

NOTICE OF ANNUAL GENERAL MEETING
MOUNT GIBSON IRON LIMITED
ACN 008 670 817

NOTICE IS HEREBY GIVEN that the Annual General Meeting of Members of the Company will be held at the Celtic Club, 48 Ord Street, West Perth, Western Australia on 19 November 2003 at 10.00 am.

AGENDA

1. Confirmation of the Minutes of the General Meeting held on 7 March 2003

To consider and, if thought fit to pass, with or without amendment, the following resolution as an ordinary resolution:

"That the attached minutes of the General Meeting held on 7 March 2003 be confirmed as a true and correct account of proceedings at that meeting."

2. Financial Statements for the year ended 30 June 2003

To consider and, if thought fit to pass, with or without amendment, the following resolution as an ordinary resolution:

"That the Financial Statements for the year ended 30 June 2003, and the Directors and Auditors Report thereon be accepted."

3. Re-election of Director – William B Willis

To consider and, if thought fit to pass, with or without amendment, the following resolution as an ordinary resolution:

"That Mr William B Willis who retires in accordance with Clause 3.6 of the Company's Constitution, and being eligible, offers himself for re-election."

4. Ordinary Resolution – Ratification of Issue of Shares

To consider and, if thought fit to pass, with or without amendment, the following resolution as an ordinary resolution:

"That, for the purposes of Listing Rule 7.4 of the Listing Rules of Australian Stock Exchange Limited and for all other purposes, shareholders ratify the allotment and issue of 18,800,000 fully paid ordinary shares in the capital of the Company at an issue price of 17 cents each, details of which are set out in the Explanatory Statement accompanying this Notice."

5. Ordinary Resolution – Ratification of Issue of Options

To consider and, if thought fit to pass, with or without amendment, the following resolution as an ordinary resolution:

"That, for the purposes of Listing Rule 7.4 of the Listing Rules of Australian Stock Exchange Limited and for all other purposes, Shareholders ratify the allotment and issue of 18,800,000 Options over ordinary Shares in the Company, exercisable at 22 cents each on or before 15 October 2005, details of which are set out in the Explanatory Memorandum accompanying this Notice."

6. Other business

To transact any other business which may be brought forward in conformity with the Company's Constitution.

VOTING RESTRICTIONS

In accordance with Listing Rules 7.1, 7.3, 7.4 and 7.5, the Company will disregard any votes cast on Resolutions 4 and 5 by:

- Sinom (Hong Kong) Limited;
- Any person who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary securities, if the resolution is passed.
- Any associate of any of the persons named above in respect of each Resolution.

However, the Company need not disregard a vote if:

- it is cast by a person as proxy for a person who is entitled to vote, in accordance with the direction on the proxy form; or
- it is cast by the person chairing the Meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

PROXIES

In accordance with section 249L of the Corporations Act, members are advised that:

- each member has a right to appoint a proxy;
- the proxy need not be a member of the Company;
- a member who is entitled to cast two or more votes may appoint two proxies and may specify the proportion or number of votes each proxy is appointed to exercise.

In accordance with section 250BA of the Corporations Act, the Company specifies the following information for the purposes of receipt of proxy appointments:

Address: PO Box 55, West Perth, WA 6872
Facsimile Number: (08) 9485 2305

Each Member entitled to attend and vote at the Meeting has the right to appoint a proxy to attend and vote at the Meeting on his behalf. The Member may specify the way in which the proxy is to vote on each resolution or may allow the proxy to vote at his discretion. The instrument appointing the proxy must be received by the Company at the address notified by the Company at least 48 hours prior to the time of the commencement of the Meeting.

CONTACT DETAILS

If you wish to discuss any aspects of this document with the Company contact the Company Secretary, Angela Dent on telephone (08) 9485-2355.

BY ORDER OF THE BOARD
DATED 17 October 2003



Angela Dent
Company Secretary

Mount Gibson Iron Limited

ACN 008 670 817

MINUTES OF GENERAL MEETING OF SHAREHOLDERS

HELD: FRIDAY, 7 MARCH 2003

AT: HOTEL GRAND CHANCELLOR, 707 WELLINGTON STREET, PERTH

PRESENT: Brian Johnson Chairman (Managing Director)
Angela Dent Company Secretary

APOLOGIES: Bill Willis Previous commitments
Craig Readhead Previous commitments
Ian Macliver Previous commitments

OPENING: The meeting opened at 10.00am.
The Chairman welcomed attendees to the Company's General Meeting. The Chairman detailed the purpose of the Meeting and confirmed that the Notice convening the Meeting would be taken as read.

QUORUM: The Chairman declared a quorum was present.

BUSINESS

RESOLUTION 1
Ordinary Resolution

Confirmation of the Minutes of the Annual General Meeting held on 25 November 2002

To consider and, if thought fit to pass, with or without amendment, the following resolution as an ordinary resolution:

"That the attached minutes of the Annual General Meeting held on 25 November 2002 be confirmed as a true and correct account of proceedings at this meeting."

The Chairman advised that the Eligible Proxy Votes received for Resolution 1 were:

For	73,106,076
Not Directed	4,056,000
Total For	77,162,076
Against	0
Abstain	0

The Resolution was passed unanimously by attendees by a show of hands.

Signed as a true and correct record

Chairman

Date

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MOUNT GIBSON IRON LIMITED
MINUTES OF GENERAL MEETING OF SHAREHOLDERS
FRIDAY, 7 MARCH 2003

RESOLUTION 2
Ordinary Resolution

Ordinary Resolution – Ratification of Issue of Options

To consider and, if thought fit to pass, with or without amendment, the following resolution as an ordinary resolution:

“That, for the purposes of Listing Rule 7.4 of the Listing Rules of Australian Stock Exchange Limited and for all other purposes, Shareholders ratify the allotment and issue of 18,942,151 Options over ordinary Shares in the Company, exercisable at 25 cents each on or before 31 December 2003, pursuant to the Underwriting Agreement between Paterson Ord Minnett and Mount Gibson Iron Limited, details of which are set out in the Explanatory Memorandum accompanying this Notice.”

The Chairman advised that the Eligible Proxy Votes received for Resolution 2 were:

For	69,866,804
Not Directed	4,056,000
Total For	73,922,804
Against	0
Abstain	0

The Resolution was passed unanimously by attendees by a show of hands.

RESOLUTION 3
Ordinary Resolution

Approval of Issue of Options

To consider and, if thought fit to pass, with or without amendment, the following resolution as an ordinary resolution:

“That, for the purposes of Listing Rule 7.1 of the Listing Rules of Australian Stock Exchange Limited and for all other purposes, Shareholders approve the proposed allotment and issue of 10,301,461 Options over ordinary Shares in the Company, exercisable at 25 cents each on or before 31 December 2003, pursuant to the Underwriting Agreement between Paterson Ord Minnett and Mount Gibson Iron Limited, details of which are set out in the Explanatory Memorandum accompanying this Notice.”

The Chairman advised that the Eligible Proxy Votes received for Resolution 3 were:

For	69,866,804
Not Directed	4,056,000
Total For	73,922,804
Against	0
Abstain	0

The Resolution was passed unanimously by attendees by a show of hands.

The meeting closed at 10.10am.

Signed as a true and correct record

MOUNT GIBSON IRON LIMITED
ACN 008 670 817
EXPLANATORY MEMORANDUM

1. INTRODUCTION

This Explanatory Memorandum forms part of a Notice convening a Meeting of Shareholders of the Company to be held on 19 November 2003. This Memorandum is to assist Shareholders in understanding the background to and the legal and other implications of the Notice and the reasons for the Resolutions proposed. Terms used in this Explanatory Memorandum are defined in Section 6.

2. RESOLUTION 4 - Ratification of Issue of Shares

2.1 Background

As announced to ASX on 25 August 2003 Mount Gibson Iron Limited signed a Share Subscription Agreement with Chinese iron ore trader, Sinom (Hong Kong) Limited. Under the Agreement Sinom (Hong Kong) Limited subscribed for 18.8 million Shares at 17 cents each, and was granted free Options to subscribe for a further 18.8 million Shares at 22 cents each on or before 15 October 2005.

2.2 Regulatory Requirements – ASX Listing Rule 7.4

Pursuant to Listing Rule 7.4, where a company in general meeting ratifies a previous issue of securities which was made without approval under Listing Rule 7.1 and the previous issue did not breach Listing Rule 7.1, those securities shall be deemed to have been made with Shareholder approval for the purposes of ASX Listing Rule 7.1.

Listing Rule 7.5 requires that the following information be provided to Shareholders for the purpose of obtaining Shareholder approval pursuant to Listing Rule 7.4:

- The number of securities issued was 18,800,000 Shares;
- The Shares were allotted to Sinom (Hong Kong) Limited;
- The Shares were issued for 17 cents per Share;
- The Shares allotted and issued rank equally in all respects with all Existing Shares;
- The funds raised will be applied as follows to the Mt Gibson Hematite Project;

Infill drilling at Mt Gibson	\$1,500,000
Resource definition and mine planning	\$100,000
Environmental Permitting	\$200,000
Preliminary Engineering	\$400,000
Project Management	\$500,000
Associated Administration	\$250,000
General Working Capital	<u>\$546,000</u>
Total	<u>\$3,196,000</u>

- An appropriate voting exclusion statement is included in the Notice;
- The Shares will be subject to voluntary escrow until 15 April 2005.

3. RESOLUTION 5 - Ratification of Issue of Options

3.1 Rights attaching to Options

The terms of the Options will be as follows:

- i) Each Option will entitle the holder to subscribe for one Share.
- ii) The Options will be exercisable at any time during the period beginning on the date of issue of the Options and expiring at 5pm (Perth time) on 15 April 2005 ("Expiry Date") by completing an Option exercise form and delivering it to the Company's share registry prior to the Expiry Date together with the payment for the number of Shares in respect of which the Options are exercised.
- iii) The exercise price for each Option will be \$0.22 payable in cash.
- iv) The Options will be freely transferable at any time in whole or in part.
- v) All Shares issued upon exercise of the Options will rank equally in all respects with the Company's then issued Shares. The Company will apply for quotation by ASX of all Shares issued upon exercise of the Options.
- vi) The Optionholder will be permitted to participate in any new pro-rata issue of securities of the Company on prior exercise of the Options in which case the Optionholder will be afforded the period

of at least 9 Business Days prior to and inclusive of the record date to determine entitlements to the issue to exercise the Options.

- vii) The Options will not confer on the holder any right to participate in dividends until Shares are allotted pursuant to the exercise of the options.
- viii) In the event of a reorganisation of the issued capital of the Company, the Options will be reorganised in accordance with the Listing Rules (if applicable) and in any case in a manner which will not result in any benefits being conferred on Optionholders which are not conferred on Shareholders.
- ix) The number of Shares to be issued pursuant to the exercise of Options will be adjusted for bonus issues made prior to exercise of the Options so that, upon exercise of the Options the number of Shares received by the Optionholder will include the number of bonus Shares that would have been issued if the Options had been exercised prior to the books closing date for the bonus issues. The exercise price of the Options shall not change as a result of any such bonus issues.

3.2 Regulatory Requirements – ASX Listing Rule 7.4

Pursuant to Listing Rule 7.4, where a Company in General Meeting ratifies a previous issue of securities which was made without approval under Listing Rule 7.1 and the previous issue did not breach Listing Rule 7.1, those securities shall be deemed to have been made with Shareholder approval for the purposes of ASX Listing Rule 7.1.

Listing Rule 7.5 requires that the following information be provided to Shareholders for the purpose of obtaining Shareholder approval pursuant to Listing Rule 7.4:

- The number of securities issued was 18,800,000 Options;
- The Options were allotted and issued Sinom (Hong Kong) Limited or its nominees;
- The Options were issued for no consideration; and
- An appropriate voting exclusion statement is included in the Notice.

4. OTHER INFORMATION

Should any Shareholder be in doubt as to how they should vote on these Resolutions and/or as to how they may affect them, Shareholders should seek advice from their accountant, solicitor or other professional adviser as soon as possible. Queries as to the lodgement of proxies and other formalities in relation to the Meeting should be directed to the Company Secretary (telephone: (08) 9485 2355).

5. ACTION TO BE TAKEN BY SHAREHOLDERS

Attached to the Notice of Meeting accompanying this Explanatory Memorandum is a proxy form for use by Shareholders. All Shareholders are invited and encouraged to attend the Meeting or, if they are unable to attend in person and are eligible to vote, to complete, sign and return the proxy form to the Company in accordance with the instructions contained in the proxy form and the Notice of Meeting. Lodgement of a proxy form will not preclude a shareholder from attending and voting at the Meeting in person.

6. INTERPRETATION

“**ASX**” means Australian Stock Exchange Ltd. ACN 008 624 691;

“**Board**” means the Directors of the Company from time to time;

“**Business day**” has the meaning ascribed to it by the Listing Rules;

“**Company**” or “**Mount Gibson Iron**” means Mount Gibson Iron Limited ACN 008 670 817

“**Directors**” means the directors of the Company;

“**Existing Shares**” means the Shares on issue by the Company as at the date hereof;

“**Listing Rules**” means the official listing rules of ASX;

“**Meeting**” means the meeting of Shareholders convened by the Notice for 19 November 2003 and any adjournment thereof;

“**Notice**” means the notice in respect of the Meeting;

“**Option**” means an option to subscribe for a Share on the terms and conditions set out in section 3.1;

“**Shares**” means ordinary fully paid shares in the capital of the Company and “**Shareholders**” has a corresponding meaning;

In this Explanatory Memorandum references to “**Sections**” are to Sections hereof.

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PROXY FORM
MOUNT GIBSON IRON LIMITED
 ACN 008 670 817
ANNUAL GENERAL MEETING

Appointment of Proxy

I/We
 of
 For identification purposes, please provide your address or HIN

being a member of Mount Gibson Iron Limited entitled to attend and vote at the General Meeting, hereby

Appoint
 Name of proxy

or failing the person so named or, if no person is named, the Chairman of the Meeting or the Chairman's nominee, to vote in accordance with the following directions or, if no directions have been given, as the proxy sees fit at the Annual General Meeting to be held at Celtic Club, 48 Ord St, West Perth, Western Australia on 19 November 2003 at 10.00am and at any adjournment thereof.

If you do not wish to direct your proxy how to vote, please place a mark in the box.

By marking this box, you acknowledge that your Appointee may exercise your proxy, even if he has an interest in the outcome of the resolution and votes cast by him other than as proxy holder, will be disregarded because of that interest.

Voting on Business of the General Meeting

Important: For Resolutions 4 and 5 below

If the Chairman of the Meeting is to be your proxy and you have not directed your proxy how to vote on Resolutions 4 and 5 below, please place a mark in this box. By marking this box, you acknowledge that the Chairman of the Meeting may exercise your proxy even if he has an interest in the outcome of that item and that votes cast by him, other than as proxy holder, would be disregarded because of that interest.

If you do not mark this box, and you have not directed your proxy how to vote, the Chairman of the Meeting will not cast your votes on Resolutions 4 and 5 and your votes will not be counted in computing the required majority if a poll is called on this item. The Chairman intends to vote undirected proxies in favour of Resolutions 4 and 5.

		For	Against	Abstain
Resolution 1	Confirmation of the Minutes of the Annual General Meeting held on 7 March 2003	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2	Financial Statements for the year ended 30 June 2003	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 3	Re-election of Director – William B Willis	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 4	Ratification of Issue of Shares	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 5	Ratification of Issue of Options	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

If you mark the abstain box for a particular item, you are directing your proxy not to vote on that item on a show of hands or on a poll and that your shares are not to be counted in computing the required majority on a poll.

Signed this day of 2003

By:

Individuals and joint holders

Companies (affix common seal if appropriate)

Signature		Director/Sole Director
Signature		Director/Company Secretary
Signature		Sole Director and Sole Company Secretary

PROXY FORM
MOUNT GIBSON IRON LIMITED
ACN 008 670 817

Instructions for Completing 'Appointment of Proxy' Form

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT A MEETING IS ENTITLED TO APPOINT NOT MORE THAN TWO PROXIES TO ATTEND AND VOTE ON THEIR BEHALF. WHERE MORE THAN ONE PROXY IS APPOINTED, SUCH PROXY MUST BE ALLOCATED A PROPORTION OF THE MEMBER'S VOTING RIGHTS. IF THE SHAREHOLDER APPOINTS TWO PROXIES AND THE APPOINTMENT DOES NOT SPECIFY THIS PROPORTION, EACH PROXY MAY EXERCISE HALF THE VOTES.
2. A duly appointed proxy need not be a member of the Company. In the case of joint holders, all must sign.
3. Corporate shareholders should comply with the execution requirements set out on the Proxy Form or otherwise with the provisions of Section 127 of the Corporations Act. Section 127 of the Corporations Act provides that a company may execute a document without using its common seal if the document is signed by:
 - 2 directors of the company;
 - a director and a company secretary of the company; or
 - for a proprietary company that has a sole director who is also the sole company secretary – that director.

For the Company to rely on the assumptions set out in Section 129(5) and (6) of the Corporations Act, a document must appear to have been executed in accordance with Section 127(1) or (2). This effectively means that the status of the persons signing the document or witnessing the affixing of the seal must be set out and conform to the requirements of Section 127(1) or (2) as applicable. In particular, a person who witnesses the affixing of a common seal and who is the sole director and sole company secretary of the company must state that next to his or her signature.

4. Completion of a Proxy Form will not prevent individual shareholders from attending the meeting in person if they wish. Where a shareholder completes and lodges a valid proxy form and attends the meeting in person, then the proxy's authority to speak and vote for that shareholder is suspended while the shareholder is present at the meeting.
5. Where a Proxy Form or form of appointment of corporate representative is lodged and is executed under power of attorney, the power of attorney must be lodged with this proxy.
6. To vote by proxy, please complete and sign the Proxy Form enclosed with this Notice of General Meeting as soon as possible and either:
 - send the Proxy Form by facsimile to the Company on (08) 9485 2305;
 - post to the Company at PO Box 55, West Perth WA 6872; or
 - deliver it to the registered office of the Company First Floor, 7 Havelock Street, West Perth, Western Australia,

so that it is received no later than 10.00am (Perth Time) on Monday 17 November 2003.