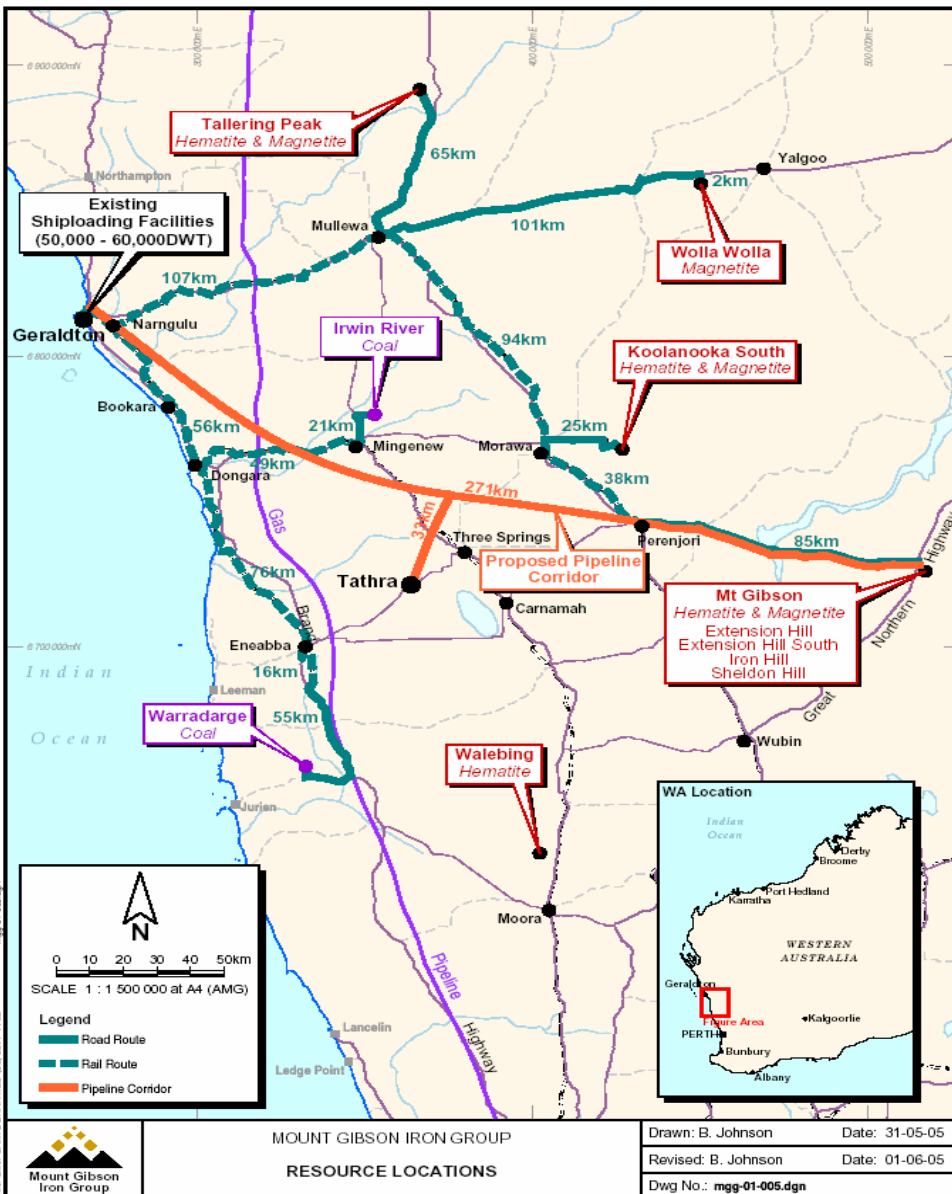
EXTENSION HILL MAGNETITE DEPOSIT MT GIBSON

Stage One Development

250Mt of magnetite resource which will produce 5.0mtpa of 68% magnetite concentrate for 20 years

Stage Two Development

Possible expansion to 10.0Mtpa



PROJECT ELEMENTS

MINE DEVELOPMENT

MGI and Chinese Partner will invest approximately \$300 million for development of the Extension Hill mine and process plant to produce 5.0Mtpa magnetite concentrate

SLURRY PIPELINE

MGI and Chinese Partner will invest approximately \$300 million to construct water supply, gas supply, slurry pipeline and return water pipeline to the mine

PORT FACILITIES

MGI has offered to invest \$40 million to develop a dedicated shiploading berth at Geraldton to accommodate up to 10Mtpa of concentrate export

TOTAL INVESTMENT IN WESTERN AUSTRALIA	\$640 million
INVESTMENT IN CHINA FOR 5.0MTPA PELLET PLANT	\$110 million
TOTAL PROJECT INVESTMENT	\$750 million

Funding for MGI Group Equity in Mine and Pellet Plant

Cash Reserves

Sale of 50% interest in Mt Gibson magnetite deposits

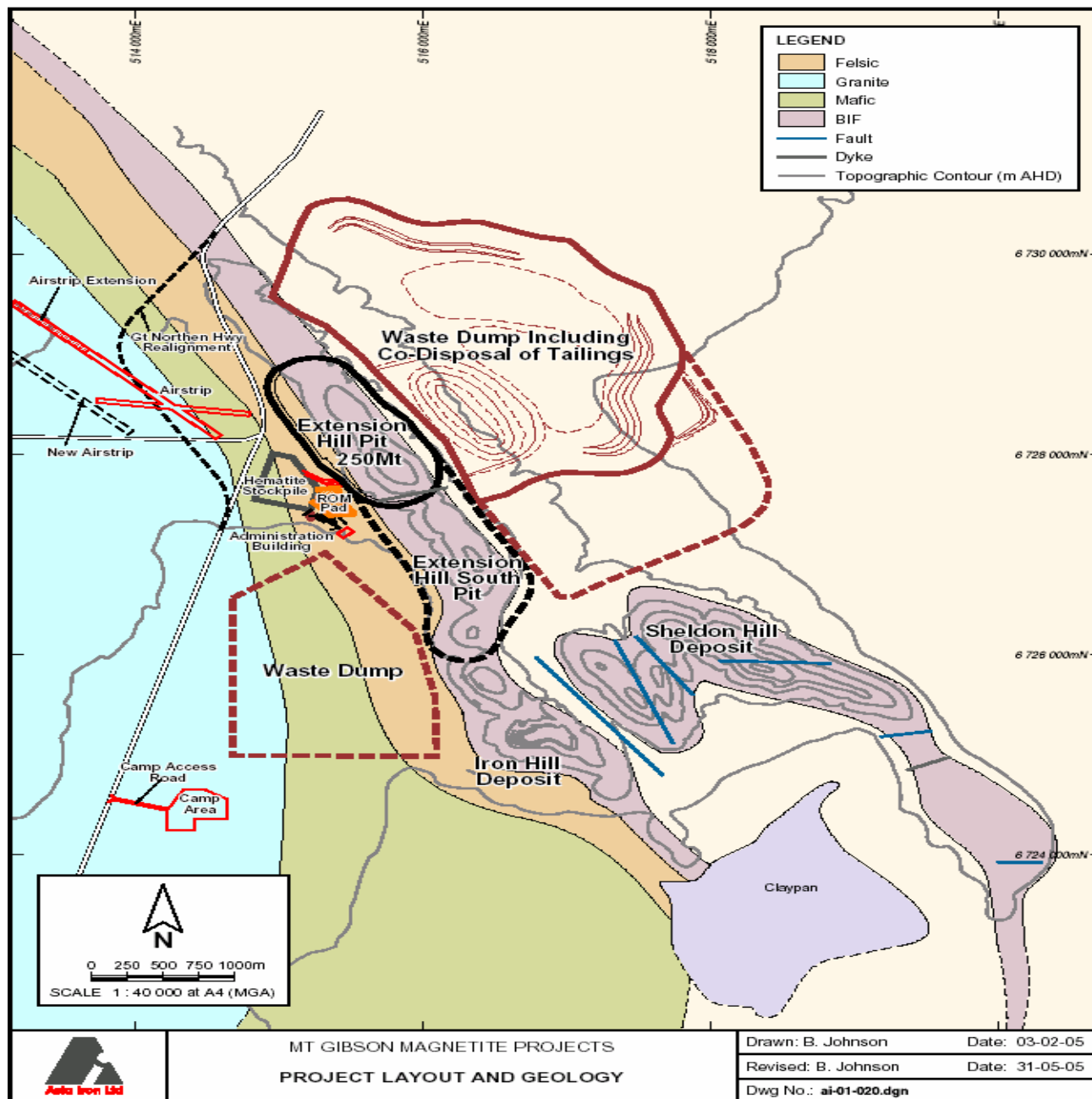
Option conversion October 2005

Retained Earnings to Dec 2005

Funding for MGI Group Equity Infrastructure

Short term Mezzanine Finance repaid from Talling Peak Mine earnings





MT GIBSON MAGNETITE PROJECTS
PROJECT LAYOUT AND GEOLOGY

Drawn: B. Johnson	Date: 03-02-05
Revised: B. Johnson	Date: 31-05-05
Dwg No.: ai-01-020.dgn	

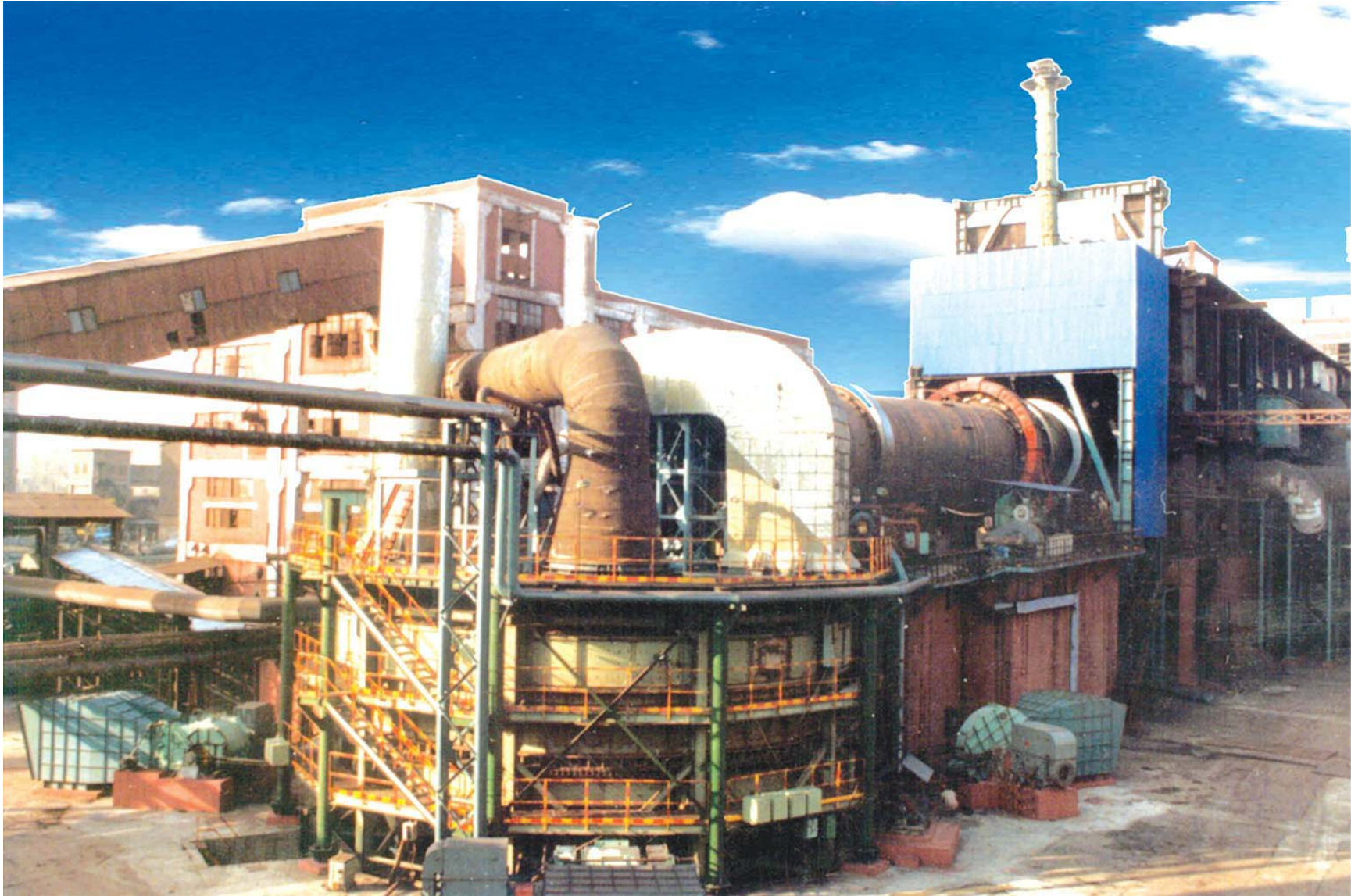


Mount Gibson Iron

PROJECT TIMETABLE

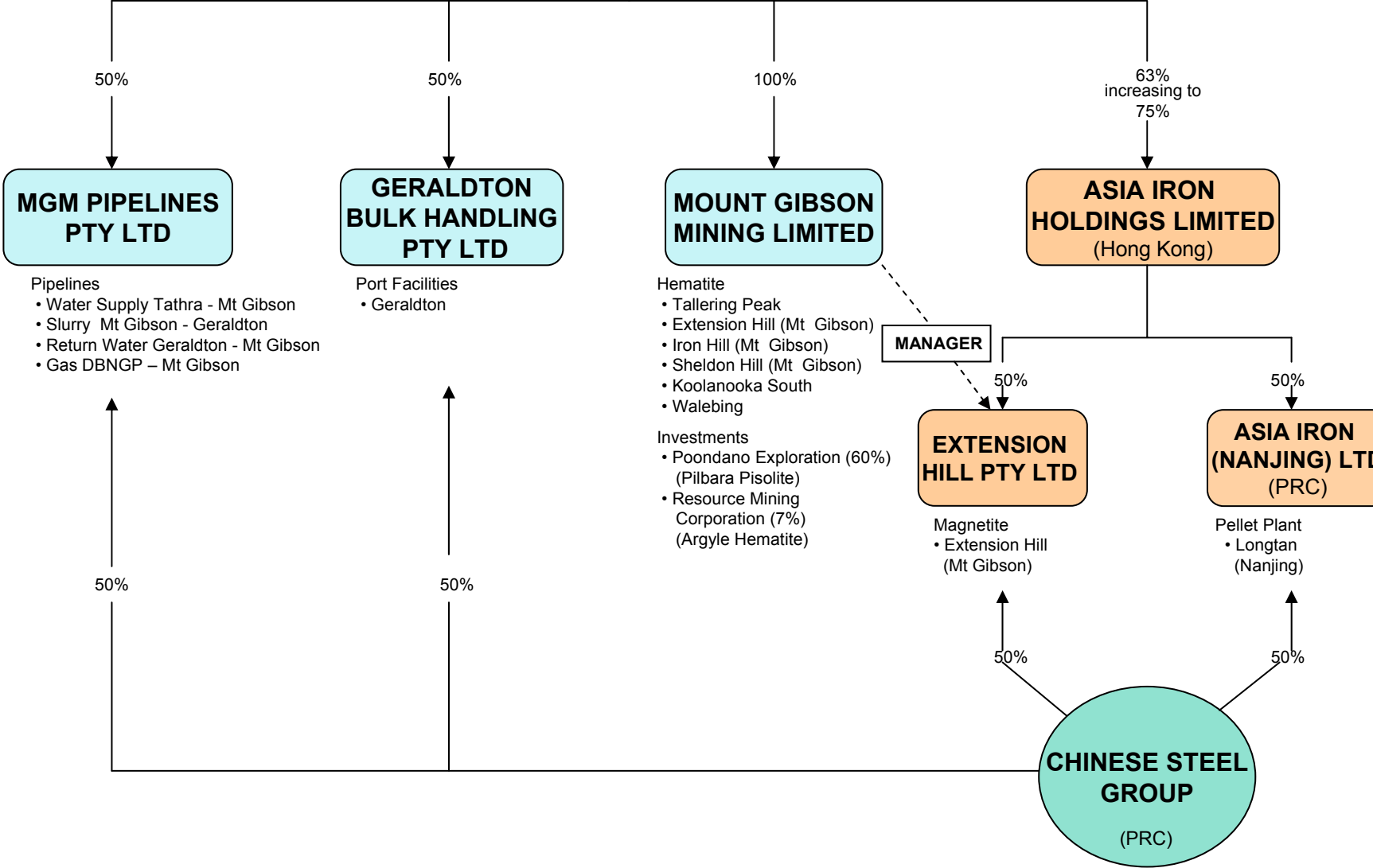
Completion Feasibility Study	October 2005
Order long lead Plant and Equipment	October 2005
Commence Engineering	October 2005
Commence Construction	March 2006
Commence Prestripping	April 2006
Commission Mine	February 2007
Commission Pellet Plant	March 2007

PELLET PLANT



**MOUNT GIBSON IRON GROUP
CORPORATE STRUCTURE
MT GIBSON MAGNETITE PROJECT**

**MOUNT GIBSON
IRON LIMITED**



PROJECT TEAM

Principal Consultant

Stephen Vessey

President

Ray Martin

Asia Iron Limited (Nanjing)

Permits, Approvals, Native Title

James Tyers

Mount Gibson Iron Limited

Geology, Mine Planning,
Infrastructure

Kevin Malaxos

Mount Gibson Iron Limited

Linton Kirk

RSG Global

Crushing/Concentrating

Bob Third

Mount Gibson Iron Limited

Andrew Dexter

Clyde Dexter

Brian Povey

Promet Engineers



PROJECT TEAM

Slurry Pipeline

Ron Derammelaere

Pipeline Systems Inc

Keith Horstmann

OSD Energy Services

Power Supply

Matt Duxbury

Burns & Roe Worley

Port Facilities

Ron Padgurskis

Mount Gibson Iron Limited

Development Manager

Peter Jones

Mount Gibson Iron Limited

Finance Director

Alan Rule

Asia Iron Limited

Project Director

Brian Johnson

Mount Gibson Iron Limited