



**Date** 5 January 2009  
**Page** 1 of 41  
**From** Emma Leske  
**To** **Company Announcements Office, Australian Securities Exchange, Sydney**  
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Dear Sir / Madam

**Shougang Concord International Enterprises Company Limited –  
Notice of initial substantial holder in relation to Mount Gibson Iron  
Limited (ASX Code: MGX)**

We act for Shougang Concord International Enterprises Company Limited (*Shougang Concord*).

In accordance with section 671B(1) of the Corporations Act, on behalf of Shougang Concord we attach a copy of a notice of initial substantial holder in relation to Mount Gibson Iron Limited dated 5 January 2009.

Regards

**Emma Leske**  
Lawyer

Attach

Bangkok  
Beijing  
Beijing IP  
Brisbane  
Hanoi  
Ho Chi Minh City  
Hong Kong  
Jakarta  
Melbourne  
Perth  
Phnom Penh  
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Our Ref AHDS:206099297

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**Form 603**  
Corporations Act 2001  
Section 671B

**Notice of initial substantial holder**

To Company Name/Scheme	Mount Gibson Iron Limited		
ACN	008 670 817		
<b>1. Details of substantial holder (1)</b>			
Name	This notice is given on behalf of: <ul style="list-style-type: none"> <li>Shougang Corporation and each of its controlled entities, including Shougang Holding (Hong Kong) Limited (<i>Shougang Hong Kong</i>) and each of its controlled entities (collectively the <i>Shougang Corporation Group</i>); and</li> <li>Shougang Concord International Enterprises Company Limited (<i>Shougang Concord</i>) and each of its controlled entities, including Sky Choice International Limited (<i>Sky Choice</i>) (collectively the <i>Shougang Concord Group</i>)</li> </ul>		
ACN/ARSN (if applicable)	N/A		
The holder became a substantial holder on	31/12/2008		
<b>2. Details of voting power</b>			
The total number of votes attached to all the voting shares in the company or voting interests in the scheme that the substantial holder or an associate (2) had a relevant interest (3) in on the date the substantial holder became a substantial holder are as follows:			
Class of securities (4)	Number of securities	Person's votes (5)	Voting power (6)
Fully Paid Ordinary Shares (MGX Shares)	110,000,000	110,000,000	12.03% (based on 914,355,821 MGX Shares on issue)
<b>3. Details of relevant interests</b>			
The nature of the relevant interest the substantial holder or an associate had in the following voting securities on the date the substantial holder became a substantial holder are as follows:			
Holder of relevant interest	Nature of relevant interest (7)	Class and number of securities	
Sky Choice	Registered holder of securities issued on 31/12/08 pursuant to the subscription agreement dated 22/11/08 a true copy of which is annexed to this notice and marked "A".	110,000,000 MGX Shares	
Shougang Concord	Taken under s608(3)(b) of the Corporations Act to have a relevant interest in the MGX Shares in which Sky Choice has a relevant interest, by virtue of having control of Sky Choice.	110,000,000 MGX Shares	
Shougang Hong Kong	Taken under s608(3)(a) of the Corporations Act to have a relevant interest in the MGX Shares in which Shougang Concord has a relevant interest, by virtue of having voting power of more than 20% in Shougang Concord.	110,000,000 MGX Shares	
Shougang Corporation	Taken under s608(3)(b) of the Corporations Act to have a relevant interest in the MGX Shares in which Shougang Hong Kong has a relevant interest, by virtue of having control of Shougang Hong Kong.	110,000,000 MGX Shares	
Each of the other entities within the Shougang Corporation Group and the Shougang Concord Group	Taken under s608(3) of the Corporations Act to have a relevant interest in the MGX Shares by virtue of the relevant interest held by each entity's associates, including Shougang Corporation or Shougang Concord.	110,000,000 MGX Shares	
<b>4. Details of present registered holders</b>			
The persons registered as holders of the securities referred to in paragraph 3 above are as follows:			
Holder of relevant interest	Registered holder of securities	Person entitled to be registered as holder (8)	Class and number of securities

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Each person named in section 3 above	Sky Choice	Sky Choice	110,000,000 MGX Shares
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**5. Consideration**

The consideration paid for each relevant interest referred to in paragraph 3 above, and acquired in the four months prior to the day that the substantial holder became a substantial holder is as follows:

Holder of relevant interest	Date of acquisition	Consideration (9)	Class and number of securities
Sky Choice	31/12/08	\$66,000,000	110,000,000 MGX Shares
Each other person named in section 3	31/12/08	None - a deemed relevant interest	110,000,000 MGX Shares

**6. Associates**

The reasons the persons named in paragraph 3 above are associates of the substantial holder are as follows:

Name and ACN/ARSN (if applicable)	Nature of association
N/A	

**7. Addresses**

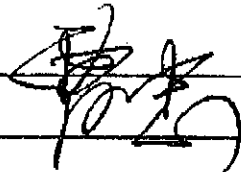
The addresses of persons named in this form are as follows:

Name	Address
Sky Choice	7 <sup>th</sup> Floor, Bank of East Asia Harbour View Centre, 56 Gloucester Road, Wanchai, Hong Kong
Shougang Concord and each other entity in the Shougang Concord Group	7 <sup>th</sup> Floor, Bank of East Asia Harbour View Centre, 56 Gloucester Road, Wanchai, Hong Kong
Shougang Hong Kong and each of its controlled entities	7 <sup>th</sup> Floor, Bank of East Asia Harbour View Centre, 51-57 Gloucester Road, Wanchai, Hong Kong
Shougang Corporation and each other entity in the Shougang Corporation Group (other than Shougang Hong Kong and each of its controlled entities)	Shijingshan, Beijing, People's Republic of China

**Signature**

print name Cao Zhong

sign here



capacity

Authorised signatory on behalf of each substantial holder named in this notice

date

05/01/2009

**DIRECTIONS**

- (1) If there are a number of substantial holders with similar or related relevant interests (eg. a corporation and its related corporations, or the manager and trustee of an equity trust), the names could be included in an annexure to the form. If the relevant interests of a group of persons are essentially similar, they may be referred to throughout the form as a specifically named group if the membership of each group, with the names and addresses of members is clearly set out in paragraph 7 of the form.
- (2) See the definition of "associate" in section 9 of the Corporations Act 2001.
- (3) See the definition of "relevant interest" in sections 608 and 671B(7) of the Corporations Act 2001.
- (4) The voting shares of a company constitute one class unless divided into separate classes.
- (5) The total number of votes attached to all the voting shares in the company or voting interests in the scheme (if any) that the person or an associate has a relevant interest in.
- (6) The person's votes divided by the total votes in the body corporate or scheme multiplied by 100.
- (7) Include details of:
  - (a) any relevant agreement or other circumstances by which the relevant interest was acquired. If subsection 671B(4) applies, a copy of any document setting out the terms of any relevant agreement, and a statement by the person giving full and accurate details of any contract, scheme or arrangement, must accompany this form, together with a written statement certifying this contract, scheme or arrangement; and
  - (b) any qualification of the power of a person to exercise, control the exercise of, or influence the exercise of, the voting powers or disposal of the securities to which the relevant interest relates (indicating clearly the particular securities to which the qualification applies).

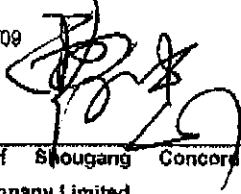
See the definition of "relevant agreement" in section 9 of the Corporations Act 2001.
- (8) If the substantial holder is unable to determine the identity of the person (eg. if the relevant interest arises because of an option) write "unknown."

- (9) Details of the consideration must include any and all benefits, moneys and other, that any person from whom a relevant interest was acquired has, or may, become entitled to receive in relation to that acquisition. Details must be included even if the benefit is conditional on the happening or not of a contingency. Details must be included of any benefit paid on behalf of the substantial holder or its associate in relation to the acquisitions, even if they are not paid directly to the person from whom the relevant interest was acquired.

**Annexure A**

This is Annexure A (Subscription Agreement) of 36 pages referred to in the Form 603 Notice of Initial substantial holding

Signed by me and dated 05/01/09



Cao Zhong, Director of Shougang Concord International Enterprises Company Limited

# Agreement

## Subscription agreement

Shougang Concord International Enterprises  
Company Limited

Mount Gibson Iron Limited

[david.gray@freehills.com](mailto:david.gray@freehills.com) / [paul.branston@freehills.com](mailto:paul.branston@freehills.com)

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The agreement

Subscription agreement

Date ▶ 22<sup>nd</sup> November 2008

Between the parties	
Subscriber	Shougang Concord International Enterprises Company Limited of 7th Floor, Bank of East Asia Harbour View Centre, 56 Gloucester Road, Wanchai, Hong Kong (Subscriber)
Company	Mount Gibson Iron Limited ACN 008 870 817 of 1st Floor, 7 Havelock Street, West Perth, WA, AUSTRALIA, 6005 (Company)
Background	The Company has agreed to issue the Subscription Shares in the capital of the Company to the Subscriber (or its nominee, as the case may be) on the terms of this agreement.
The parties agree	as set out in the Operative part of this agreement, in consideration of, among other things, the mutual promises contained in this agreement.

**1 Definitions and interpretation**

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**1.1 Agreement components**

This agreement includes any schedule.

**1.2 Definitions**

The meanings of the terms used in this document are set out below.

Term	Meaning
ASX	ASX Limited (ACN 008 824 891).
ASX Listing Rules	the official listing rules of the ASX as amended from time to time.
Authorisation	Includes: 1 any consent, registration, filing, agreement, notice of non-objection, notarisation, certificate, licence, approval, permit, authority or exemption from, by or with a Government Agency; and 2 in relation to anything that a Government Agency may prohibit or restrict within a specific period, the expiry of that period without intervention or action or notice of intended intervention or action.
Authorised Officers	has the meaning given in the Escrow Agreement.
Board	the board of directors of the Company.
Business Day	a day on which banks are open for business in Perth, Western Australia and Hong Kong excluding a Saturday, Sunday or public holiday in Perth, Western Australia or Hong Kong.
Company Warranties	the representations and warranties set out in Schedule 1.
Completion	the settlement of the issue of the Subscription Shares under this agreement pursuant to clause 6.

Term	Meaning
Completion Date	has the meaning given in clause 6.1(a).
Constitution	the constitution of the Company as amended or varied from time to time.
Corporations Act	the <i>Corporations Act 2001</i> (Cth).
Cut-Off Date	15 March 2009 or such later date as is agreed between the parties.
Duty	any stamp, transaction or registration duty or similar charge imposed by any Governmental Agency and includes any interest, fine, penalty, charge or other amount imposed in respect of any of them, but excludes any Tax.
EGM	a general meeting of members of the Company to be held as soon as is practicable and, in any event, by 30 January 2009 for the purpose of obtaining the member approval required for the fulfilment of the conditions precedent in clauses 2.1(a) to 2.1(c) of this agreement.
Encumbrance	any interest or power: <ol style="list-style-type: none"> <li>1 reserved in or over any interest in any asset including, but not limited to, any retention of title; or</li> <li>2 created or otherwise arising in or over any interest in any asset under a bill of sale, mortgage, charge, lien, pledge, trust or power,</li> </ol> by way of, or having similar commercial effect to, security for payment of a debt, any other monetary obligation or the performance of any other obligation, or any trust or any retention of title and includes, but is not limited to, any agreement to grant or create any of the above.
Escrow Agent	Freehills, of Level 36, 250 St Georges Terrace, Perth, Western Australia.
Escrow Agreement	means the agreement entered into between the Subscriber, the Company and the Escrow Agent on or about the date of this agreement.
Government Agency	any government or any governmental, semi-governmental, administrative, fiscal or judicial body, department, commission, authority, tribunal, agency or entity in any part of the world.
GST	goods and services tax or similar value added tax levied or imposed in Australia under the GST Law or otherwise on a supply.
GST Act	the <i>A New Tax System (Goods and Services Tax) Act 1999</i> (Cth).

Term	Meaning
GST Law	has the same meaning as in the GST Act.
Heads of Agreement	means the binding heads of agreement entered into by the Company and the Subscriber on or about 3 November 2008.
Listing Rule	a Listing Rule of the ASX.
Land Access Shares	up to a total of 2,000,000 Shares which may be issued to the traditional owners of land the subject of mining tenements held by the Company (or its subsidiaries) as compensation under land access agreements to be negotiated by the Company and the relevant traditional owners.
Loss	losses, liabilities, damages, costs, charges and expenses and includes Taxes and Duties.
Notice of Meeting	the notice of meeting and explanatory memorandum to be issued to members of the Company in respect of the EGM.
Official List	the official list of the ASX as defined in the ASX Listing Rules as amended from time to time.
Offtake Agreements	a series of medium term and long term offtake agreements under which certain subsidiaries of the Company will agree to sell certain iron ore produced by them to the Subscriber or its nominee, as described in the Heads of Agreement.
Performance Rights	the performance rights granted to management of the Company in the amounts and on the dates set out in Schedule 3 to this agreement.
Previous Offtake Agreement	Previous Offtake Agreement means any offtake agreement entered into by Mount Gibson prior to the date of the Heads of Agreement.
Rights Issue	a 1 for 5 rights issue of ordinary shares at an issue price of A\$0.80 per ordinary share to raise approximately A\$98,500,000 to be commenced by the Company in December 2008.
Shares	the ordinary issued shares in the Company.
Subscriber Warranties	the representations and warranties set out in Schedule 2.
Subscription Amount	The amount of A\$66,000,000, being the Subscription Price multiplied by the number of Subscription Shares.

Term	Meaning
Subscription Price	the amount of A\$0.60 per Subscription Share.
Subscription Shares	110,000,000 ordinary shares in the capital of the Company.
Tax	any tax, levy, charge, impost, duty, fee, deduction, compulsory loan or withholding, that is assessed, levied, imposed or collected by any Governmental Agency and includes, but is not limited to any interest, fine, penalty, charge, fee or any other amount imposed on, or in respect of any of the above.
Tax Law	a Law with respect to or imposing any Tax.
Warranties	the Company Warranties and the Subscriber Warranties.

### 1.3 Interpretation

In this agreement:

- (a) headings and bold type are for convenience only and do not affect the interpretation of this agreement;
- (b) the singular includes the plural and the plural includes the singular;
- (c) words of any gender include all genders;
- (d) other parts of speech and grammatical forms of a word or phrase defined in this agreement have a corresponding meaning;
- (e) an expression importing a person includes any company, partnership, joint venture, association, corporation or other body corporate and any Government Agency as well as an individual;
- (f) a reference to a clause, party, schedule, attachment or exhibit is a reference to a clause of, and a party, schedule, attachment or exhibit to, this agreement and a reference to this agreement includes any schedule, attachment and exhibit;
- (g) a reference to any legislation includes all delegated legislation made under it and amendments, consolidations, replacements or re-enactments of any of them;
- (h) a reference to a document includes all amendments or supplements to, or replacements or novation of, that document;
- (i) a reference to a party to a document includes that party's successors and permitted assignees;
- (j) a promise on the part of 2 or more persons binds them jointly and severally;

- (k) a reference to an agreement other than this agreement includes a deed and any legally enforceable undertaking, agreement, arrangement or understanding, whether or not in writing;
- (l) a reference to liquidation or insolvency includes appointment of an administrator, compromise, arrangement, merger, amalgamation, reconstruction, winding-up, dissolution, deregistration, assignment for the benefit of creditors, scheme, composition or arrangement with creditors, insolvency, bankruptcy, or any similar procedure or, where applicable, changes in the constitution of any partnership or person, or death;
- (m) no provision of this agreement will be construed adversely to a party because that party was responsible for the preparation of this agreement or that provision;
- (n) a reference to a body, other than a party to this agreement (including an institute, association or authority), whether statutory or not:
  - (1) that ceases to exist; or
  - (2) whose powers or functions are transferred to another body,is a reference to the body that replaces it or that substantially succeeds to its powers or functions;
- (o) a reference to any thing (including, but not limited to, any right) includes a part of that thing but nothing in this clause 1.3(o) implies that performance of part of an obligation constitutes performance of the obligation;
- (p) If an act prescribed under this agreement to be done by a party on or by a given day is done after 5.00pm on that day in the place where it is done, it is taken to be done on the next day;
- (q) If a period of time is specified and dates from a given day or the day of an act or event, it is to be calculated exclusive of that day;
- (r) a reference to a day is to be interpreted as the period of time commencing at midnight and ending 24 hours later; and
- (s) a reference to time is a reference to Perth time.

**1.4 Business Day**

Where the day on or by which any thing is to be done is not a Business Day, that thing must be done on or by the preceding Business Day.

**1.5 Inclusive expressions**

Specifying anything in this agreement after the words 'including', 'includes' or 'for example' or similar expressions does not limit what else is included.

## 2 Conditions precedent to Completion

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### 2.1 Conditions precedent

The obligations of the parties under clauses 3 and 6 are conditional on, and do not become binding unless and until:

- (a) the members of the Company, at the EGM, have approved by the appropriate majority the issue of the Subscription Shares to the Subscriber or its nominee for all purposes, including (without limitation) for the purposes of Listing Rule 7.1 and Item 7 of section 611 of the Corporations Act;
- (b) the members of the Company, at the EGM, have approved by the appropriate majority the Company's entry into the Offtake Agreements for all purposes, including (without limitation) for the purposes of Listing Rule 10.1;
- (c) the members of the Company, at the EGM, have approved by the appropriate majority the underwriting and the issue of Shares to the Subscriber (or its nominee, as the case may be) under the terms of the underwriting of the Rights Issue, for all purposes, including (without limitation) for the purposes of approval under Item 7 of section 611 of the Corporations Act;
- (d) Foreign Investment Review Board approval:
  - (1) the Subscriber has received a written notice under the *Foreign Acquisitions and Takeovers Act 1975 (Cth)*, by or on behalf of the Treasurer of the Commonwealth of Australia stating or to the effect that the Commonwealth Government does not object to the transactions contemplated by this agreement, either unconditionally or on terms that do not impose unduly onerous obligations on the Subscriber;
  - (2) the Treasurer of the Commonwealth of Australia becomes precluded from making an order in relation to the subject matter of this agreement and the transactions contemplated by it under the *Foreign Acquisitions and Takeovers Act 1975 (Cth)*; or
  - (3) if an interim order is made under the *Foreign Acquisitions and Takeovers Act 1975 (Cth)* in respect of the transactions contemplated by this agreement, the subsequent period for making a final order prohibiting the transactions contemplated by this agreement elapses without a final order being made.

### 2.2 Reasonable endeavours to satisfy conditions precedent

- (a) The Company must use reasonable endeavours to ensure that the conditions precedent in clauses 2.1(a) to 2.1(c) are satisfied as expeditiously as possible and in any event on or before the Cut Off Date.
- (b) The Subscriber must use reasonable endeavours to ensure that the condition precedent in clause 2.1(d) is satisfied as expeditiously as possible and in any event on or before the Cut Off Date. The Subscriber must not withdraw the Foreign Investment Review Board application that it lodged on 4 November 2008 without the consent of the Company except that the Subscriber may withdraw if it re-submits the application within 1 Business Day of such withdrawal. The Subscriber undertakes to notify the Company immediately following the Foreign Investment Review Board notifying the Subscriber of the outcome of the Subscriber's Foreign Investment Review Board application.

## Freehills

- (c) Each party must provide reasonable assistance to the other as is necessary to satisfy the conditions.
- (d) Each party must provide all information as may be reasonably requested by the other party in connection with any notices or applications for approvals.
- (e) Each party must cooperate with each other party in approaching the Foreign Investment Review Board for the purposes of satisfying the condition in clause 2.1(d) and the Company shall provide all reasonable assistance to the Subscriber to enable Foreign Investment Review Board approval to be obtained.

### 2.3 Notice

Each party must promptly notify the others in writing if it becomes aware that any condition in clause 2.1 has been satisfied or has become incapable of being satisfied.

### 2.4 Waiver

- (a) The conditions in clause 2.1 are for the benefit of both parties and may only be waived by both the parties.
- (b) A waiver of a condition will not be effective unless it is given by both parties in writing in relation to a particular condition.

### 2.5 Cut Off Date

A party may, by not less than 2 Business Days' notice to the other party, terminate this agreement at any time before Completion if:

- (a) the conditions in clauses 2.1(a) to 2.1(c) are not satisfied at the EGM;
- (b) the remaining conditions in clause 2.1 are not satisfied, or waived in accordance with clause 2.4 by the Cut Off Date; or
- (c) both parties agree in writing that any of the conditions in clause 2.1 cannot be satisfied.

### 2.6 No binding agreement for issue

For the avoidance of doubt, nothing in this agreement will cause a binding agreement for the issue of the Subscription Shares unless and until the conditions in clause 2.1 have been satisfied or waived in accordance with clause 2.4 and no person will obtain rights in relation to those shares as a result of this agreement unless and until those conditions have been satisfied.

## 3 Subscription and issue

---

### 3.1 Subscription Shares

On the day for Completion determined under clause 6, the Company must issue, and the Subscriber must subscribe for, or procure its nominee to subscribe for, the Subscription Shares, for the Subscription Price.

**3.2 Subscriber's Nominee**

- (a) The Subscriber may nominate in writing to the Company at least 5 Business Days prior to Completion a nominee, being a wholly owned Subsidiary of the Subscriber, to act as subscriber of the Subscription Shares. Such nominee will assume the rights and obligations of the Subscriber under this agreement.
- (b) If the Subscriber nominates a nominee in accordance with clause 3.2(a), the Subscriber agrees to unconditionally and irrevocably guarantee to Mount Gibson the due and punctual performance of the nominee's obligations under this agreement. If the Company requires the Subscriber must enter a separate deed of guarantee to give effect to the guarantee.

**3.3 Constitution**

On issue of the Subscription Shares, the Subscriber agrees that it (or its nominee, as the case may be) will be bound by the Constitution.

**3.4 Rights and ranking**

All Subscription Shares issued to the Subscriber or its nominee will:

- (a) be issued as fully paid;
- (b) be free of Encumbrances; and
- (c) rank equally in all respects with the other ordinary shares on issue in the capital of the Company as at the date of Completion.

**4 Treatment of Subscription Amount**

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**4.1 Appointment of Escrow Agent**

Within 5 Business Days of the signing of this agreement, the Subscriber must procure that the Escrow Agent holds the Subscription Amount on escrow in an interest bearing account, on the following terms:

- (a) The Escrow Agent must not release any funds from the Escrow Account except as authorised under and pursuant to clauses 4.1(b) and 4.1(c).
- (b) The Escrow Agent is entitled to rely upon a written direction provided to it in respect of:
- (1) clause 4.2(a), if it is sealed with the common seal of the Subscriber and signed by the Authorised Officers of the Subscriber and is in the form set out in Schedule 3 to the Escrow Agreement;
  - (2) clause 4.2(b), if it is signed by the Authorised Officers of the Company and is in the form set out in Schedule 4 to the Escrow Agreement; or
  - (3) clause 4.3, if it is sealed with the common seal of the Subscriber and signed by the Authorised Officers of the Subscriber, and signed by the Authorised Officers

of the Company, and is in the form set out in Schedule 5 to the Escrow Agreement.

Any such written direction is final and conclusive of all actions the Escrow Agent must take in relation to the Subscription Amount.

- (c) Where the Escrow Agent is directed to pay the Subscription Amount to a party, the Escrow Agent shall ensure that all interest that has accrued on the Subscription Amount as at the date of the payment shall be paid to the Subscriber.
- (d) The Subscriber and the Company agree to jointly indemnify the Escrow Agent against any claim, action, damage, loss, liability, charge, expense, outgoing or payment suffered, paid or incurred by the Escrow Agent in respect of performing its role as Escrow Agent in accordance with this agreement. This indemnity is a continuing indemnity and remains in full force and effect despite any payment to the Escrow Agent or any other thing.

#### 4.2 Release of Subscription Amount to Company

- (a) The Subscriber may at any time prior to the termination of this agreement (and whether or not the conditions precedent in clause 2.1 have been met) give written notice to the Escrow Agent directing the Escrow Agent to pay the Subscription Amount to the Company.
- (b) If the Subscriber does not give notice in accordance with clauses 6.3(a) and 4.1(b)(1) on the Completion Date:
  - (1) except where the Subscriber does not give the notice by reason of it exercising or purporting to exercise its right to terminate under clause 9.1 of this agreement, the Company may give written notice to the Escrow Agent directing the Escrow Agent to pay the Subscription Amount to the Company; and
  - (2) the Subscriber appoints the Company as its attorney to apply for the Subscription Shares through the issue of the notice referred to in 4.2(b)(1).

#### 4.3 Return of Subscription Amount

If the agreement is terminated in accordance with clause 2.5, clause 9.1 or otherwise at law, then, provided that the Subscriber has not given notice to the Escrow Agent under clause 4.2, the Subscriber and the Company must direct the Escrow Agent to release the Subscription Amount to the Subscriber.

### 5 Company's and Subscriber's undertakings

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#### 5.1 Restrictions on the Company

The Company will not, prior to Completion, without the Subscriber's prior written consent:

- (a) (special voting rights) grant any special voting or other rights that attach to the ordinary issued shares in its capital;
- (b) (new business) carry on any business except business of a type that is currently being carried on or currently proposed to be carried on by the Company; or

- (c) (change in capital) enter into any agreement or legally binding commitment to give any person any right to invest in or acquire shares or any security convertible into or exercisable for shares in the Company and will not issue any ordinary shares in the Company or options or redeem or buy-back any ordinary shares in the Company, other than:
- (1) the Performance Rights;
  - (2) the Land Access Shares;
  - (3) pursuant to the Rights Issue or in accordance with the underwriting arrangements entered into by the Company in respect of the Rights Issue; or
  - (4) as a result of the exercise of options on issue at the date of this agreement.

## 5.2 Quotation on ASX

- (a) The Company will apply to ASX for, and use its best endeavours to obtain, official quotation of the Subscription Shares as soon as practicable, and in any event within 2 Business Days after Completion.
- (b) If the Subscription Shares are not issued at a time when offers under a prospectus issued by Mount Gibson are still open for acceptance, the Company will give to the ASX a notice that complies with section 708A(6) of the Corporations Act on the day following Completion.

## 5.3 Subscriber's undertakings

The Subscriber undertakes that:

- (a) it will provide in good faith, and in a timely fashion, all information to the Company that is reasonably required by the Company for inclusion in the Notice of Meeting, on the understanding that the Company will rely on that information to prepare the Notice of Meeting and to obtain such member approval as is required in order to fulfil the conditions precedent in clauses 2.1(a) to 2.1(c) of this agreement;
- (b) the information provided by the Subscriber for the Notice of Meeting, as at the date that the Notice of Meeting is despatched to members, will not contain any statement that is materially misleading or deceptive including by way of omission, from that statement; and
- (c) the Subscriber will, until the date on which the EGM is held, as a continuing obligation, provide to the Company all further or new information which has arisen after the Notice of Meeting has been despatched, which is necessary to ensure that there would be no breach of clause 5.3(b) if it applied at the date on which that information arose.

## 5.4 Restriction on resale of Subscription Shares

The Subscriber agrees that if it is issued any Subscription Shares, in accordance with applicable Hong Kong securities laws, it will not sell, or offer to sell, such Subscription Shares, to the public in Hong Kong within six months after the date of the allotment of, or agreement to allot, those Subscription Shares, except that it may, for the avoidance of doubt, resell any such Subscription Shares at any time on-market on the ASX.

**5.5 Company's undertakings**

The Company undertakes that it will:

- (a) let the Subscriber know if any party to any of its material contracts (other than any of its Previous Offtake Agreements) alleges or claims that the Company is in material breach; and
- (b) let the Subscriber know about any threatened or potential material litigation of which it becomes aware.

**6 Completion**

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**6.1 Time and place for Completion**

Completion of the issue of the Subscription Shares under this agreement must take place:

- (a) on the second Business Day after the satisfaction or waiver of the last of the conditions precedent in clause 2.1 (**Completion Date**);
- (b) at the offices of the Company's solicitors or at any other place the parties agree; and
- (c) at the time (but during banking hours at that place) that the Subscriber nominates or the parties agree,

subject to the ASX not indicating to the Company at any time prior to Completion that it will refuse to grant quotation of the Subscription Shares or otherwise make quotation conditional.

**6.2 Obligations of Company**

On or before Completion, the Company must procure that a meeting of directors of the Company is convened and approves subject to Completion:

- (a) the issue of the Subscription Shares to the Subscriber (or its nominee, as the case may be); and
- (b) the amendment to the register of shareholders to take into account the issue of the Subscription Shares to the Subscriber (or its nominee, as the case may be).

**6.3 Subscription at Completion**

- (a) At Completion, the Subscriber must issue a written notice to the Escrow Agent in the form set out in clause 4.1(b)(1), directing the Escrow Agent to pay the Subscription Amount to the Company. If the Subscriber does not issue such written notice as required by this clause, then the Company may itself issue the notice on the conditions set out in clause 4.1(b)(2).
- (b) By issue of the notice pursuant to clause 4.1(b)(1) or 4.1(b)(2) (as applicable) and the operation of this agreement, the Subscriber:

- (1) applies to have issued to it (or its nominee, as the case may be) 110,000,000 fully paid ordinary shares in the capital of the Company for the Subscription Price; and
- (2) agrees that it (or its nominee as the case may be) will hold all shares issued to it on and subject to the provisions of the constitution of the Company from time to time and will be bound by and observe such provisions.

**6.4 Issue at Completion**

At Completion, the Company must:

- (a) issue or procure the issue of the Subscription Shares to the Subscriber or its nominee free from any Encumbrance or other third party rights; and
- (b) provide the documentation required by clause 6.5.

**6.5 Documents to be delivered by the Company at Completion**

At Completion, the Company must give to the Subscriber:

- (a) a copy of an issuer-sponsored holding statement in respect of the Subscription Shares, together with evidence satisfactory to the Subscriber or its nominee of the due allotment and issue of the Subscription Shares; and
- (b) a draft of the notice referred to in clause 5.2(b).

**6.6 Completion simultaneous**

Subject to clause 6.6(b), the actions to take place as contemplated by this clause 6 are interdependent and must take place, as nearly as possible, simultaneously. If one action does not take place, then without prejudice to any rights available to any party as a consequence:

- (a) there is no obligation on any party to undertake or perform any of the other actions;
- (b) to the extent that such actions have already been undertaken, the parties must do everything reasonably required to reverse those actions; and
- (c) the Company and the Subscriber must each return to the other all documents delivered to it under clause 6 and must each repay to the other all payments received by it under clause 6.3(a) and must reverse any issue of the Subscription Shares under clause 6.4, without prejudice to any other rights any party may have in respect of that failure.

**7 Appointment of director to the Company's Board**

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- (a) Subject to clause 7(b), and provided that:
  - (1) Completion has occurred; and
  - (2) the execution of the Offtake Agreements and completion of the Rights Issue has occurred,

the Subscriber is entitled (but not obliged) to appoint a person as a director of the Company (*New Director*) (and the Company acknowledges that the Subscriber may also nominate an alternate director to the New Director (*Alternate Director*)). The operation of this clause 7(a) does not derogate from any rights that may otherwise be available under the law, but remains subject to the governance arrangements that the Subscriber contracted for in the Heads of Agreement.

- (b) Subject to clause 7(c), within 5 Business Days after the Subscriber gives to the Company written notice of the identity of its proposed New Director (and any Alternate Director) in accordance with clause 7(a), the Company will appoint the New Director (and any Alternate Director).
- (c) The Subscriber acknowledges that any director appointed under this clause holds office only until the next annual general meeting of the Company and is then eligible for re-election at that meeting.

**8 Warranties and indemnities**

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**8.1 Company Warranties**

The Company gives the Company Warranties to and for the benefit of the Subscriber.

**8.2 Subscriber Warranties**

The Subscriber gives the Subscriber Warranties to and for the benefit of the Company.

**8.3 Repetition warranties**

The Warranties given by the Company and the Subscriber are given:

- (a) in respect of each Warranty which is expressed to be given on a particular date, on that date; and
- (b) in respect of each other Warranty, on the date of this agreement and immediately before Completion.

**8.4 Survival**

The Warranties survive the execution and Completion of this agreement.

**8.5 Reliance**

- (a) The Company acknowledges that the Subscriber enters into this agreement in reliance on each Company Warranty.
- (b) The Subscriber acknowledges that the Company enters into this agreement in reliance on each of Subscriber Warranty.

**8.6 Independent Warranties**

Each Warranty is separate and independent and not limited by reference to any other Warranty or any notice or waiver given by any party in connection with anything in this agreement.

**8.7 Investigation**

All powers of the Subscriber in connection with the Warranties may be enforced or made whether or not, before entry into this agreement, the Subscriber knew or could have discovered (whether by any investigation made by or on behalf of the Subscriber into the affairs of the Company or otherwise) that any Warranty has not been complied with or is otherwise untrue, incorrect or misleading.

**8.8 Future events**

The Company must immediately give notice to the Subscriber if anything occurs or arises that results or may result in any of the Warranties being unfulfilled, untrue, incorrect or misleading.

**8.9 Indemnity**

The Company indemnifies the Subscriber against any Loss suffered or Incurred by the Subscriber as a result of a breach of this agreement or the Constitution by the Company.

**8.10 Tax**

If an amount received by the Subscriber under clause 8.9 or otherwise in respect of any action in respect of any breach of this agreement is treated as assessable or taxable income or an assessable or taxable gain of the Subscriber under any Tax Law, the Company must pay the Subscriber an additional amount so that, after deducting from the aggregate amount received by the Subscriber under this clause 7 and otherwise in respect of that action, the amount of Tax paid or payable in respect of the amount received, the balance remaining is equal to the amount received by the Subscriber under clauses 8.9 or otherwise in respect of that action.

**9 Termination**

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**9.1 Termination by the Subscriber**

The Subscriber may terminate this agreement at any time before Completion by notice in writing to the other party if:

- (a) an order is made or an effective resolution is passed for the winding up or dissolution without winding up (otherwise than for the purposes of reconstruction or amalgamation) of the Company;
- (b) a receiver, receiver and manager, judicial manager, liquidator, administrator or like official is appointed over the whole or a substantial part of the undertaking or property of the Company; or

- (c) a holder of an Encumbrance takes possession of the whole or any substantial part of the undertaking and property of the Company; or
- (d) the Company is in default of any of the terms and conditions of this agreement or breaches any representation or warranty given or made by it under this agreement; or
- (e) there is a material adverse change, or there is a development that may lead to a material adverse change, in the financial position, results, operations or prospects of the Company, excluding any effect resulting from any matter:
  - (1) disclosed by Mount Gibson on ASX since 30 June 2008;
  - (2) arising from the revised pricing arrangements embodied in proposed Offtake Agreements;
  - (3) arising from any default by a Mount Gibson customer under a Previous Offtake Agreement, or where a Mount Gibson customer is currently in default under an offtake agreement, any further default by that customer;
  - (4) arising from any legal action taken by Mount Gibson or a Mount Gibson customer in relation to a default by a Mount Gibson customer under a Previous Offtake agreement; or
  - (5) that has been disclosed to the Subscriber by or on behalf of the Company on or prior to the date of this agreement;
- (f) the Company has breached a material contract to which it is a party, other than a material breach of a Previous Offtake Agreement where the customer is currently in default; or
- (g) at any time prior to Completion any of the Company directors withdraw their recommendation (which will be subject to customary qualifications) that the Company's shareholders approve the issue of the Subscription Shares to the Subscriber, the Company's entry into the Offtake Agreements and the underwriting of the Rights Issue by the Subscriber.

**9.2 Effect of Termination**

If this agreement is terminated under clause 2.5 or this clause 9:

- (a) each party retains the rights it has against the other in respect of any breach of this agreement occurring before termination;
- (b) the rights and obligations of each party under each of the following clauses and schedules will continue independently from the other obligations of the parties and survive termination of this agreement:
  - (1) clause 1.2 (Definitions and interpretation);
  - (2) clause 8.9 (Indemnity);
  - (3) clause 9 (Termination);
  - (4) clause 10 (Confidentiality and announcements);
  - (5) clause 10.3(a) (Duties, costs and expenses);
  - (6) clause 12 (GST); and



- (7) clauses 13 and 14 (Notices and General).

### 9.3 No other right to terminate or rescind

No party may terminate or rescind this agreement (including on the grounds of any breach of Warranty or misrepresentation that occurs or becomes apparent before Completion) except as permitted under clause 2.5 or this clause 9.

## 10 Confidentiality and announcements

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### 10.1 Confidentiality

Each party (recipient) must keep secret and confidential, and must not divulge or disclose any information relating to another party or its business (which is disclosed to the recipient by the other party, its representatives or advisers), this agreement other than to the extent that:

- (a) the information is in the public domain as at the date of this agreement (or subsequently becomes in the public domain other than by breach of any obligation of confidentiality binding on the recipient);
- (b) the recipient is required to disclose the information by applicable law or the rules of any recognised stock exchange on which its shares or the shares of any of its related bodies corporate are listed, provided that the recipient has consulted with the provider of the information as to the form and content of the disclosure;
- (c) the disclosure is made by the recipient to its financiers or lawyers, accountants, investment bankers, consultants or other professional advisers to the extent necessary to enable the recipient to properly perform its obligations under this agreement or to conduct their business generally, in which case the recipient must ensure that such persons keep the information secret and confidential and do not divulge or disclose the information to any other person;
- (d) the disclosure is required for use in legal proceedings regarding this agreement; or
- (e) the party to whom the information relates has consented in writing before the disclosure.

### 10.2 Extent of obligation

Each recipient must ensure that its directors, officers, employees, agents, representatives, financiers, advisers and related bodies corporate comply in all respects with the recipient's obligations under clause 10.1.

### 10.3 Public announcements

A party may not make any other public announcement relating to this agreement or its subject matter (including the fact that the parties have executed this agreement) unless:

- (a) the other party has consented to the announcement, including the form and content of that disclosure, which consent must not be unreasonably withheld or delayed;

- (b) the information is in the public domain as at the date of this agreement (or subsequently becomes in the public domain other than by breach of any obligation of confidentiality binding on the recipient); or
- (c) the recipient is required to disclose the information by applicable law or the rules of any recognised stock exchange on which its shares are listed, provided that the recipient has, to the extent possible having regard to the required timing of the disclosure, consulted with the other party as to the form and content of the disclosure.

## 11 Duty

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### 11.1 Duties

The Subscriber must pay all Duty in respect of the execution, delivery and performance of this agreement and any agreement, transaction or document entered into or signed under this agreement.

### 11.2 Costs and expenses

- (a) Unless otherwise provided for in this agreement, each party must pay its own costs and expenses in respect of the negotiation, preparation, execution, delivery and registration of this agreement and any other agreement or document entered into or signed under this agreement.
- (b) Any action to be taken by the Subscriber or the Company in performing their obligations under this agreement must be taken at their own cost and expense unless otherwise provided in this agreement.

## 12 GST

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### 12.1 Definitions

Words used in this clause 12 that have a defined meaning in the GST Law, have the same meaning as in the GST Law unless the context indicates otherwise.

### 12.2 GST

- (a) Unless expressly included, the consideration for any supply under or in connection with this agreement does not include GST.
- (b) To the extent that any supply made under or in connection with this agreement is a taxable supply (other than any supply made under another agreement that contains a specific provision dealing with GST), the recipient must pay, in addition to the consideration provided under this agreement for that supply (unless it expressly includes GST) an amount (additional amount) equal to the amount of that consideration (or its GST exclusive market value) multiplied by the rate at which GST is imposed in respect of

the supply. The recipient must pay the additional amount at the same time as the consideration to which it is referable.

- (c) Whenever an adjustment event occurs in relation to any taxable supply to which clauses 12.2(a) and 12.2(b) applies:
  - (1) the supplier must determine the amount of the GST component of the consideration payable; and
  - (2) if the GST component of that consideration differs from the amount previously paid, the amount of the difference must be paid by, refunded to or credited to the recipient, as applicable.

**12.3 Tax Invoices**

The supplier must issue a Tax Invoice to the recipient of a supply to which clause 12.2 applies no later than 7 days following payment of the GST inclusive consideration for that supply under that clause.

**12.4 Reimbursements**

If either party is entitled under this agreement to be reimbursed or indemnified by the other party for a cost or expense incurred in connection with this agreement, the reimbursement or indemnity payment must not include any GST component of the cost or expense to the extent that the cost or expense is the consideration for a creditable acquisition made by the party being reimbursed or indemnified, or by its representative member.

**13 Notices**

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**13.1 How and where Notices may be sent**

A notice or other communication under this agreement (Notice) must be in writing and delivered by hand or sent by pre-paid post or fax to a party at the address or the fax number for that party in Schedule 4 or as otherwise specified by a party by Notice.

**13.2 Email not to be used**

Email or similar electronic means of communication must not be used to give Notices under this agreement.

**13.3 When Notices are taken to have been given and received**

- (a) A Notice sent by post is regarded as given and received on the second Business Day following the date of postage.
- (b) A fax is regarded as given and received on production of a transmission report by the machine from which the fax was sent that indicates that the fax was sent in its entirety to the recipient's fax number, unless the recipient informs the sender that the Notice is illegible or incomplete within 4 hours of it being transmitted.

- (c) A Notice delivered or received other than on a Business Day or after 4.00pm (recipient's time) is regarded as received at 9.00am on the following Business Day and a Notice delivered or received before 9.00am (recipient's time) is regarded as received at 9.00am.

**14 General**

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**14.1 Governing law and jurisdiction**

- (a) This agreement is governed by the law in force in Western Australia.
- (b) Each party irrevocably submits to the non-exclusive jurisdiction of courts exercising jurisdiction in Western Australia and courts of appeal from them in respect of any proceedings arising out of or in connection with this agreement. Each party irrevocably waives any objection to the venue of any legal process in these courts on the basis that the process has been brought in an inconvenient forum.

**14.2 Invalidity and enforceability**

- (a) If any provision of this agreement is invalid under the law of any jurisdiction the provision is enforceable in that jurisdiction to the extent that it is not invalid, whether it is in severable terms or not.
- (b) Clause 14.2(a) does not apply where enforcement of the provision of this agreement in accordance with clause 14.2(a) would materially affect the nature or effect of the parties' obligations under this agreement.

**14.3 Waiver**

No party to this agreement may rely on the words or conduct of any other party as a waiver of any right unless the waiver is in writing and signed by the party granting the waiver.

The meanings of the terms used in this clause 14.3 are set out below.

Term	Meaning
conduct	includes delay in the exercise of a right.
right	any right arising under or in connection with this agreement and includes the right to rely on this clause.
waiver	includes an election between rights and remedies, and conduct that might otherwise give rise to an estoppel.

**14.4 Variation**

A variation of any term of this agreement must be in writing and signed by the parties.

**14.5 Assignment of rights**

- (a) Rights arising out of or under this agreement are not assignable by a party without the prior written consent of the other party.
- (b) A breach of clause 14.5(a) by a party entitles the other party to terminate this agreement.
- (c) Clause 14.5(b) does not affect the construction of any other part of this agreement.

**14.6 Further action to be taken at each party's own expense**

Each party must, at its own expense, do all things and execute all documents necessary to give full effect to this agreement and the transactions contemplated by it.

**14.7 Entire agreement**

This agreement, together with the Heads of Agreement, states all the express terms of the agreement between the parties in respect of its subject matter. It supersedes all prior discussions, negotiations, understandings, arrangements and agreements, express or implied in respect of its subject matter.

**14.8 No merger**

The Warranties, undertakings and indemnities in this agreement will not merge on Completion.

**14.9 No reliance**

Neither party has relied on any statement by the other party not expressly included in this agreement.

**14.10 Counterparts**

This agreement may be executed in any number of counterparts.

**14.11 Relationship of the parties**

- (a) Nothing in this agreement gives a party authority to bind any other party in any way.
- (b) Nothing in this agreement imposes any fiduciary duties on a party in relation to any other party.



**14.12 Exercise of discretions**

- (a) Unless expressly required by the terms of this agreement, a party is not required to act reasonably in giving or withholding any consent or approval or exercising any other right, power, authority, discretion or remedy, under or in connection with this agreement.
- (b) A party may (without any requirement to act reasonably) impose conditions on the grant by it of any consent or approval, or any waiver of any right, power, authority, discretion or remedy, under or in connection with this agreement. Any conditions must be complied with by the party relying on the consent, approval or waiver.



Freehills

Schedules

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Company Warranties

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1 General Warranties

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1.1 Registration

The Company warrants that:

- (a) **(Registration)** it is a corporation registered (or taken to be registered) and validly existing under the Corporations Act.
- (b) **(Incorporation)** if it is a corporation, it is validly incorporated, organised and subsisting in accordance with the laws of its place of incorporation.
- (c) **(Power and capacity)** it has full power and capacity to enter into and perform its obligations under this agreement.
- (d) **(Corporate authorisations)** all necessary authorisations for the execution, delivery and performance by the Company of this agreement in accordance with its terms have been obtained or will be obtained prior to Completion.
- (e) **(No legal impediment)** the execution, delivery and performance of this agreement:
  - (1) complies with its Constitution or other constituent documents (as applicable); and
  - (2) does not constitute a breach of any law or obligation, or cause or result in a default under any agreement, or Encumbrance, by which it is bound and that would prevent it from entering into and performing its obligations under this agreement.
- (f) **(Solvency):**
  - (1) it is able to pay its debts as and when they fall due;
  - (2) it has not been issued with (or if it has been issued with, has not failed to comply with) a statutory demand;
  - (3) it has not gone, or proposed to go, into liquidation;
  - (4) it has not passed a winding-up resolution or commenced steps for winding-up or dissolution;



## Freehills

-Schedule 1 Company Warranties

- (5) it has not received a deregistration notice under section 601AB of the Corporations Act or applied for deregistration under section 601AA of the Corporations Act;
  - (6) it has not been presented or threatened with a petition or other process for winding-up or dissolution and, so far as the Subscriber is aware, there are no circumstances justifying a petition or other process;
  - (7) no receiver, receiver and manager, judicial manager, liquidator, administrator, official manager has been appointed, or is threatened or expected to be appointed, over the whole or a substantial part of the undertaking or property of the Subscriber, and, so far as the Subscriber is aware, there are no circumstances justifying such an appointment; or
  - (8) it has not entered into, or taken steps or proposed to enter into, any arrangement, compromise or composition with or assignment of the benefit of its creditors or class of them.
- (g) **(Capital Structure)** the capital structure of the Company as at the date of this Agreement is as set out in Schedule 3.
- (h) **(Ownership)** the Subscriber (or its nominee, as the case may be) will acquire at Completion:
- (1) the full legal and beneficial ownership of the Subscription Shares free and clear of all Encumbrances, subject to registration of the Subscriber in the register of shareholders;
  - (2) the Subscription Shares free of competing rights, including pre-emptive rights or rights of first refusal; and
  - (3) the Subscription Shares that are fully paid and have no money owing in respect of them.

## 2 Business Warranties

### **2.1 Quotation warranties**

**(Official list)** The Company warrants that:

- (a) It has been admitted to and is listed on the Official List;
- (b) it has not been removed from the Official List and no removal from the Official List has been threatened by the ASX; and
- (c) the Shares are quoted on the ASX and are not suspended from quotation and no suspension has been threatened by the ASX.

### **2.2 Disclosure warranty**

The Company warrants that it is in compliance with its periodic and continuous disclosure obligations under the ASX Listing Rules and the Corporations Act and has disclosed to

the ASX all material information concerning the assets and liabilities, financial position and performance and profits and losses of the Company and its business operations of which the Company is aware, or ought reasonably to be aware.

**2.3 Conduct warranties**

The Company warrants that:

- (c) (no litigation) other than as set out in its ASX public announcement dated 3 November 2008, the Company is not engaged in or threatened with any material legal action or other proceedings and there are no facts or matters known to the directors which are likely to give rise to any material litigation;
- (d) (material contracts) all material contracts entered into by the Company are valid and enforceable in accordance with their terms and the Company has not breached any of those contracts and entry into this agreement will not result in the Company breaching any material contract to which it is a party; and
- (e) as at the date of this Agreement and as at Completion, the Company has satisfied all conditions necessary to enable it to lodge with ASX a notice under section 708A(5) of the Corporations Act.



Subscriber Warranties

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1 General Warranties

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The Subscriber warrants that:

- (a) **(Incorporation)** if it is a corporation, it is validly incorporated, organised and subsisting in accordance with the laws of its place of incorporation.
- (b) **(Power and capacity)** it has full power and capacity to enter into and perform its obligations under this agreement.
- (c) **(Corporate Authorisations)** all necessary authorisations for the execution, delivery and performance by the Subscriber of this agreement in accordance with its terms have been obtained or will be obtained prior to Completion.
- (d) **(No legal impediment)** the execution, delivery and performance of this agreement:
  - (1) complies with its constitution or other constituent documents (as applicable); and
  - (2) does not constitute a breach of any law or obligation, or cause or result in a default under any agreement, or Encumbrance, by which it is bound and which would prevent it from entering into and performing its obligations under this agreement.
- (e) **(Solvency):**
  - (1) it has not gone, or proposed to go, into liquidation;
  - (2) it has not passed a winding-up resolution or commenced steps for winding-up or dissolution;
  - (3) it has not been presented or threatened with a petition or other process for winding-up or dissolution and, so far as the Subscriber is aware, there are no circumstances justifying a petition or other process;
  - (4) no receiver, receiver and manager, judicial manager, liquidator, administrator, official manager has been appointed, or is threatened or expected to be appointed, over the whole or a substantial part of the undertaking or property of the Subscriber, and, so far as the Subscriber is aware, there are no circumstances justifying such an appointment; or



Freehills

<Schedule 2 Subscriber Warranties

- (5) it has not entered into, or taken steps or proposed to enter into, any arrangement, compromise or composition with or assignment of the benefit of its creditors or class of them.



**Schedule of capital**

The following sets out all of the capital in the Company as at the date of this agreement:

**Ordinary shares and options**

Number of securities	Class of security
804,355,821	ordinary shares
100,000	unlisted options exercisable at A\$0.55, expiring on 31 December 2008
2,000,000	unlisted options exercisable at A\$0.90, expiring on 30 June 2010
3,000,000	unlisted options exercisable at A\$0.90, expiring on 24 October 2010
2,000,000	unlisted options exercisable at A\$1.10, expiring on 24 October 2012
250,000	unlisted options exercisable at A\$0.78, expiring on 31 December 2009
1,681,000	unlisted options exercisable at A\$0.89, expiring on 31 December 2009

**Performance Rights**

The following performance rights have been granted to the management of the Company as at the date of this agreement:

Recipient	Grant Date	Performance period start	Performance period end	Grant Number
L Tonkin	18-Apr-08	1-Jul-07	30-Jun-10	181,881
A Rule	18-Apr-08	1-Jul-07	30-Jun-10	121,261
L Tonkin	22-Sep-08	1-Jul-08	30-Jun-10	66,077
A Rule	22-Sep-08	1-Jul-08	30-Jun-10	47,063

Further performance rights may be provided in subsequent financial years in accordance with agreements currently in place with the management of the Company.

Notice details

Company	Mount Gibson Iron Limited
Address	1st Floor, 7 Havelock Street, West Perth, Western Australia, Australia, 6005
Attention	Managing Director
Phone	(08) 9426 7500
Fax	(08) 9485 2305

Subscriber	Shougang Concord International Enterprises Company Limited
Address	7th Floor, Bank of East Asia Harbour View Centre, 56 Gloucester Road, Wanchai, Hong Kong.
Attention	Company Secretary
Fax	+(852) 2529 0126



Freehills

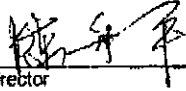
Signing page

Executed as an agreement

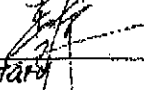
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**Subscriber**

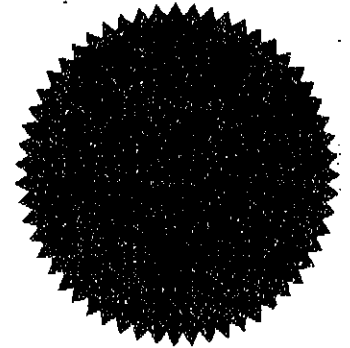
Sealed with the common seal of  
**Shougang Concord International Enterprises Company Limited**  
and signed by

sign here ▶   
Director

print name CHEN ZHOUDING

sign here ▶   
Director Secretary

print name CARMEI CHEN

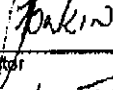


**Company**

Signed by  
**Mount Gibson Iron Limited**  
By

sign here ▶   
Company Secretary/Director

print name O. Berg

sign here ▶   
Director

print name L TONKIN