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The Manager
Company Announcements
ASX Limited
Level 10, 20 Bond Street
SYDNEY NSW 2000

2 CENTS-PER-SHARE FULLY FRANKED INTERIM DIVIDEND DECLARED

The Board of Mount Gibson Iron Limited ("**Mount Gibson**") (ASX Code: MGX) is pleased to announce that it has declared a maiden interim dividend on ordinary shares in respect of the 2012 financial year of 2.0 cents per share fully franked.

The total amount of the dividend is \$21,651,414. The dividend has not been provided for in the 31 December 2011 financial statements.

The Mount Gibson Board has adopted a Dividend Reinvestment Plan ("**DRP**") that will apply to this dividend. The DRP has been lodged with ASX. Shares will be allocated under the DRP at a 2% discount to the VWAP of Mount Gibson shares for the 5 days prior to the record date.

The proposed dates for the interim dividend are as follows:

| Date | Action |
|---------------|--------------------------------------------------------------------|
| 24 Feb 2012 | Mailing election form and DRP booklet to shareholders |
| 5 April 2012 | Last date for receipt of election notice from shareholders for DRP |
| 5 April 2012 | Record date for interim dividend |
| 20 April 2012 | Payment date interim dividend |

Yours sincerely,
MOUNT GIBSON IRON LIMITED

David Berg
Company Secretary

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