



Mount Gibson Iron Limited

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

TALLERING PEAK HEMATITE PROJECT – CONTRACT FOR RAIL HAULAGE

Mr Brian Johnson, Managing Director of Mount Gibson Iron Limited, announced today that the Company had accepted the tender of South Spur Rail Services Pty Ltd to rail 1.5Mtpa of iron ore from a loading terminal to be constructed at Mullewa, 107km to the Port of Geraldton.

South Spur Rail Services Pty Ltd, a privately owned accredited rail operator in Western Australia, will purchase 42 new 50 tonne capacity rail wagons especially designed for the Tallering Peak Hematite Project.

The operator will provide one dedicated train for the project with a haulage capacity in excess of the planned mine production, and construct a 2.5km rail loop at the rail head for loading wagons and servicing locomotives

The operator's freight rate, together with charges applicable for the Company's access to the existing rail system, is within the budget for this component of the Tallering Peak iron ore project.

Yours sincerely,
MOUNT GIBSON IRON LIMITED

Angela Dent
Company Secretary

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