

Appendix 3Y

Change of Director's Interest Notice

Information or documents not available now must be given to ASX as soon as available. Information and documents given to ASX become ASX's property and may be made public.

Introduced 30/3/2001.

Name of entity	MOUNT GIBSON IRON LIMITED
ABN	87 008 670 817

We (the entity) give ASX the following information under listing rule 3.19A.2 and as agent for the director for the purposes of section 205G of the Corporations Act.

Name of Director	Craig Leslie Readhead
Date of last notice	27 May 2005

Part 1 - Change of director's relevant interests in securities

In the case of a trust, this includes interests in the trust made available by the responsible entity of the trust

Note: In the case of a company, interests which come within paragraph (i) of the definition of "notifiable interest of a director" should be disclosed in this part.

Direct or indirect interest	1. Direct 2. Indirect
Nature of indirect interest (including registered holder) <small>Note: Provide details of the circumstances giving rise to the relevant interest.</small>	Hengolo Pty Ltd (of which Mr Readhead is a Director and shareholder)
Date of change	18 October 2005
No. of securities held prior to change	1. B: 10,000 2. A: 177,500 B: 710,000 C: 500,000
Class	A. ordinary shares B. options exercisable at 22 cents on or before 15 October 2005 C. unlisted options exercisable after 31 December 2005 (providing continuing as a Director on that date) and on or before 31 December 2006 at 25 cents
Number acquired	1. A: 10,000 2. A: 710,000
Number disposed	1. B: 10,000 2. B: 710,000
Value/Consideration <small>Note: If consideration is non-cash, provide details and estimated valuation</small>	22 cents each

+ See chapter 19 for defined terms.

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No. of securities held after change	1. A: 10,000 2. A: 887,500 C: 500,000
Nature of change Example: on-market trade, off-market trade, exercise of options, issue of securities under dividend reinvestment plan, participation in buy-back	Exercise of options

Part 2 – Change of director's interests in contracts

Note: In the case of a company, interests which come within paragraph (ii) of the definition of "notifiable interest of a director" should be disclosed in this part.

Detail of contract	
Nature of interest	
Name of registered holder (if issued securities)	
Date of change	
No. and class of securities to which interest related prior to change Note: Details are only required for a contract in relation to which the interest has changed	
Interest acquired	
Interest disposed	
Value/Consideration Note: If consideration is non-cash, provide details and an estimated valuation	
Interest after change	

+ See chapter 19 for defined terms.