



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: MOUNT GIBSON IRON ANNOUNCES PLACEMENT TO RAISE \$17 MILLION

Mount Gibson Iron Limited (ASX Code "MGX") advises that it has placed 20 million ordinary shares at an issue price of 85 cents each to a group of sophisticated/professional investors and institutional clients of SHAW Stockbroking to raise \$17.0 million before costs and expenses.

The shares will be issued on Friday, 1 April 2005 and application for the listing of those shares on the Australian Stock Exchange will occur by Tuesday, 5 April 2005. The issue of these shares will not require shareholder approval as they are within the 15% limit allowed under ASX Listing Rule 7.1.

Proceeds of the placement will primarily be utilised to progress the Company's involvement in the Asia Iron pellet project in Nanjing, China.

Yours sincerely,
MOUNT GIBSON IRON LIMITED

John Arbuckle
Company Secretary

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