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ASX ANNOUNCEMENT

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Mount Gibson Appoints Jim Beyer Chief Executive Officer

Mount Gibson Iron Limited (**Mount Gibson**) today announced the appointment of Mr Jim Beyer as Chief Executive Officer of the Company, following a comprehensive Australian and international executive search process.

Mr Beyer has been the Acting Chief Executive Officer of Mount Gibson since December 2011, after joining the Company as Chief Operating Officer in November 2011. During that time, he has worked closely with the Company's Board to review and implement a clear corporate development and growth strategy. He has also been responsible for the management of the Company's existing mining, port and infrastructure operations.

Mount Gibson's Chairman Mr Geoff Hill said: "Jim has made a valuable contribution to Mount Gibson in the time he has been with the Company, particularly with respect to the critical challenges of overseeing the start-up of operations at our new Extension Hill mine, the completion of infrastructure upgrades at Geraldton Port and the transition to an owner miner workforce at Koolan Island."

"We are fortunate to have someone of Jim's calibre and experience to take the management reins of Mount Gibson in this important period. Jim's appointment is a critical step in consolidating and building on the Company's position as one of Australia's leading independent iron ore producers and miners."

Mr Beyer said: "It is a great privilege to take charge of Mount Gibson at this important time, and I am eager to get on with optimising our existing business and creating a strong platform for long term growth."

"The first stage of this process, to build up our executive capabilities and upgrade our Mid West export facilities, is nearing completion and puts us on track to significantly improve our production and business performance in the year ahead."

Mr Beyer holds a Bachelor of Mining Engineering and a Masters in Geoscience.

He has a broad range of operating and start-up experience encompassing 25 years across a number of commodities, including 10 years in general management, operational and planning roles with WMC Resources at its Olympic Dam operation in South Australia.

He has also held general management roles with Newmont Mining Corporation, including Operations General Manager for the recently constructed Boddington Gold Mine in Western Australia, where he was responsible for start-up operations, commissioning and ramp-up. More recently, he was responsible for the development and implementation of Newmont's Business Improvement initiatives and Technical Services support across the Asia Pacific region.

The keys terms of Mr Beyer's remuneration package are as follows:

- Annual salary of \$700,000 (including superannuation) ("**TFR**") subject to review;
- Short Term Incentives of up to 50% TFR subject to performance hurdles, to be received as cash;
- Long Term Incentives of up to 33.3% TFR linked to total shareholder return performance over a three year period, to be received as shares;
- Company may terminate on 7 days notice subject to payment of termination payment (12 months TFR, accrued entitlements, and discretionary vesting of performance rights entitlements – total termination payment subject to Corporations Act termination payment limits); and
- Mr Beyer may resign on 6 months notice.

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