



Mount Gibson Iron Limited

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Pages = 1

ASX ANNOUNCEMENT

ASX Code : MGX

31 August 2018

The Manager
Market Announcements Office
Australian Securities Exchange

Dividend Reinvestment Plan

Please find attached a copy of the letter sent to Mount Gibson Iron Limited ("**MGX**") shareholders today confirming details about the reinstatement of the Dividend Reinvestment Plan ("**DRP**"), the eligibility and process for participating in the **DRP** and a **DRP** Guide.

Yours sincerely
MOUNT GIBSON IRON LIMITED

David Stokes
Company Secretary



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31 August 2018

Dear Shareholder

Reinstatement of Dividend Reinvestment Plan

We refer to our ASX announcement on 15 August 2018 confirming that Mount Gibson Iron Limited (**Mount Gibson or the Company**) had reinstated its Dividend Reinvestment Plan (**DRP**) to enable eligible shareholders to re-invest dividends in additional Mount Gibson ordinary shares (**Shares**).

The **DRP** will apply for the final dividend to be distributed for the full year ending 30 June 2018 and Shares will be allocated at a price of \$0.484, being a 2% discount to the average of the daily volume weighted average market price of all Mount Gibson shares traded on the Australian Securities Exchange during the period of five trading days prior to the Record Date, 23 August 2018.

The **DRP** will be open to shareholders with registered addresses in Australia, New Zealand, Malaysia, Hong Kong, Singapore and the United Kingdom. The deadline for electing to participate in the **DRP** for this dividend is 1 October 2018.

Please note that given the **DRP** has been suspended since February 2013, the Company has decided not to reinstate any prior elections to participate in the **DRP** made prior to 15 August 2018. Therefore, all eligible shareholders who wish to participate in the reinstated **DRP** will need to make an election to do so.

Included with this letter is an election form to participate in the **DRP**. Alternatively you can register online with the share registry Computershare, at www.computershare.com.au/easyupdate/mgx.

Going forward

For future dividends the Mount Gibson Board will continue to determine whether the **DRP** will apply with respect to each dividend at the time it considers the declaration of that dividend. Mount Gibson will announce whether the **DRP** will apply with respect to a dividend at the same time as that dividend is announced.

The **DRP** Guide attached to this letter contains information in relation to the **DRP**, including where you can locate the **DRP** rules. Please read it carefully.

You should also read the **DRP** rules carefully before deciding whether to participate in the **DRP**. Any information provided by Mount Gibson in the **DRP** Guide is of a general nature only and does not take into account your personal circumstances. You should consult your own financial or legal adviser if you are unsure about what is the best option for you. You should also seek your own taxation advice before deciding what is best for you.

If you have any queries about the **DRP** please do not hesitate to contact Computershare on 1300 139 262 (within Australia) or +61 3 9415 4381 (outside Australia).

Yours sincerely

MOUNT GIBSON IRON LIMITED

David Stokes
Company Secretary

Dividend Reinvestment Plan Guide

Key Points

Reinvestment of dividends

The Dividend Reinvestment Plan ("**DRP**") offers a convenient way for you to increase your shareholding in Mount Gibson by reinvesting some or all of your dividends in additional Shares. Shares will be issued or transferred to you at a price based on the market price.

Participation in the DRP is voluntary

You may apply to participate, change your level of participation, or cancel your participation in the DRP at any time and from time to time, provided a sufficient amount of notice is given.

Tailoring to individual circumstances: receipt of dividends in additional shares, combination of shares/cash or cash only.

The DRP provides you with flexibility to choose the way in which you receive the benefit of your Mount Gibson dividends in respect to which the DRP applies. If the DRP applies to a dividend, you will have the option of receiving Shares, a combination of Shares and cash, or cash only.

No additional cost to participate

You do not have to appoint a broker and you do not have to pay fees, brokerage or other administration costs to participate in the DRP.

Residual amounts are carried forward

You will only receive a whole number of Shares under the DRP. Where the allocation calculation would otherwise result in a fraction of a Share being allocated to you, the cash amount attributable to that fraction will be credited to your DRP account. The amount in your DRP account will be added to your next dividend in respect to which the DRP applies for the purposes of calculating the number of Shares allocated to you under the DRP in respect of that later dividend. No interest will accrue on credited amounts in DRP accounts.

Shares rank equally

Shares issued under the DRP rank equally with existing Shares from the date of issue, unless the Mount Gibson Board determines otherwise.

DRP statement

A DRP statement will be provided to you shortly after the time of a dividend payment in respect to which the DRP applies. Your DRP statement will include details of any Shares allocated to you under the DRP and any residual amount carried forward in your DRP account.

DRP Rules

A copy of the DRP rules are available on Mount Gibson's website at <https://www.mtgibsoniron.com.au/wp-content/uploads/2018/08/DRP.pdf> or by telephoning +61 8 9426 7500. This DRP Guide is only a summary of some of the features of the DRP and its applicable rules. Nothing in this DRP Guide or the Dividend Reinvestment Plan Election/Variation Form is intended to modify or otherwise affect the DRP rules.

Where to find the DRP form

You must use a 'Dividend Reinvestment Plan Election/Variation Form' (DRP Election Form) to apply to participate in the DRP, vary your participation or cancel your participation. This form can be obtained by contacting the share registry, Computershare on 1300 139 262 (within Australia) or +61 3 9415 4381 (outside Australia) or visiting their website at www.computershare.com.au/easyupdate/mgx.

Frequently Asked Questions (FAQ)

Q. Is participation in the DRP voluntary?

A. Yes. If you don't want to participate in the DRP you don't have to do anything and you will continue to be paid your dividends by cheque (or direct credit where you have provided your banking details).

Q. If I was registered in the DRP prior to the amendment on 15 August 2018, does my election still stand?

A. No. All participation notices prior to Mount Gibson's announcement of the amended DRP rules on 15 August 2018 no longer apply. If you wish to apply you must make a new election online with the share registry Computershare, or complete a new DRP Election Form and return it to them.

Q. Who is eligible to participate in the DRP?

A. The Mount Gibson Board will determine whether the DRP will apply to a particular dividend at the time it considers the declaration of that dividend. You may participate in the DRP if your address on the register of shareholders is in Australia, New Zealand, Malaysia, Hong Kong, Singapore or the United Kingdom (**Eligible Jurisdictions**), unless you hold your Shares only on behalf of another person who resides outside of the Eligible Jurisdictions. In certain circumstances the Mount Gibson Board may allow participation by persons who reside outside of the Eligible Jurisdictions or hold their Shares for persons who reside outside of the Eligible Jurisdictions.

Q. What do I have to do to participate in the DRP?

A. To participate in the DRP you need to either make an election online with the Company's share registry Computershare (at www.computershare.com.au/easyupdate/mgx), or complete a DRP Election Form and return it to the share registry. The share registry address is shown in the DRP Election Form.

Q. Can I participate in the DRP in respect of some but not all of my Mount Gibson shares?

A. Yes. You can nominate a specific percentage of your Shares on the DRP Election Form to participate in the DRP. This is referred to as 'Partial Participation'. In this case, only part of your dividend will be reinvested in additional Shares when the DRP applies to a dividend. The dividend entitlement on the balance of your shareholding that is not participating in the DRP will be paid by cheque (or direct credit where you have provided your banking details).

Q. When do I have to return my DRP Election Form by if I want to apply to participate in the DRP?

A. For your DRP Election Form to be effective for a dividend in respect to which the DRP applies, it must be received by the share registry by no later than the cut off time and date as declared by the Company at the time of announcement of the dividend. If your form is received after this time, it will not become effective until the following dividend.

Q. Does the DRP apply in respect of every dividend?

A. No. In addition to varying, suspending or terminating the DRP, the Mount Gibson Board may at any time determine that the DRP will not apply to a particular dividend by making an announcement to the market to that effect. Mount Gibson will announce to the market whether the DRP applies in respect of a particular dividend at the same time that the dividend is announced.

Q. If I make an election of 'Full Participation' do Shares acquired in the DRP or on market participate in the DRP in respect of subsequent dividends?

A. Yes. If you elect 'Full Participation', Shares issued or transferred to you will be able to participate in the DRP in respect of subsequent dividends to which the DRP applies.

Q. If I make an election of 'Partial Participation' do Shares acquired in the DRP or on market participate in the DRP in respect of subsequent dividends?

A. Yes, but only to the extent of the percentage nominated by you on your latest DRP Election Form.

Q. Am I able to make changes to my participation?

A. Yes. You can make changes at any time by notifying the share registry online or by using a new DRP Election Form. For the change to be effective in respect of an upcoming dividend payment, your online election or DRP Election Form must be received by the share registry by no later than the cut off time and date as declared by the Company at the time of announcement of the dividend. If your online election or form is received after this time, it will not become effective until the following dividend.

Q. What do I need to do if I have a number of shareholdings in Mount Gibson?

A. You must complete and lodge a separate DRP Election Form for each of your shareholdings registered in different names or with a different Shareholder Reference Number (SRN) or Holder Identification Number (HIN).

Q. Do I have to pay to participate in the DRP?

A. No. You do not have to pay any brokerage, commission or other administration cost on Shares transferred or issued under the DRP and, under current laws, no stamp duty is payable by you in respect of those Shares.

Q. At what price will Shares be issued or transferred to me under the DRP?

A. Shares will be issued or transferred to you under the DRP at the Average Market Price (which is defined in the DRP rules) for the period designated for pricing Shares issued or transferred under the DRP. The Average Market Price may be reduced by a discount, which the Mount Gibson Board may determine from time to time and announce to the market. If the period for determining the Average Market Price includes or is after a dividend record date, this price will not be known at the time by which you will need to decide whether you will be participating in the DRP.

Q. Does participating in the DRP restrict me from selling my Shares?

A. No. Participating in the DRP does not restrict your ability to sell your Shares.

Q. What happens if I am participating in the DRP and sell some or all of my Shares?

A. Where you have elected 'Full Participation' and then dispose of some of your Shares, dividends on all of your remaining participating Shares will continue to be reinvested under the DRP for each dividend in respect to which the DRP applies. Where you have elected 'Partial Participation' and you dispose of some of your Mount Gibson shares, then unless you have given sufficient notice beforehand, the percentage nominated by you in your latest DRP Election Form will apply to the Shares you continue to hold. In each case, if you later acquire more Shares, these will participate in the DRP to the extent indicated in your last DRP Election Form. If you have ceased to hold any Shares by the time of a dividend record date, you are deemed to have terminated your participation in the DRP at that record date.

Q. When will I receive details of Shares issued or transferred to me under the DRP?

A. Following each dividend payment in respect to which the DRP applies you will be sent a DRP statement setting out information including the number of Shares allocated to you under the DRP and the cash balance carried forward on any residual amount of the dividend after that allocation (representing a fraction of a Share after the calculation of the number of Shares to be allocated to you under the DRP in relation to that dividend).

Q. If I cancel my participation in the DRP or sell my Mount Gibson shares, or if Mount Gibson terminates the DRP, what happens to any balance in my DRP account?

A. If Mount Gibson terminates the DRP, or you otherwise cease to participate in the DRP, any residual balance in your DRP account will be paid to you at the time the next dividend is paid.

Q. Can the DRP be varied, suspended or terminated?

A. Yes. The Mount Gibson Board may vary, suspend or terminate the DRP at any time by notification to the market. The Mount Gibson Board will determine whether the DRP is to apply with respect to a dividend at the time it considers the declaration of that particular dividend. Mount Gibson will announce to the market whether the DRP will apply to a dividend at the same time that the dividend is announced.

Q. What about tax implications?

A. Mount Gibson recommends that you obtain professional taxation advice about the consequences of participating in the DRP.

Foreign Sale Restrictions

This document does not constitute an offer of new ordinary shares (**Shares**) of the Company in any jurisdiction in which it would be unlawful. In particular, this document may not be distributed to any person, and the Shares may not be offered or sold, in any country outside Australia except to the extent permitted below.

Nominees and custodians may not distribute this document, and may not permit any beneficial shareholder to participate in the DRP, in any country outside Australia, Hong Kong, Malaysia, New Zealand, Singapore and the United Kingdom except, with the consent of Mount Gibson, to beneficial shareholders resident in certain other countries where Mount Gibson may determine it is lawful and practical to make the DRP available.

Hong Kong

WARNING: The contents of this document have not been reviewed by any regulatory authority in Hong Kong. You are advised to exercise caution in relation to the offer. If you are in any doubt about any of the contents of this document, you should obtain independent professional advice.

Malaysia

No approval from, or recognition by, the Securities Commission of Malaysia has been or will be obtained in relation to any offer of Shares. The Shares, pursuant to the dividend reinvestment plan, may not be offered or sold in Malaysia except to existing shareholders of the Company.

New Zealand

The Shares are not being offered or sold to the public within New Zealand other than to existing shareholders of the Company with registered addresses in New Zealand to whom the offer of the Shares is being made in reliance on the Financial Markets Conduct Act 2013 and the Financial Markets Conduct (Incidental Offers) Exemption Notice 2016.

This document has not been registered, filed with or approved by any New Zealand regulatory authority. This document is not a product disclosure statement under New Zealand law and is not required to, and may not, contain all the information that a product disclosure statement under New Zealand law is required to contain.

Singapore

This document and any other materials relating to the Shares have not been, and will not be, lodged or registered as a prospectus in Singapore with the Monetary Authority of Singapore. Accordingly, this document and any other document or materials in connection with the offer or sale, or invitation for subscription or purchase, of Shares, may not be issued, circulated or distributed, nor may the Shares be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore except pursuant to and in accordance with exemptions in Subdivision (4) Division 1, Part XIII of the Securities and Futures Act, Chapter 289 of Singapore (the "SFA"), or as otherwise pursuant to, and in accordance with the conditions of any other applicable provisions of the SFA.

This document has been given to you on the basis that you are an existing registered holder of the Company's ordinary shares. In the event that you are not such a shareholder, please return this document immediately. You may not forward or circulate this document to any other person in Singapore.

Any offer is not made to you with a view to the Shares being subsequently offered for sale to any other party. There are on-sale restrictions in Singapore that may be applicable to investors who acquire Shares. As such, investors are advised to acquaint themselves with the SFA provisions relating to resale restrictions in Singapore and comply accordingly.

United Kingdom

Neither the information in this document nor any other document relating to the offer has been delivered for approval to the Financial Conduct Authority ("FCA") in the United Kingdom and no prospectus (within the meaning of section 85 of the Financial Services and Markets Act 2000, as amended ("FSMA")) has been published or is intended to be published in respect of the Shares. This document relates to the Shares, being transferrable securities which fall within section 85(5)(b) of FSMA on the basis that they are dividends paid out in the form of shares of the same class as the shares in respect of which the dividends are paid and in respect of which a document has or will be made available containing the information specified in 1.2.2R of the FCA's Prospectus Rules.

This document is issued on a confidential basis to existing shareholders of the Company and the Shares may not be offered or sold in the United Kingdom except in circumstances which do not require the publication of a prospectus pursuant to section 86(1) FSMA. This document should not be distributed, published or reproduced, in whole or in part, nor may its contents be disclosed by recipients to any other person in the United Kingdom.

Any invitation or inducement to engage in investment activity (within the meaning of section 21 FSMA) received in connection with the issue or sale of the Shares has only been communicated or caused to be communicated and will only be communicated or caused to be communicated in the United Kingdom in circumstances in which section 21(1) FSMA does not apply to the Company.

In the United Kingdom, this document is being distributed only to, and is directed at, persons (i) who fall within Article 43 (members of certain bodies corporate) of the Financial Services and Markets Act 2000 (Financial Promotions) Order 2005, or (ii) to whom it may otherwise be lawfully communicated (together "relevant persons"). The investments to which this document relates are available only to, and any invitation, offer or agreement to purchase will be engaged in only with, relevant persons. Any person who is not a relevant person should not act or rely on this document or any of its contents.

Enquiries:

(within Australia) 1300 850 505
(international) +61 3 9415 4000

Securityholder Reference Number (SRN)

 For your security keep your SRN/HIN confidential.

Dividend Reinvestment Plan

Use a **black** pen.
Print in **CAPITAL** letters
inside the grey areas.

A	B	C
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1	2	3
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Where a choice is required,
mark the box with an 'X'

X

A Dividend Reinvestment Plan (DRP)

X

ALL

Please mark this box with an 'X' if you wish all your securities to participate in the company's DRP.

OR

IMPORTANT: If you choose partial DRP, please show the *percentage* of your securityholding that you wish to participate.

X

PART

Specify the percentage of securities you wish to participate in the company's DRP.

		%
--	--	---

B Sign Here - This section **must** be signed for your instructions to be executed.

I/We authorise you to act in accordance with my/our instructions set out above. I/We acknowledge that these instructions supersede and have priority over all previous instructions in respect to my/our securities. Where I/we have indicated participation in the Dividend Reinvestment Plan, I/we hereby agree to be bound by the Terms and Conditions of the Dividend Reinvestment Plan.

Individual or Securityholder 1

--

Director

Securityholder 2

--

Director/Company Secretary

Securityholder 3

--

Sole Director and Sole Company Secretary

Note: When signed under Power of Attorney, the attorney states that they have not received a notice of revocation. Computershare Investor Services Pty Limited needs to sight a certified copy of the Power of Attorney.

Date - Day	Month	Year

How to complete this form

A

Dividend Reinvestment Plan (DRP)

Complete this section if you wish to have your cash dividends reinvested in the form of more company securities.

If you wish to reinvest part of your securities in the company's DRP, please show the percentage of your securityholding that you wish to participate.

Please note that an election to participate fully in the Dividend Reinvestment Plan will override any instruction on the registry record regarding direct payment of cash dividends into a nominated account.

This instruction only applies to the specific holding identified by the SRN/HIN and the name appearing on the front of this form.

B

Signature(s)

If you have chosen to have your cash dividends fully or partially reinvested into company securities and you have completed Section A, you must sign this form as follows in the spaces provided:-

Joint Holding:	where the holding is in more than one name, all of the securityholders must sign.
Power of Attorney:	to sign under Power of Attorney, you must have already lodged this document with the registry. If you have not previously lodged this document for notation, please attach a certified photocopy of the Power of Attorney to this form when you return it.
Companies:	where the company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the Company (pursuant to section 204A of the Corporations Act 2001) does not have a Company Secretary, a Sole Director can also sign alone. Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary. Please indicate the office held by signing in the appropriate place.

DI012

MGX

Please return the completed form to:

Computershare Investor Services Pty Limited
GPO Box 2975
Melbourne VIC 3001
Australia

