

May Investor Presentation



MGX

8 May 2014

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Investments in shares in MGX are considered highly speculative.

JORC COMPLIANCE STATEMENT – Iron Hill Exploration Target, Extension Hill South Project

The Iron Hill Prospect at the Extension Hill South Project has an Exploration Target of 5 - 7 million tonnes grading 58-61% Fe (refer ASX release 13 February 2014 for full details). The potential quantity and grade of this Exploration Target is conceptual in nature and there has been insufficient exploration to estimate a Mineral Resource. It is uncertain if further exploration will result in a Mineral Resource. The information in this report that relates to Exploration Targets and Exploration Results is based on information compiled by Gregory Hudson, who is a member of the Australian Institute of Geoscientists. Gregory Hudson is an employee of Mount Gibson Iron Limited group, and has sufficient experience relevant to the styles of mineralisation and type of deposit under consideration and to the activity he is undertaking, to qualify as a Competent Person as defined in the December 2012 Edition of the “Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves”. Gregory Hudson has consented to the inclusion of the matters in this report based on his information in the form and context in which it appears.

MGX at a glance



Member S&P/ASX-200

Market cap ~\$800 million

*@ \$0.73/share , 6/5/2014. 1,090.6m shares on issue

Dividends paid since Sept 2011

\$130m fully franked

On track for record FY14 ore sales

~9.5 Mt

Total employees

~650

Record ore sales/revenue to 31 March 2014

7.1Mt ore, \$696.5m

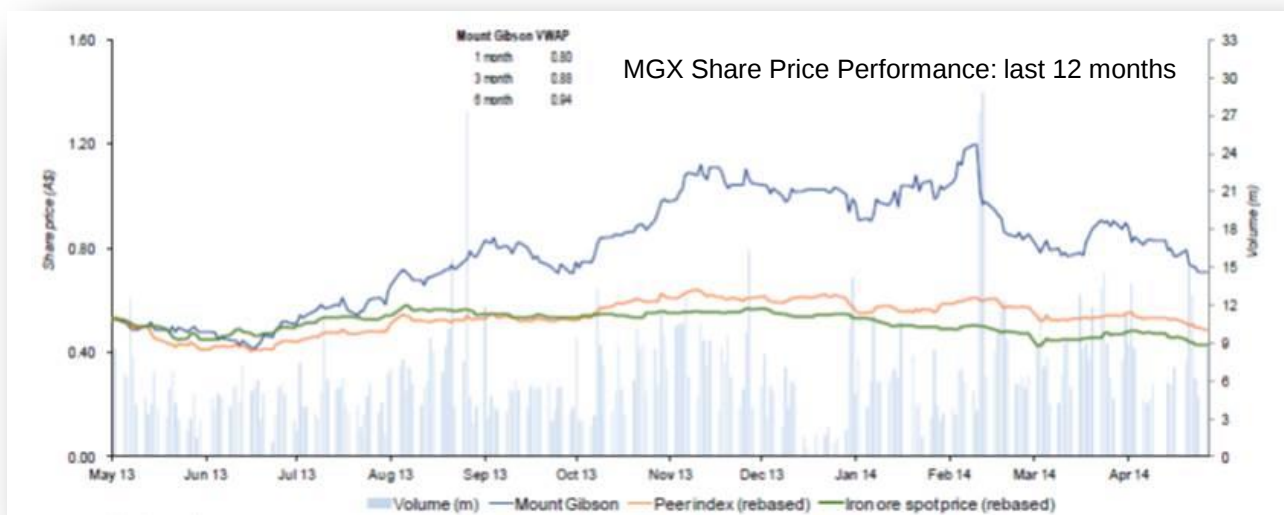
Ten year history of production

50Mt ore sold April 2014

Financially strong

\$497m cash, minimal debt*

Cash increased by \$121m since 30 June 2013



MGX March quarter summary

- Group ore sales 2.0 Mt
 - Koolan Island sales 495kt
 - Talling Peak sales 820kt
 - Extension Hill sales 709kt
- Sales revenue \$187m



	Unit	Sep-2013 Quarter	Dec-2013 Quarter	Mar-2014 Quarter	YTD FY 2013/14
Standard DSO product sales*	kwmt	2,148	2,046	1,392	5,587
Low Grade DSO sales*	kwmt	234	245	417	896
Rizhao Special Product sales	kwmt	206	202	212	620
Total Ore Sales	kwmt	2,588	2,493	2,021	7,101
Ave. Platts 62%Fe CFR price	US\$/dmt	133	135	120	129
MGX FOB Ave. realised fines price#	US\$/dmt	102	103	95	100
MGX FOB Ave. realised Low Grade price^	US\$/dmt	68	69	62	65

* September quarter Standard DSO sales included 160kwmt of mine-gate sales from Extension Hill. There have been no further mine-gate sales from Extension Hill since that time. DSO Sales were previously reported inclusive of lower grade lump ore sales from Talling Peak. DSO sales are now reported as Standard and Low Grade DSO

#Mount Gibson's realised FOB fines price includes standard DSO fines product only, after adjustments for shipping freight, grade and penalties for impurities. Contract pricing in the period was based on a mix of lagging-monthly and month-of-shipment averages. Mine gate sales are priced on a Free on Train basis, reflecting market prices less the cost of rail, port and shipping.

^Mount Gibson realised FOB Low Grade price is for lower grade DSO sales only, excluding Rizhao Special Product from Koolan Island, and is reported after adjustments for shipping freight, grade and penalties for impurities.

kwmt = thousand wet metric tonnes.

US\$/dmt = USD per dry metric tonne.

Minor discrepancies may occur due to rounding.

Business overview



Koolan Island

- Premium DSO lump and fines
- Ramping up to 4 Mtpa run rate by end 2014
- Long life asset with extension potential
- Simple logistics, remaining LOM strip ratio ~4.5:1

Mid West Region

Tallering Peak, Extension Hill, Shine & Geraldton Port facilities

Tallering Peak

- ~1 Mt ore sales remaining

Extension Hill

- 3 Mtpa, remaining LOM strip ratio 0.6:1
- Life extension potential – Iron Hill

Shine

- ~1.6Mtpa, first sales targeted March Qtr 2015

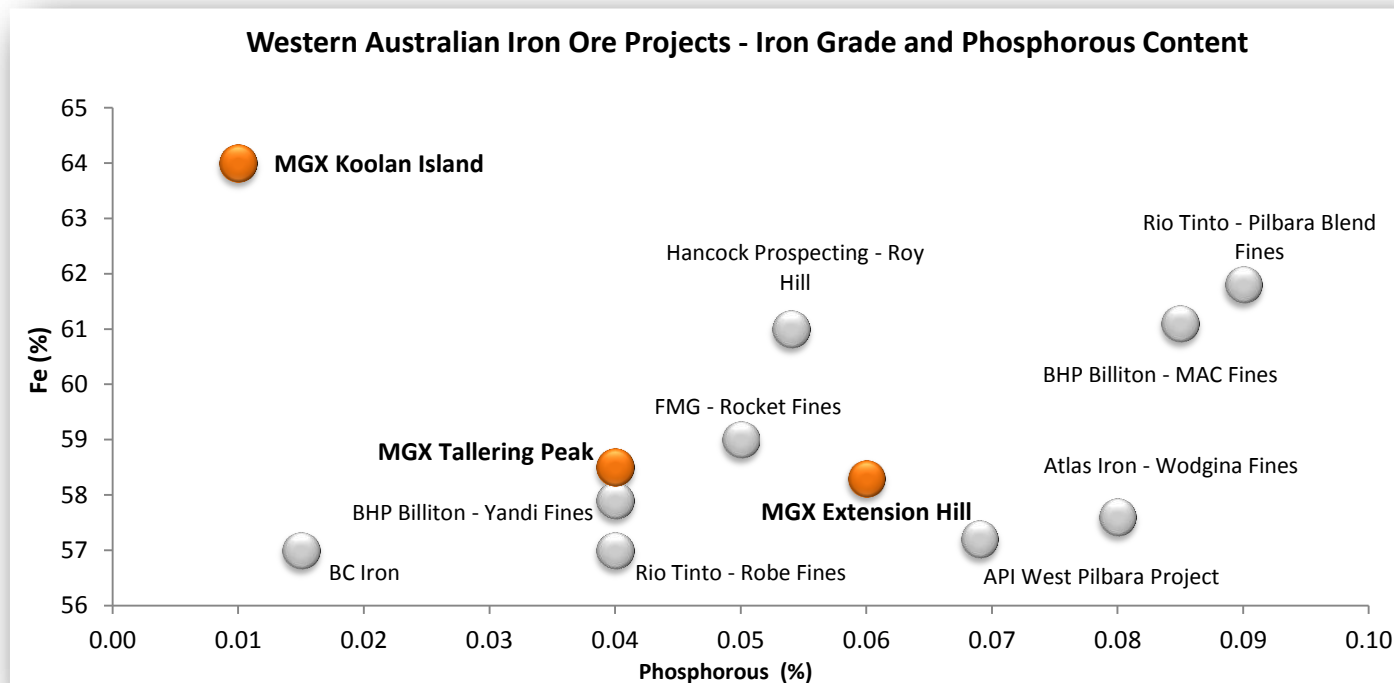
Geraldton Port

- Port/rail upgrades have doubled MGX Mid West export capacity to 6 Mtpa

MGX - high quality ore



- High grade
 - average Group Ore Reserves grade 62.1% Fe*
- Low contaminants
 - Low Alumina - average 1.16% (Group Ore Reserves)*
 - Low Phosphorous – average 0.03% (Group Ore Reserves)*



Source: Mount Gibson and public/company reports

*as at 30/06/2013. Refer Slide 37.

Maximising value – a simple strategy

Leverage off
existing asset
base to extract
maximum value

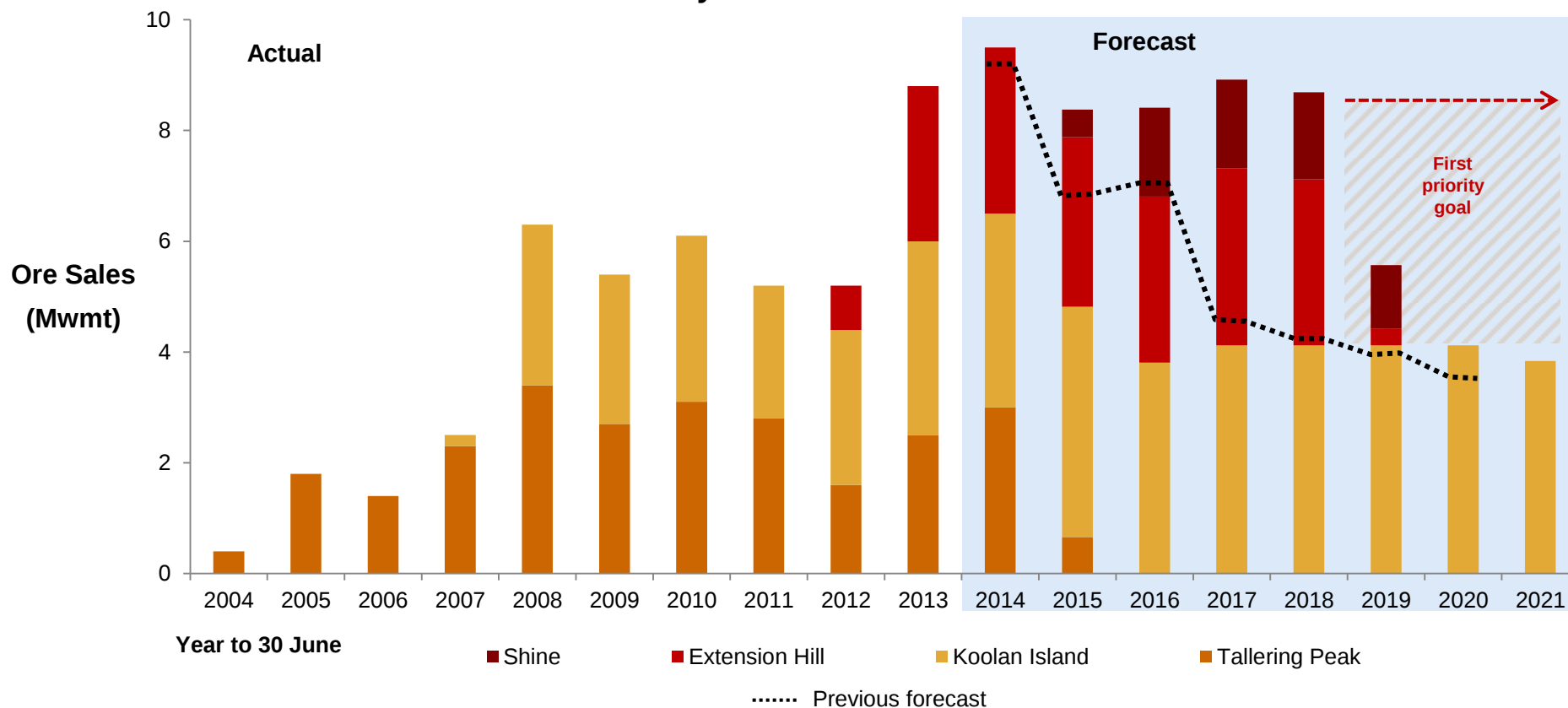
- Cost reduction and elimination of waste
- Operational optimisation and business improvement
- Extension of production profile:
 - Optimise resources and reserves inventory
 - Brownfields exploration
 - Expand footprint within operational halo
 - Leverage off existing operations, logistics footprint, and customer relationships
- Capitalise on balance sheet strength to secure value creation opportunities



Focused on adding to the sales profile



Ore sales history and current indicative outlook*

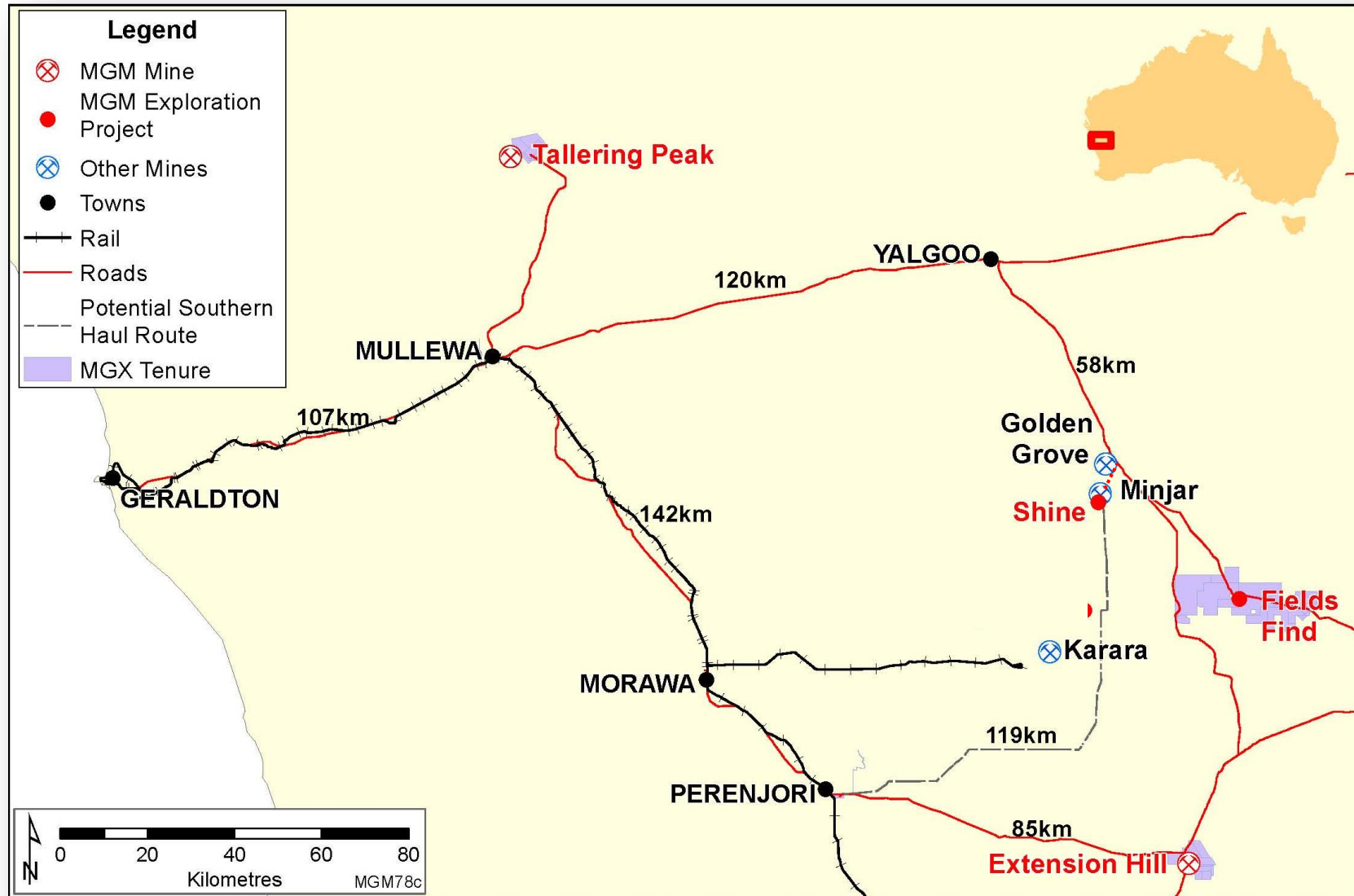


* Forecast ore sales shown are indicative only, and include all iron ore products. Actual future sales remain subject to future mine performance, continuous optimisation, exploration success and general market factors. Shine sales reflect current Ore Reserves and in-pit Inferred Resources. Refer ASX release dated 7 March 2014 for project details and indicative schedule, and slides at the end of this presentation for Mineral Resources and Ore Reserves information.

Mid West Operations



Mid West – established infrastructure and potential to grow resources



Geraldton Port – a competitive advantage



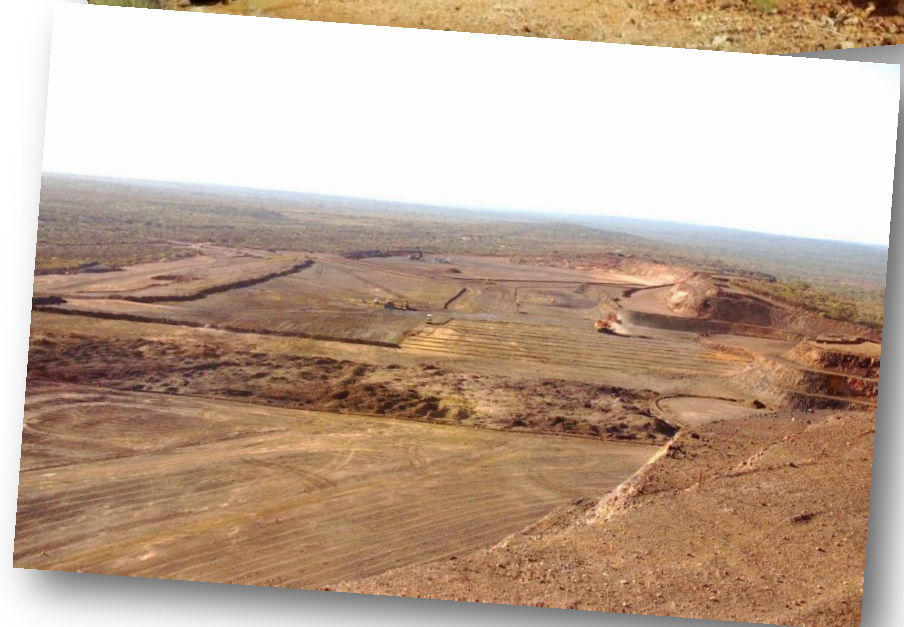
Extension Hill – a low cost growth platform



- Established road, rail and port solutions
- ~0.6:1 remaining LOM strip ratio
- +3 years life at 3Mtpa
 - Hematite Mineral Resource **of 14.8 Mt @ 57.9% Fe***
 - Ore Reserves of **12.8Mt @ 58.3% Fe***
- High potential near-mine exploration targets with known mineralisation
- Potential regional operations hub



**As at 30/6/2013. Refer Slide 36 for Resource and Reserve information.*



Tallering Peak – an example of value-add



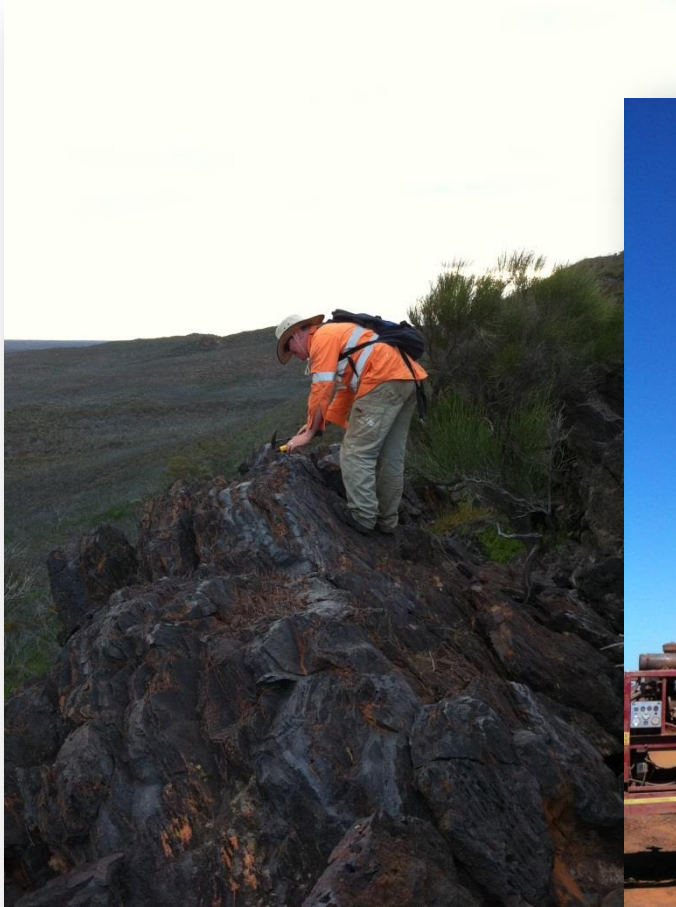
- ~1 Mt ore sales remaining prior to closure
- +23 Mt produced over 10 year life
- LG stockpile sales generating strong cash margins at current prices
- T6 optimisation, LG sales and rapid T1 development demonstrate MGX value-add capability
- Progressive rehabilitation well advanced



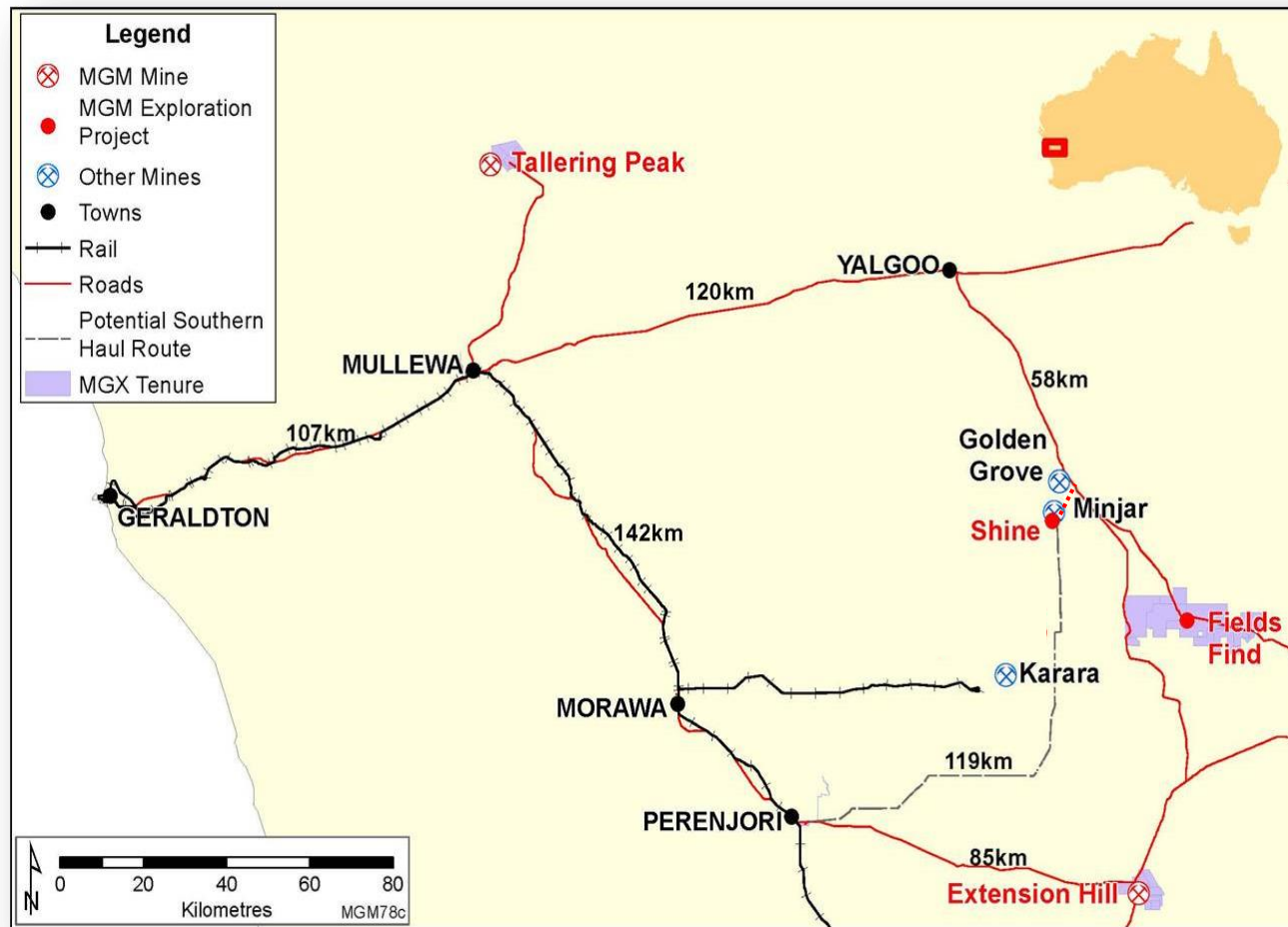
Tallering Peak's 10 year contribution:

- **+\$1b** paid to suppliers/contractors
 - inc ~**\$400m** to Mid West suppliers
- ~**\$250m** in salaries/wages
- ~**1500** people employed over life
- **\$106m** paid in WA Govt royalties
- **\$62m** paid in corporate taxes
- **\$3m** in direct shire and local community contributions

Mid West Opportunities



Mid West – established infrastructure and potential to grow resources

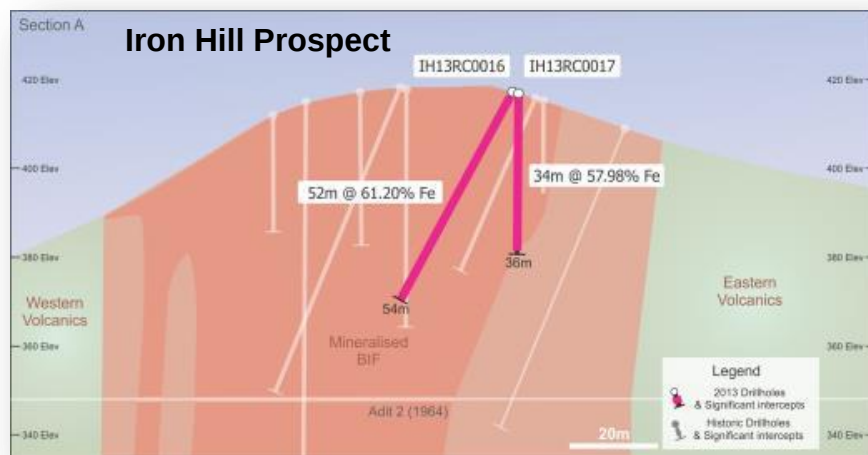


- Established infrastructure footprint gives MGX a competitive edge
- Extension Hill region shaping as a potential resources hub
- Shine Hematite Project – targeting mining by end CY2014
- Positive results from initial RC drilling at Extension Hill South
- Positive initial drilling from Plateau Prospect at Fields Find Project
- 2nd round drilling planned at both projects

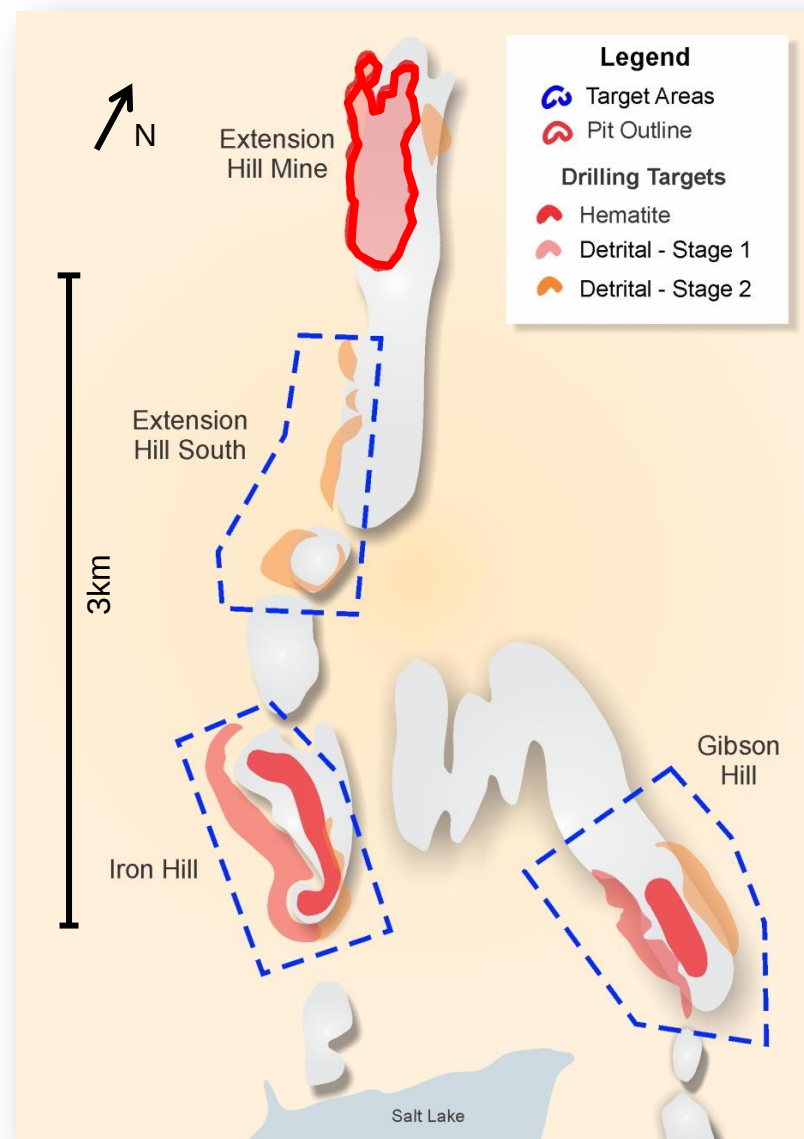
Extension Hill South – high potential target



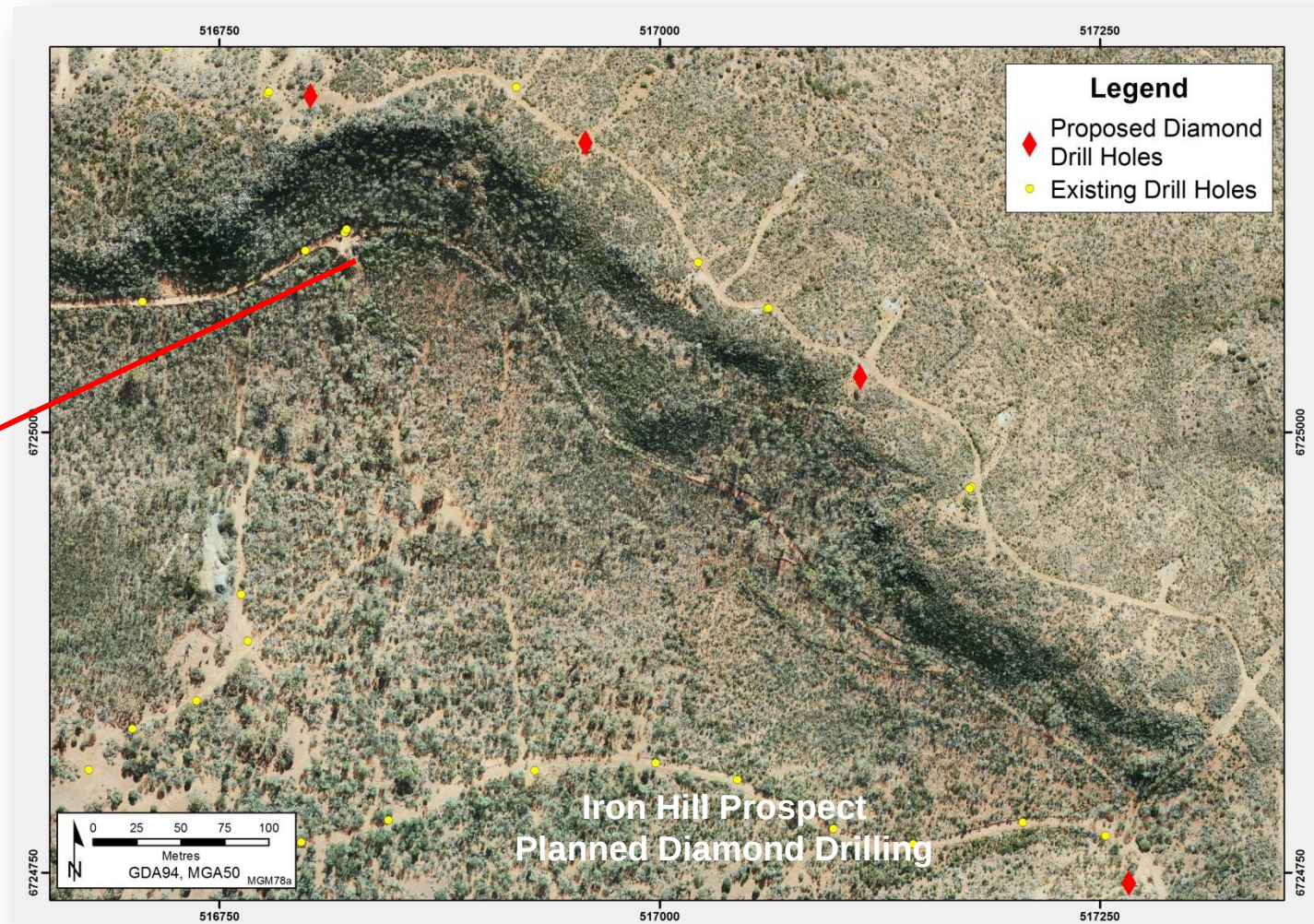
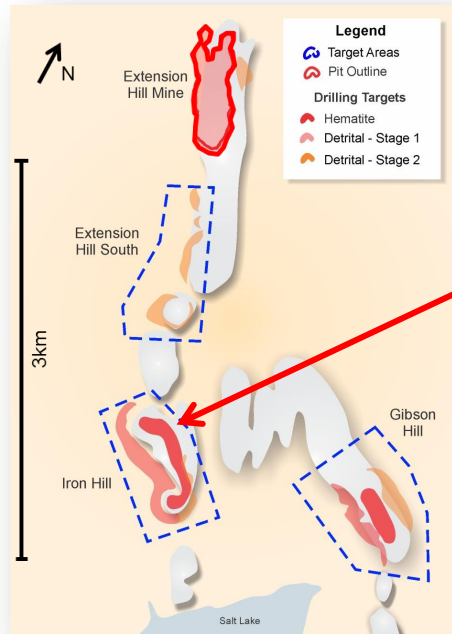
- **Multiple known hematite targets** located 1-3km from crusher
- **Iron Hill Prospect Exploration Target of 5-7 Mt @ 58-61% Fe.***
- **Significant intercepts in 15 of 16 holes targeting primary Iron Hill hematite, including:**
 - 22m @ 63.8% Fe from 18m downhole
 - 53m @ 61.8% Fe from surface
 - 52m @ 61.2% Fe from 2m
- **2nd round drilling scheduled for mid 2014** subject to approvals
 - 4 diamond drill holes to twin existing holes at Iron Hill
 - 74 infill RC holes at Iron Hill
 - Initial 21 hole RC programme planned at Gibson Hill
 - Programmes scheduled for completion by end September 2014



* Refer ASX release 13 February 2014, JORC compliance statement on Slide 2



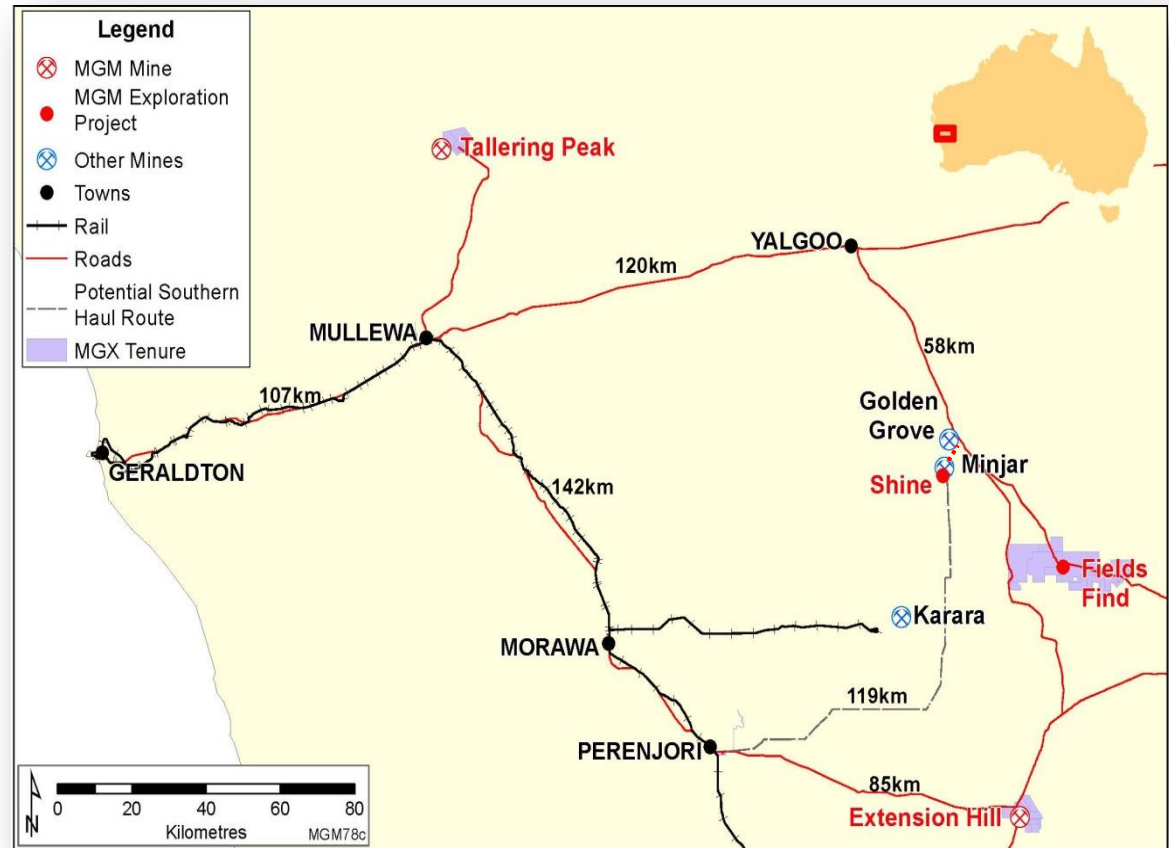
Extension Hill South – high potential target



Shine – a quality near-term opportunity

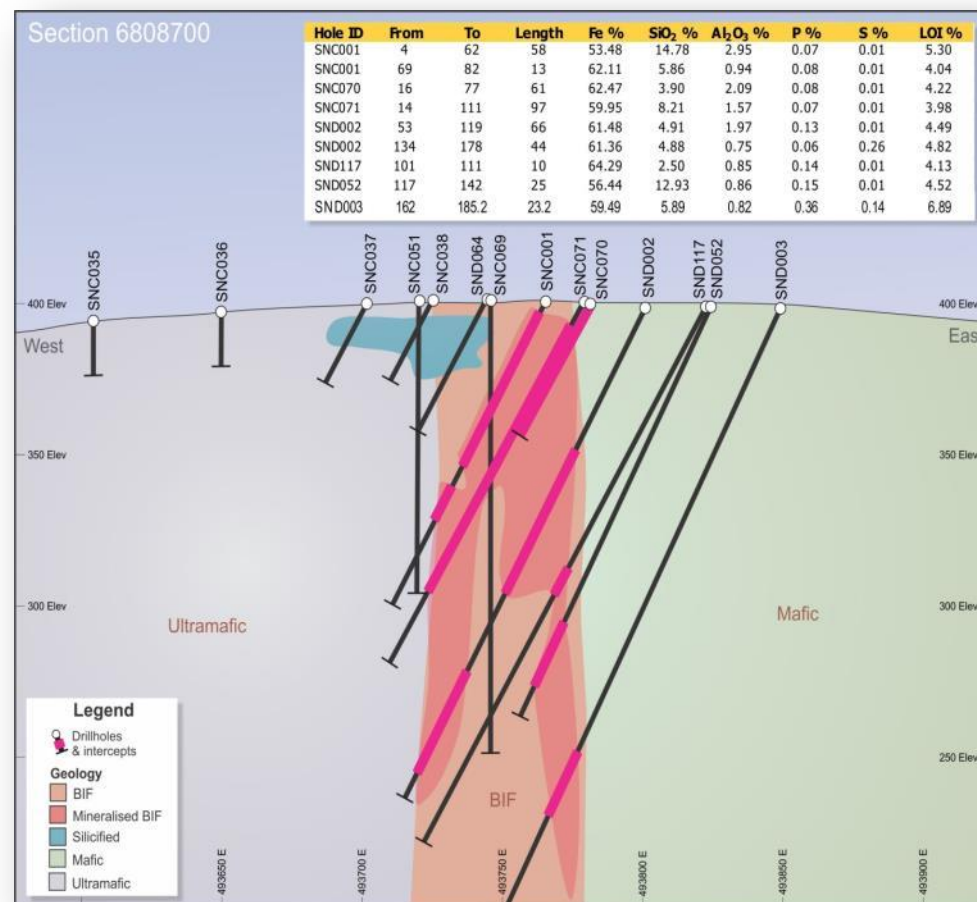
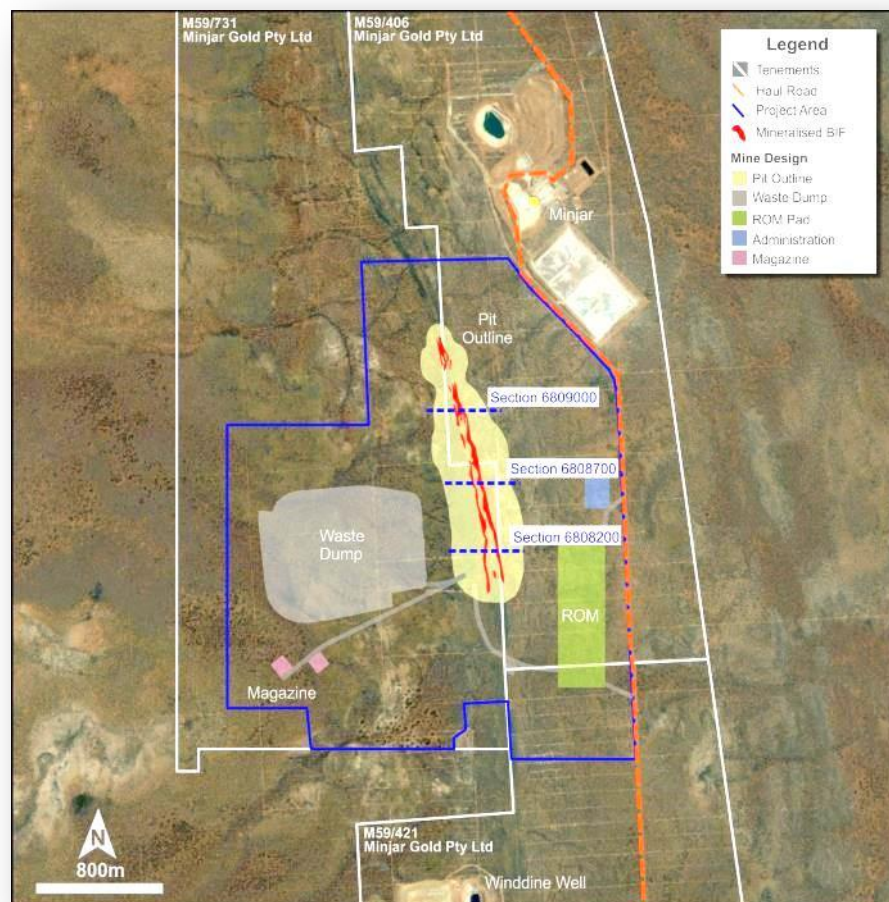


- Purchase completed 7 March 2014*
- Hematite Mineral Resource of **7.8 Mt @ 59.0% Fe***
- Ore Reserves of **5.6Mt @ 59.3% Fe**
- Advanced approvals/permitting
- Indicative ore production target of **1.6 Mtpa**
- Indicative **\$9-11m** development cost (<\$7/t installed capacity)
- Indicative total cash operating cost of ~\$75/t, before royalties
- Significant optimisation opportunities
- Close to existing MGX/3rd party infrastructure
- Mining targeted by end CY 2014, 1st ore sales targeted in March Qtr 2015



*Refer ASX announcement 7 March 2014 for project details, and slide 37 for Resource and Reserve information. Acquisition cost \$12m plus price participation royalty. Royalty includes \$3m non-refundable pre-payment of royalty obligations, payable on commencement of ore sales.

Shine – a quality near-term opportunity



Refer ASX release 7 March 2014 for details of the Shine Hematite Project and Slide 37 for Resource and Reserve information.

Shine – a quality near-term opportunity



- 76 hole infill RC drilling programme commenced April 2014
- 6 hole diamond drilling programme scheduled for late May
- Diamond core to provide samples for metallurgical test work

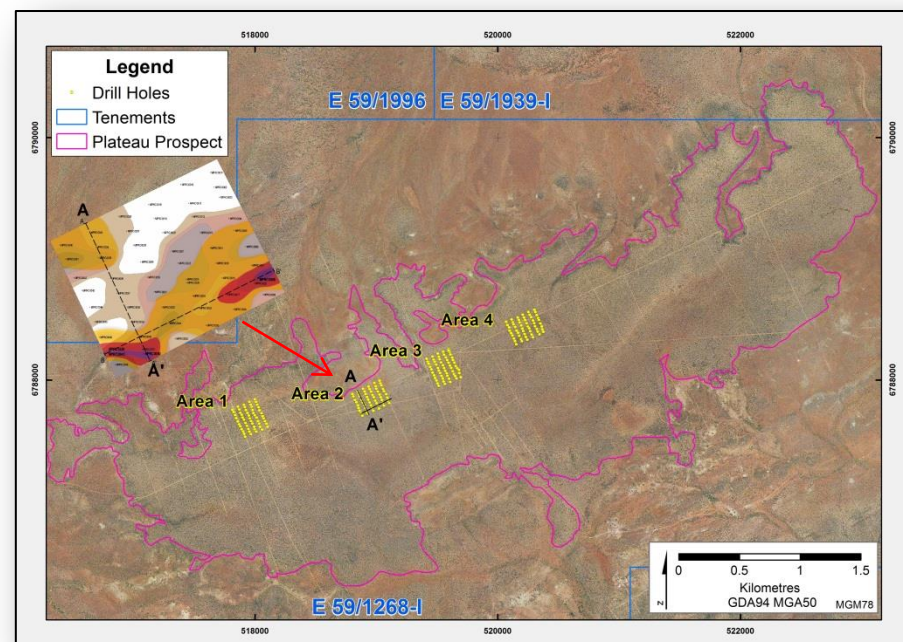
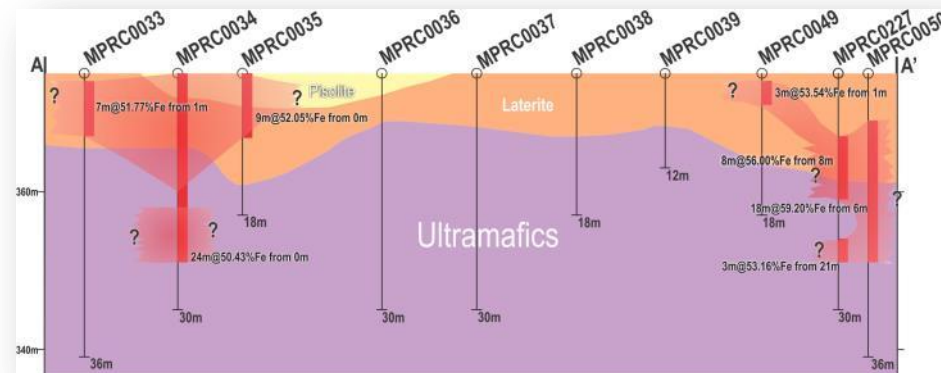


Plateau Prospect, Fields Find



- Plateau located ~75km from Extension Hill
- Unconventional setting - iron-enriched laterite over ultra-mafic basement
- 228 hole RC programme completed November 2013*
- 114 significant intersections +50% Fe*, including:
 - 18m @ 59.2% Fe, 16m @ 58.4% Fe, 7m @ 60.5% Fe
- Only 5% of 10sqkm prospect area drilled to date
- PoW approved for Phase 2 drilling programme
- ~250 RC holes, commencing late May
- Drilling to test lateral and strike extensions of mineralisation
- Beneficiation testwork underway to test potential to increase grade and reduce deleterious elements

* Refer ASX announcement 21 Jan 2014



Koolan Island Operation



Koolan Island – a unique operation



Koolan Island – Main Pit projection



Koolan Island – a unique operation

- Long life asset: ~7 years
 - Ore Reserves **30 Mt @ 64% Fe***
 - Mineral Resources of **69 Mt @ 63% Fe***
- High-quality ore, low contaminants
 - Ultra low phosphorous - 0.01%
 - Ultra low alumina – 0.76%
- Simple logistics - dedicated shiploader and no road or rail
- Optimised ramp up to ~4Mtpa - reducing unit mining costs and increasing productivity
- Value-add opportunities:
 - Resource: Reserve conversion potential
 - West End targets



**as at 30 June 2013. Refer slide 36.*

Koolan Island – Main Pit operations



- Seasonal flooding limited March Qtr ore production
- Normal ore production resumed March 2014
- Ramping up to ~4 Mtpa run rate by end CY2014

Koolan Island Operations



Mining Operations Centre

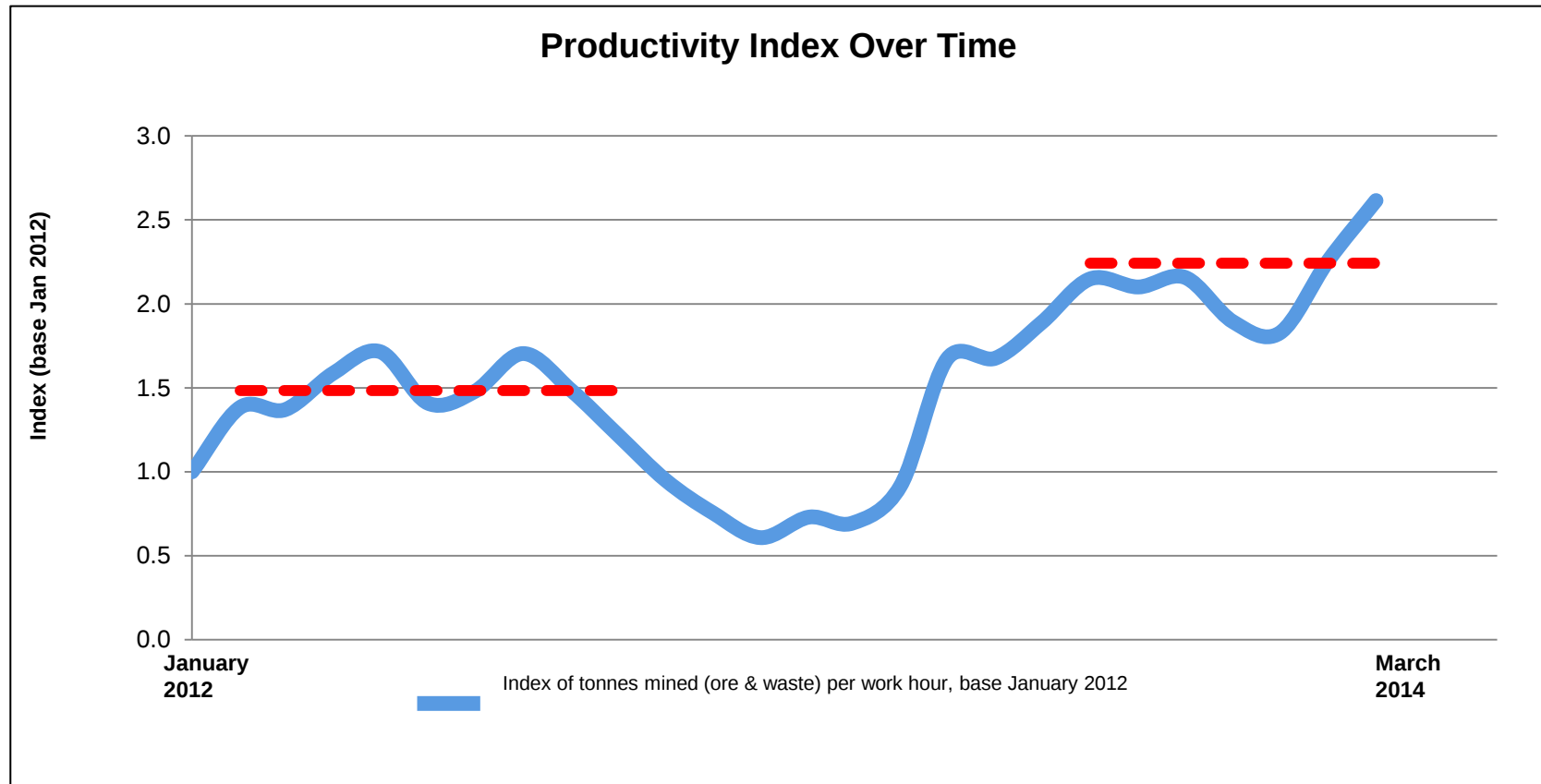


Waste stripping in Main Pit East March 2014



Acacia East Pit August 2013

Koolan Island – lifting productivity



Productivity has risen significantly following mine optimisation work and the staged ramp-up of mining activity since early 2013.

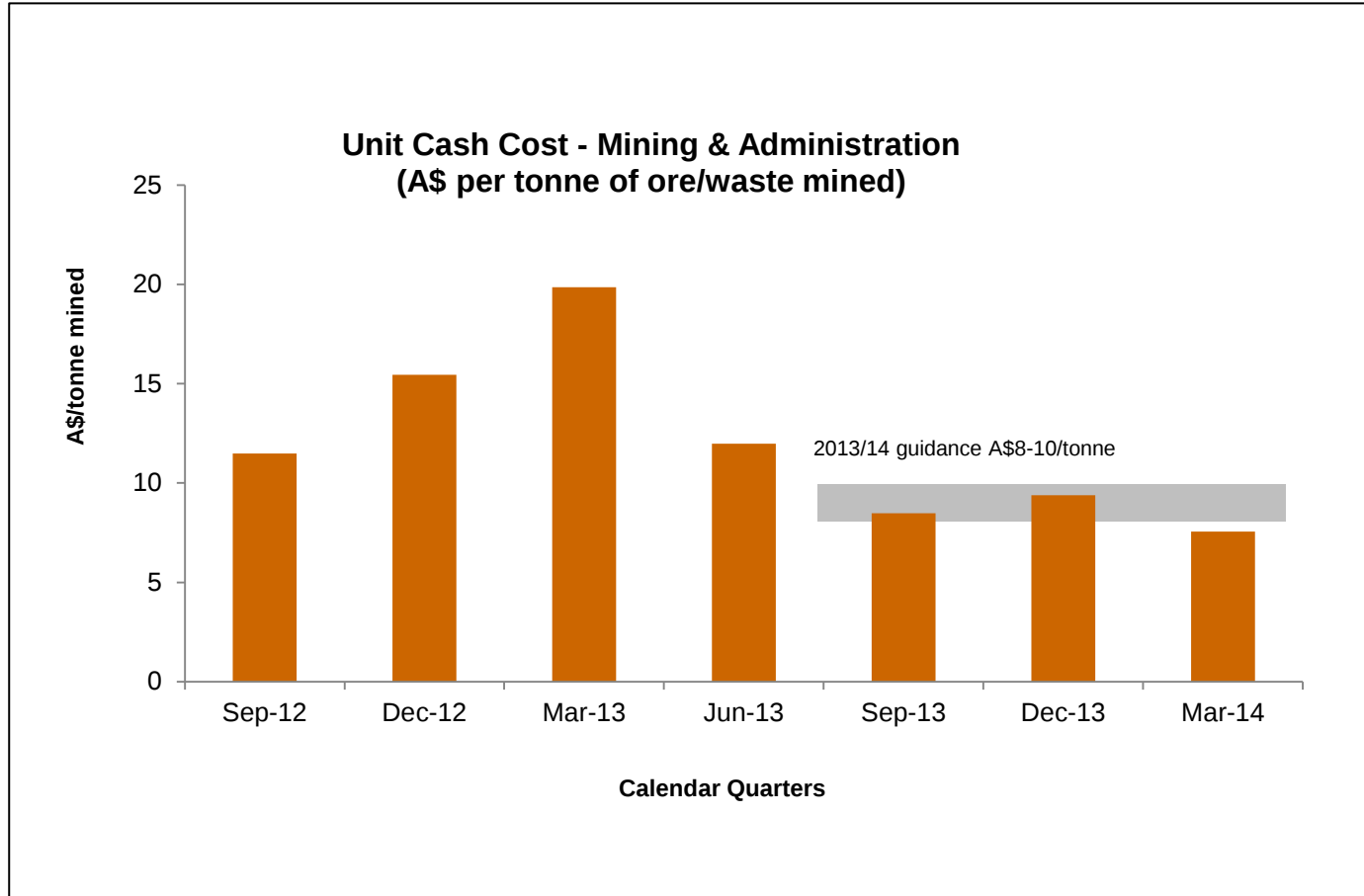
Koolan Island – ongoing focus on cost reduction



Key Items	Achieved Saving (A\$)
Workforce reduction from planned levels (approx 100 persons).	\$17m/year
Reduction in hired mining and ancillary equipment.	\$20m/year
Removal of +40 light vehicles.	\$2m/year
Tendering of key supply contracts – camp services, explosives, tyres, airline services, satellite communications.	\$4m/year
Centralisation of shared services to Perth office	\$1m/year
	\$44m/year
Current focus areas: • Marine transport/barging. • Diesel fuel and supply. • Road haulage transport (Perth-Derby/Broome). • Local air services. • Continued replacement or removal of hired mining/ancillary equipment. • Further reductions and replacement of hired light vehicle fleet.	

Ongoing focus on costs to deliver further savings in addition to the significant permanent cost reductions already delivered.

Koolan Island – lowering unit costs



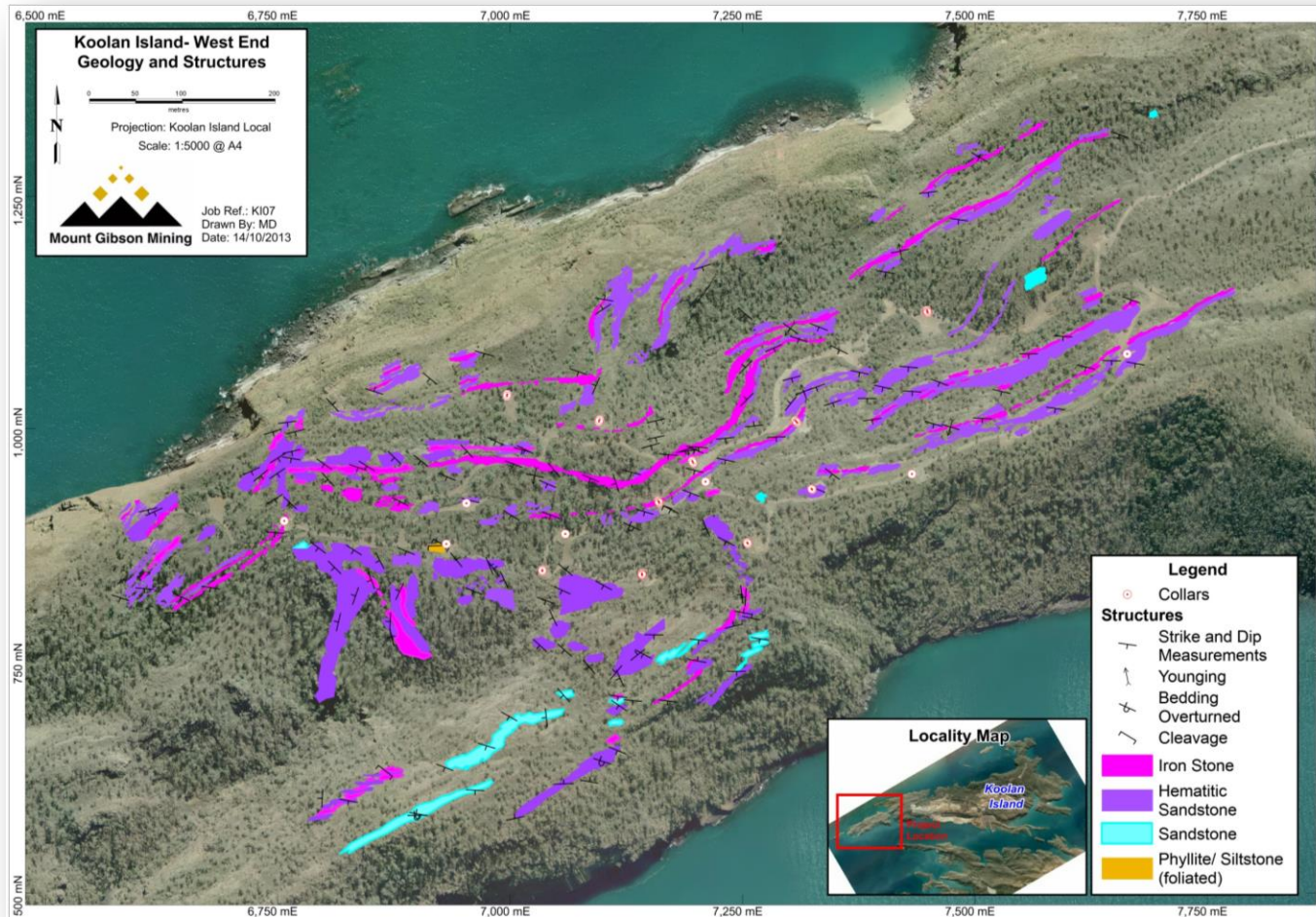
Unit cash mining costs at low end of guidance driven by increasing productivity and cost reductions

Koolan Island – recapitalisation for strong future cashflow



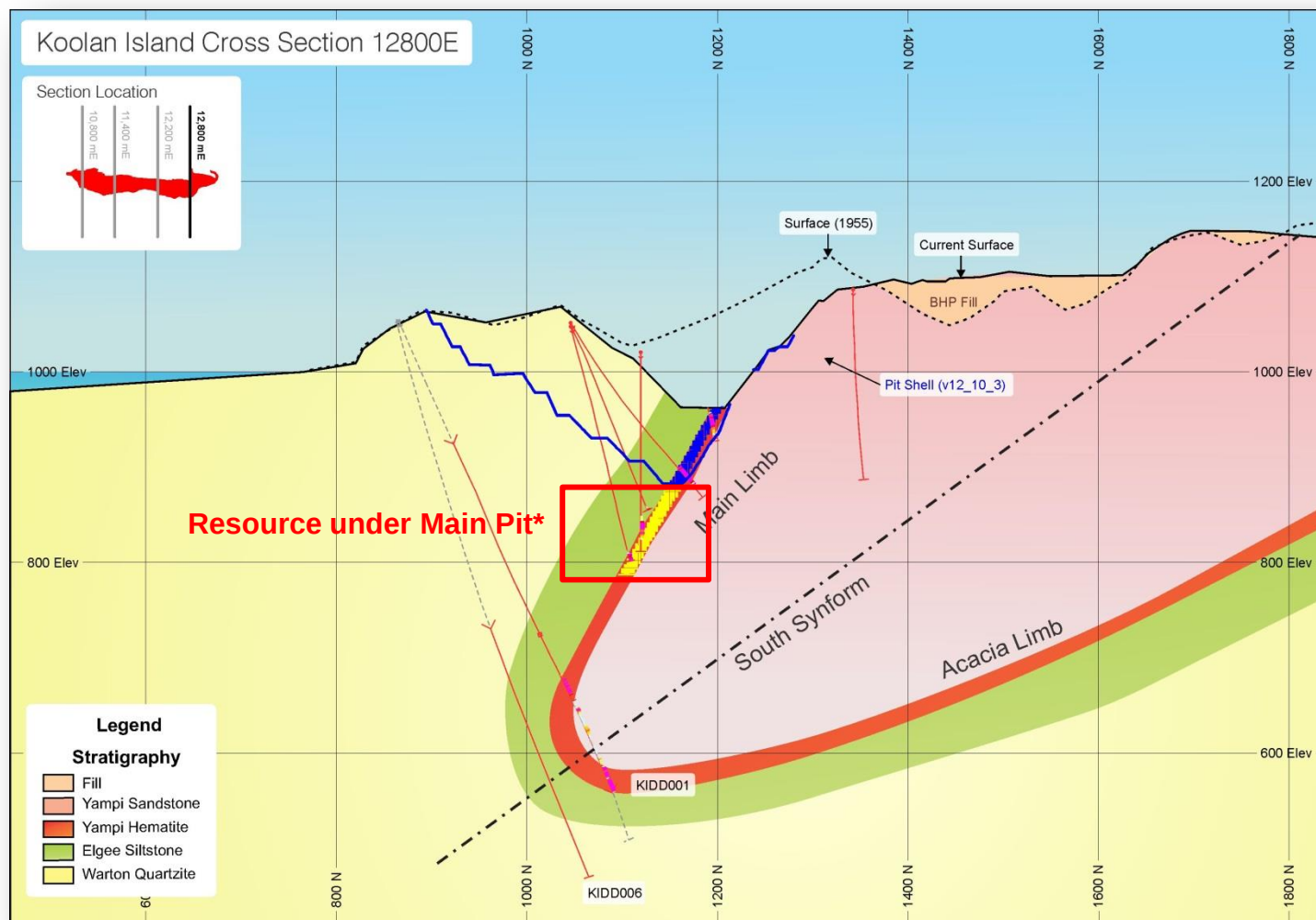
* Forecast ore sales shown are indicative only, and include all iron ore products. Actual future sales remain subject to future mine performance, continuous optimisation, exploration success and general market factors. Refer Slide 36 for Mineral Resources and Ore Reserves information.

Koolan Island – West End targets



- PoW approved for 33 hole RC programme
- Work planned to commence by end June 2014
- Drilling to test for extensions of hematite sandstone mineralisation from 2013 mapping
- Reconfirm mineralisation intercepted in 2011 drilling

Koolan Island – significant potential beneath Main Pit



- Ore Reserves 30 Mt @ 64% Fe*
- Mineral Resources of 68 Mt @ 63% Fe*
- Deep drilling to define orebody continuity planned for late 2014
- Study underway to assess potential to deepen Main Pit via seawall extension
- Study outcomes anticipated in 2015

*As at 30/6/2013. Refer Slide 36 for Resource and Reserve information.

Summary

- An established mid-cap iron ore producer
- On track to sell a record 9.5 million tonnes in FY2014
- Strong operating cashflows and balance sheet
- Established transport infrastructure and long term customer contracts
- Exploration upside and disciplined value-focused growth strategy is delivering
- Experienced management team with demonstrated capacity to:
 - Optimise and drive operations to extract maximum value
 - Reduce costs and eliminate inefficiencies
 - Bring on new deposits in quick time



Thank You



MGX

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Supplementary information

Mineral Resources and Ore Reserves at 30 June 2013

Koolan Island					
	Tonnes millions	Fe %	SiO ₂ %	Al ₂ O ₃ %	P %
Mineral Resources above 50% Fe					
Measured	8.4	59.7	12.72	1.14	0.02
Indicated	44.6	64.5	6.21	0.77	0.01
Inferred	15.4	60.7	12.15	0.60	0.01
Total	68.5	63.0	8.35	0.78	0.01
Ore Reserves, above 50% Fe					
Proved	4.2	59.5	14.18	0.37	0.01
Probable	26.0	64.8	5.70	0.82	0.01
Total	30.2	64.0	6.89	0.76	0.01
Extension Hill					
	Tonnes millions	Fe %	SiO ₂ %	Al ₂ O ₃ %	P %
Mineral Resources above 50% Fe					
Measured	10.5	58.0	6.50	2.24	0.06
Indicated	4.1	58.1	9.06	1.61	0.07
Inferred	0.3	52.9	10.71	5.46	0.05
Total	14.8	57.9	7.28	2.12	0.06
Ore Reserves, above 50% Fe					
Proved	9.7	58.1	6.54	2.18	0.06
Probable	3.1	58.9	8.92	1.23	0.06
Total	12.8	58.3	7.12	1.96	0.06
Tallering Peak					
	Tonnes millions	Fe %	SiO ₂ %	Al ₂ O ₃ %	P %
Mineral Resources above 50% Fe					
Measured	2.0	60.0	5.53	3.27	0.04
Indicated	3.1	57.9	10.12	2.40	0.05
Inferred	0.3	54.7	15.56	2.99	0.05
Total	5.4	58.5	8.72	2.76	0.04
Ore Reserves, above 50% Fe					
Proved	0.5	59.8	6.39	2.91	0.05
Probable	1.6	58.1	10.93	1.88	0.04
Total	2.1	58.5	9.81	2.14	0.04
NOTE: Discrepancies may appear due to rounding. Mineral Resources are reported inclusive of Ore Reserves.					

Total Group Mineral Resources and Ore Reserves at 30 June 2013

Total Group Mineral Resources and Ore Reserves at 30 June 2013 (above 50% Fe)					
	Tonnes millions	Fe %	SiO ₂ %	Al ₂ O ₃ %	P %
Mineral Resources	88.6	61.9	8.19	1.12	0.02
Ore Reserves	45.2	62.1	7.09	1.16	0.03
NOTE: Discrepancies may appear due to rounding. Mineral Resources are reported inclusive of Ore Reserves.					

Attributions

The information in this report that relates to Exploration Targets and Exploration Results is based on information compiled by Gregory Hudson, who is a member of the Australian Institute of Geoscientists. Gregory Hudson is an employee of Mount Gibson Iron Limited group, and has sufficient experience relevant to the styles of mineralisation and type of deposit under consideration and to the activity he is undertaking, to qualify as a Competent Person as defined in the December 2012 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Gregory Hudson has consented to the inclusion of the matters in this report based on his information in the form and context in which it appears.

The information in this report relating to Mineral Resources is based on information compiled by Elizabeth Haren, who is a member and Chartered Professional of the Australasian Institute of Mining and Metallurgy. Elizabeth Haren has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaken to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Elizabeth Haren consents to the inclusion in the report of the matters based on her information in the form and context in which it appears. Elizabeth Haren was a full-time employee of, and is a consultant to Mount Gibson Mining Limited.

The information in this report relating to Ore Reserves is based on information compiled by Weifeng Li, who is a member of the Australasian Institute of Mining and Metallurgy. Weifeng Li has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaken to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Weifeng Li consents to the inclusion in the report of the matters based on his information in the form and context in which it appears. Weifeng Li is a consultant to Mount Gibson Mining Limited.

Refer ASX release 21 October 2013 for full details of Mineral Resources and Ore Reserves.

Supplementary information

Shine Hematite Mineral Resources

Resource Category	Tonnes (Mt)	Fe %	SiO ₂ %	Al ₂ O ₃ %	P %	LOI %
Measured	2.65	59.7	7.58	2.18	0.085	4.18
Indicated	4.17	58.7	9.14	1.72	0.078	4.06
Inferred	0.95	58.0	9.80	1.51	0.079	4.68
Total	7.8	59.0	8.69	1.85	0.080	4.18
55% Fe cut-off applied . Discrepancies may appear due to rounding.						

Shine Ore Reserves

Classification	Tonnes (Mt)	Fe %	SiO ₂ %	Al ₂ O ₃ %	P %	LOI %
Proved	2.2	60.0	6.88	2.33	0.080	4.32
Probable	3.4	58.9	8.92	1.79	0.077	4.10
Total	5.6	59.3	8.12	2.00	0.079	4.19
55% Fe cut-off applied. Discrepancies may appear due to rounding.						

Competent Person Statement

Shine Mineral Resource

The information in this report that relates to Shine Mineral Resources is based on information compiled by John Graindorge, who is a Chartered Professional and Member of the Australasian Institute of Mining and Metallurgy (MAusIMM). John Graindorge is a full-time employee of Snowden Mining Industry Consultants Pty Ltd and has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaken to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. John Graindorge consents to the inclusion in this report of the matters based on his information in the form and context in which it appears.

Shine Ore Reserves

The information in this report that relates to the Shine Ore Reserves and Production Targets is based on information compiled by Steve O'Dea, who is a member of the Australasian Institute of Mining and Metallurgy (MAusIMM). Steve O'Dea is a full-time employee of Coffey Mining Pty Ltd and has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaken to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Steve O'Dea consents to the inclusion in this report of the matters based on his information in the form and context in which it appears.

Refer ASX release 7 March 2014 for further information relating to the Shine Hematite Mineral Resource and Ore Reserves.