

AGM Presentation

16 November 2011



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Investments in shares in MGI is considered highly speculative.

Agenda

- 1 Chairman's address
- 2 Shareholder Resolutions
- 3 Managing Director Presentation

Geoffrey Hill

Agenda

- 1 Chairman address
- 2 Shareholder Resolutions
- 3 Managing Director Presentation

Proxies

- 797,277,171 valid available proxy votes received, representing 73.65% of total shares on issue
- Details of proxies will be provided for each resolution

Financial Reports

“To receive and consider the financial report, the Directors’ report and auditors’ report for the year ended 30 June 2011”

Resolution 1

Re-election of Director - Alan Jones

“That Alan Jones, being a Director who retires by rotation in accordance with Rule 8.1(e) of the Company’s Constitution, and being eligible, is re-elected as a Director of the Company.”

Proxy summary

For:	511,916,420
Against:	282,589,340
Abstain:	11,531,285
Proxy’s discretion	2,771,411

Resolution 2

Election of Director - Geoffrey Hill

“That Geoffrey Hill, having been appointed as a Director since the last annual general meeting and who retires in accordance with Rule 8.1(c) of the Company’s Constitution, and being eligible, is elected as a Director of the Company.”

Proxy summary

For:	683,232,778
Against:	121,396,001
Abstain:	1,392,133
Proxy’s discretion	2,787,544

Resolution 3

Adoption of Remuneration Report

“That the Remuneration Report for the Company for the year ended 30 June 2011 is adopted.”

Proxy summary

For:	799,719,062
Against:	4,905,989
Abstain:	917,627
Proxy's discretion	687,899

Resolution 4

Increase in the maximum aggregate remuneration of Non-Executive Directors

“That the maximum aggregate remuneration payable by the Company to Non-Executive Directors as Directors’ fees be increased by \$500,000 from \$750,000 per annum to \$1,250,000 per annum.”

Proxy summary

For:	776,587,957
Against:	28,415,932
Abstain:	772,007
Proxy’s discretion	1,172,090

Resolution 5

Renewal of Proportional Takeover Plebiscite

“That Rules 6.1 to 6.3 of the Constitution of the Company, as set out in Schedule 1 of the Notice of Meeting, are renewed for a period of three years commencing on the day this resolution is passed.”

Proxy summary

For:	803,335,414
Against:	1,893,868
Abstain:	825,263
Proxy's discretion	2,783,911

Agenda

- 1 Chairman's address
- 2 Shareholder resolutions
- 3 **Managing Director Presentation**

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1	Market and Global Environment
2	Strategy – Objective - Delivery
3	Results
4	Outlook

Market and global environment

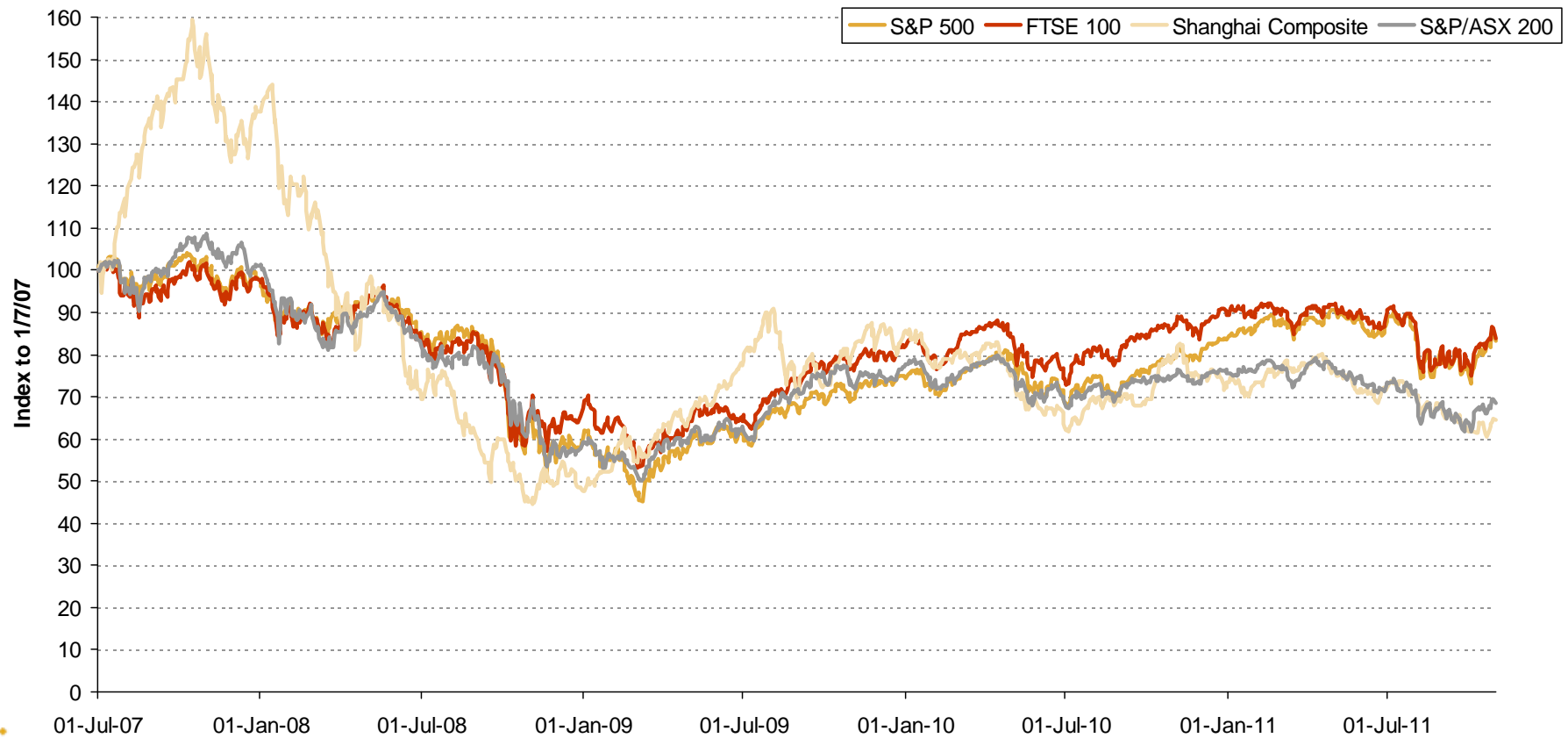
Near term volatility will persist whilst long term growth is driven by emerging regions ...

- World markets have remained uncertain since 2008 as Eurozone, Japan and the USA struggle to recover from the GFC
- Emerging regions which include China and India stimulate the resources industry as these nations relentlessly pursue industrialisation and urbanisation with China's and India's GDP growth at 8%
- Growth of developing regions is exceeding the rate of developed regions
- Incomes of developing regions is growing which stimulates consumption of commodities driving growth in long term demand for minerals, resources and energy
- Demand from developing nations has continued, however, supply has lagged analysts forecasts
- Movement to transparent market clearing pricing mechanisms
- Underlying strength in the iron ore price with recent softness reflecting inventory build during global market uncertainty
- Restocking and cost of Chinese domestic iron ore production likely to place a floor on the decline in prices

Capital markets

There has been recent volatility in global markets...

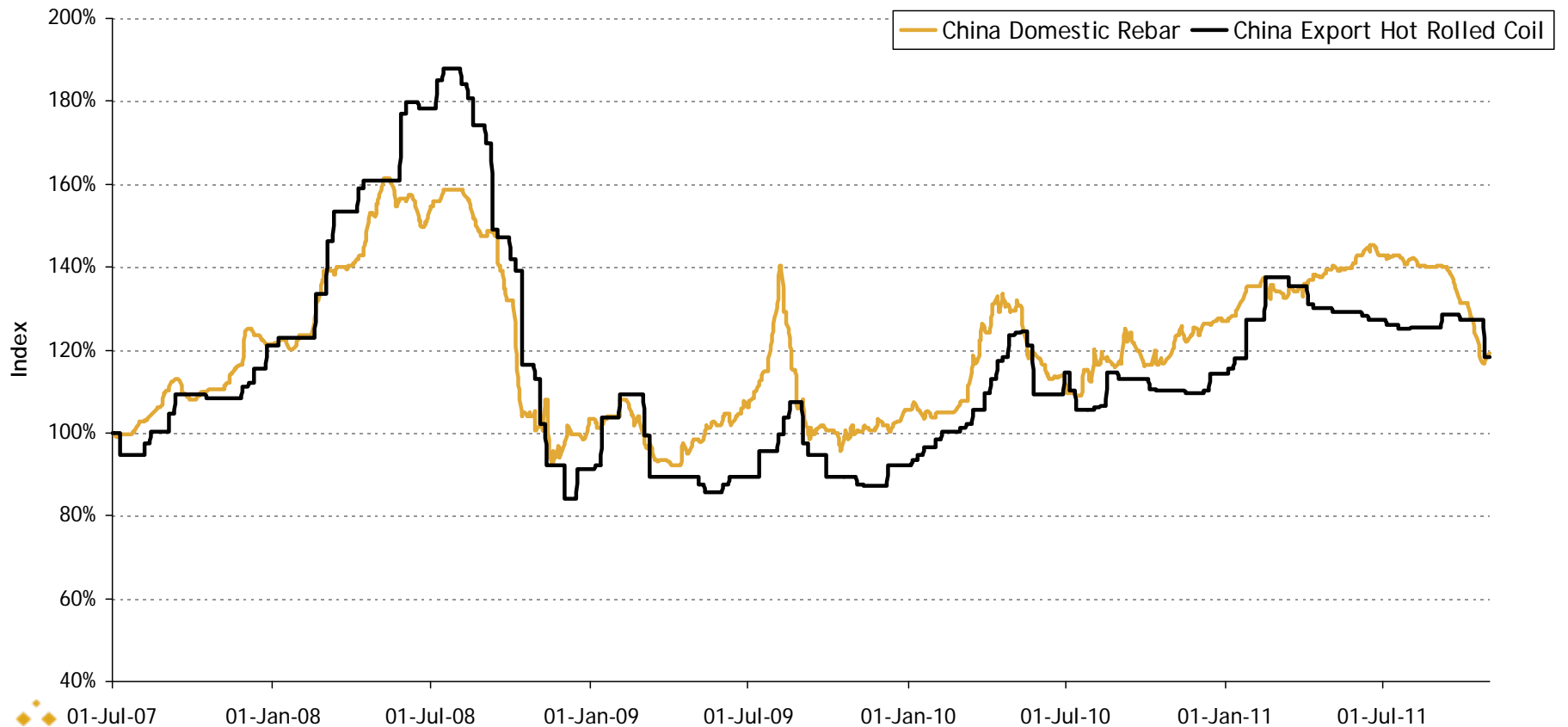
Major equity market indices 2007 – 2011



Steel prices

Steel prices have declined in recent months...

Steel prices 2007 – 2011



Iron ore Fines price CFR China

The spot price has fallen dramatically recently and stabilised...

**Iron ore Fines price – CFR China (62% Fe)
2008 – 2011**

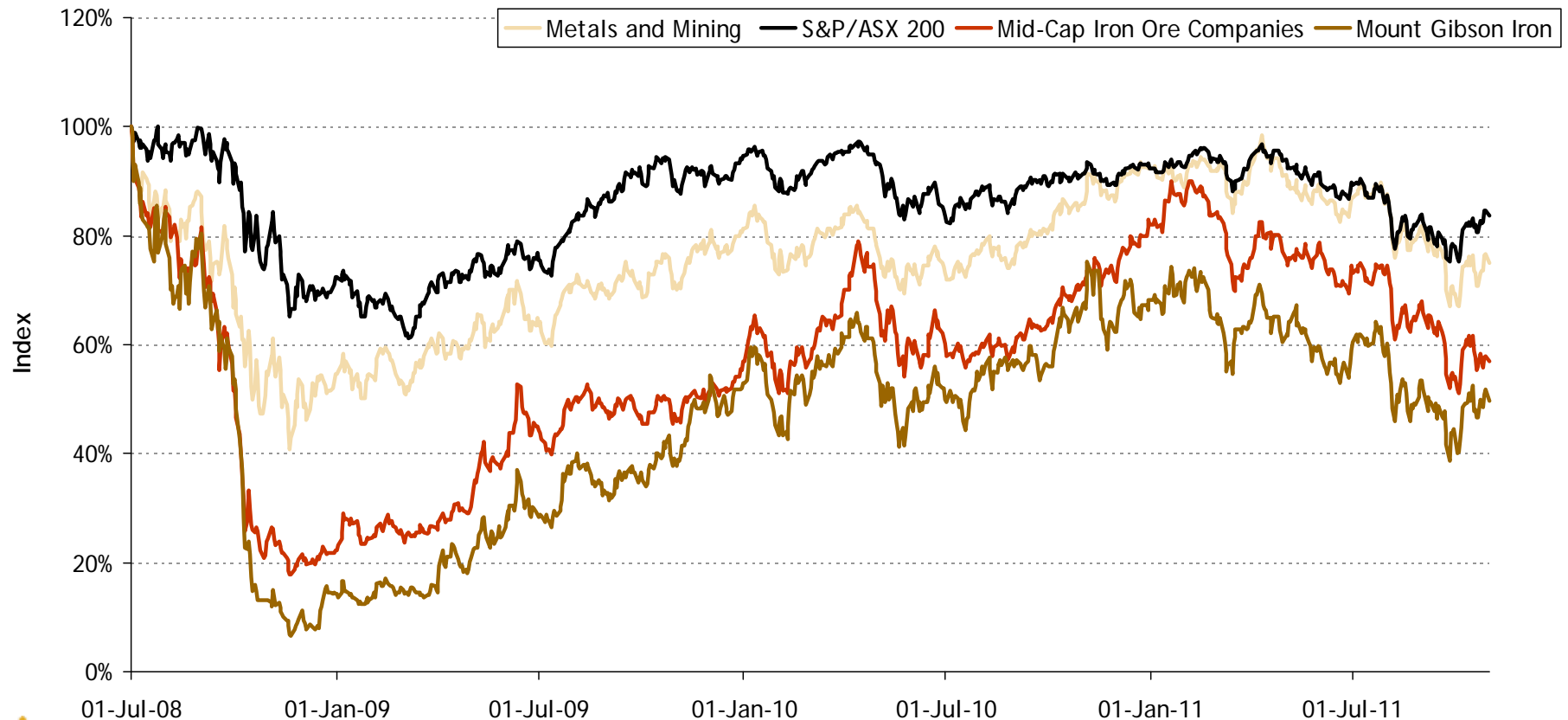


Source: Bloomberg (31/10/11)

Impact on share prices

Mid cap iron ore producer/developer share prices have fallen since the beginning of 2011...

Indices of Australian mining companies – majors vs. midcaps 2008 – 2011

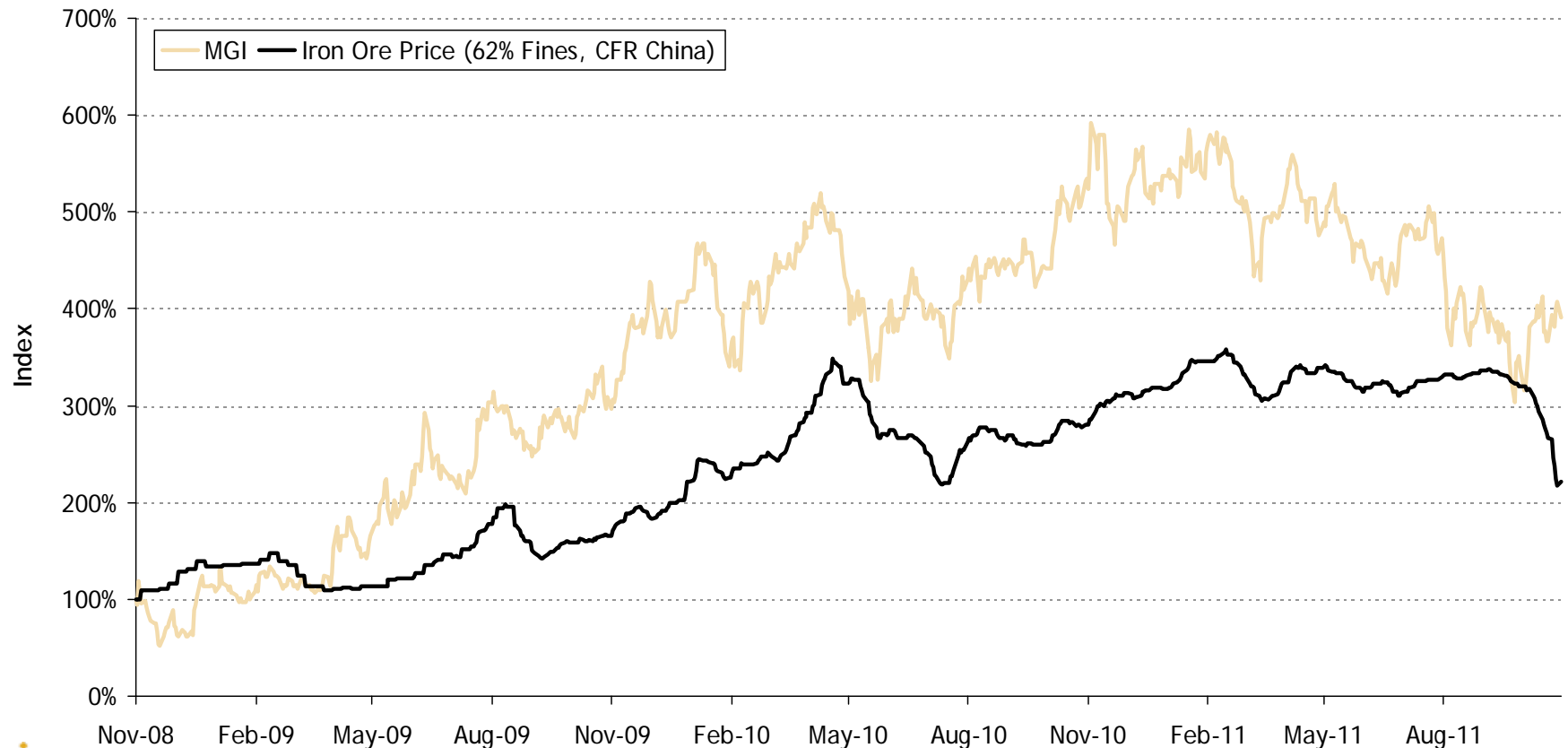


Source: Bloomberg (31/10/11); Mid Cap Iron Ore companies – FMG, AGO, AQA, GBG, GRR, NFE, BCI, MMX.

MGI Share Price vs. Iron Ore Price

MGI share price has outperformed the spot iron ore price since the lows experienced in November 2008...

MGI Share Price Performance Since Rights Issue in 2008 2008 – 2011



Source: Bloomberg (31/10/11)



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Strategy

Objectives clearly established in 2006...

- Build internal capability and control
- Divest high risk dilutive assets
- Organically grow production base from existing operation
- Acquire accretive asset that is longer life, lower cost and larger
- Deliver production growth from existing scalable assets

Mount Gibson has ...

- Built appropriate internal capability and control
 - Introduced planning discipline and internal controls
 - Introduced required infrastructure, fleet and people to grow production base
 - Adopted safety as a core value
- Divested high risk dilutive assets
 - Extension Hill magnetite project exposed balance sheet to excessive risk for a company of Mount Gibson's size
 - Utilised sale funds to build internal capacity and grow existing production base

Strategy

Mount Gibson has ...

- Organically grown production base at existing operation
 - Funds invested in Tallering Peak taking production from 1.3 Mtpa to 3 Mtpa
- Acquired accretive asset that is longer life, lower cost and larger
 - Koolan Island acquired as part of the Aztec transaction
 - Larger, lower cost, longer life asset – set to produce premium Fe product
 - Scalable 4 Mtpa production rate
- Delivered production growth from existing scalable assets
 - Investment in Extension Hill Hematite ready to deliver a further 3 Mtpa
 - Converted Resource to Reserve growing our Reserve base at Koolan Island and Extension Hill
 - Expanded Mount Gibson's strategic infrastructure assets at the Geraldton Port

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Results

Disciplined execution of the plan over the last 5 years results in ...

- LTIFR reduced from 11 to 0.86 (Metalliferous surface 3.0)
- DIFR reduced from 6.7 to 4.0 (Metalliferous surface 4.6)
- Prudent divestment of magnetite asset reinvesting funds in organic growth
- An increase in market capitalisation from \$325 million to \$1.7 billion
- Reserve base has increased 60%, whilst shipping 25 million tonnes
- Product sales increased 278%
- Revenue increased 820%
- Operating profit after tax increase of 920%
- EPS increased 276% from 5.88 cps to 22.13 cps
- Record operating profit after tax of \$239.5 million up 80% on the previous year
- Strong balance sheet with net assets to the end of September of \$1.2 billion
- \$105 million of debt extinguished
- Cash position at the end of October of \$403 million
- Maiden fully franked dividend of 4 cps

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Outlook

Your company is exceptionally well placed to withstand expected volatility and seize opportunities...

- Outstanding financial strength
- Anticipated near term production growth from Extension Hill and Koolan Island
- Transparent iron ore market clearing pricing mechanism reduces customer risk
- Long term sale agreements account for +90% of production base
- Settlement of Rizhao dispute can deliver further upside
- Key factor influencing industry productivity is labour skills dilution driven by supply and demand of human capital
- Our people have delivered value accretive transactions for shareholders and have the skill set to assess and execute opportunities to deliver the next phase of growth