Mount Gibson Iron Limited
ABN 87 008 670 817

Level 1, 2 Kings Park Road
West Perth 6005, Western Australia
PO Box 55, West Perth WA 6872
Telephone: 61-8-9426-7500
Facsimile: 61-8-9485 2305
E-mail: admin@mtgibsoniron.com.au

VIA: WWW.ASXONLINE.COM

ASX ANNOUNCEMENT **ASX Code : MGX**

7 October 2014

Mineral Resources and Ore Reserves Statement as at 30 June 2014

This statement covers the Mineral Resource and Ore Reserve estimates of Mount Gibson Iron Limited (Mount Gibson) as at 30 June 2014. **Mount Gibson has Mineral Resources of 83.3 million tonnes of Iron Ore at a grade of 61.8% Fe, and Ore Reserves of 44.3 million tonnes at 62.0% Fe**.

This statement and the accompanying explanatory notes outline the Mineral Resources and Ore Reserves at the Company's Koolan Island and Extension Hill Mining Operations, the Shine Project acquired in March 2014, and the Tallering Peak deposit. After more than 10 years of continuous operation by Mount Gibson, the Tallering Peak mine commenced closure in June 2014. Mount Gibson has ten iron ore Mineral Resources across four locations and six Ore Reserves. All Mineral Resources and Ore Reserves are considered as DSO (Direct Shipping Ore) with no beneficiation or enrichment process required. The majority of the Company's Ore Reserves are at the Koolan Island Operation, with a 30 June 2014 estimate of 28.2 million tonnes of ore at an average grade of 63.9% Fe.

Summary of information

There have been no material changes to the Koolan Island, Tallering Peak or Extension Hill Mineral Resources and Ore Reserves in the annual reporting period. Re-estimations of the Extension Hill and Koolan Main Mineral Resources were conducted in the 2013-14 year as part of the continuous improvement and review process at Mount Gibson. The Shine Mineral Resource, which was acquired in early 2014, was reviewed and a Maiden Ore Reserve announced in March 2014.

Mount Gibson's operations have been established for several years, and exploration results including sampling techniques and data have previously been reported to the ASX under Joint Ore Reserves Committee (JORC) and ASX continuous disclosure requirements.

The updates to the Mineral Resources and related Ore Reserves in this announcement are not considered material with only minor changes in predicted tonnes and grade from the 2013 Mineral Resources and Ore Reserves Statement. Reconciliation for all operations in 2014 has been good with Ore Reserve depletion in balance with production and shipping outputs. Mount Gibson has maintained consistency and not changed the method of sampling, sub-sampling techniques or sample assay analyses, drill and data spacing, estimation methodology, cut-off grade, mining and metallurgical methods in any way that would be considered material.

The Koolan Island Main Deposit Mineral Resource was re-estimated in March 2014 using new geological information from geotechnical diamond core drilling, and a review of the existing drill data. This new and reviewed information has improved the understanding of the ore geometry which assists in mine planning and scheduling. The re-estimation has led to a small increase in the total tonnes of the Main Mineral Resource at Koolan. The Mineral Resource has been applied in the re-estimation of the Ore Reserve with a modest increase in the total tonnes of Ore.

The Extension Hill Mineral Resource was re-estimated during the annual reporting period. In pit infill Reserve Circulation (RC) drilling and sampling has been used to update the geological interpretation of the mineralised lodes. Grade control and production data and a review of density have also been considered in the 2014 evaluation. New information has improved the understanding of the ore geometry to assist in mine planning and scheduling, with a limited change in total deposit tonnes and grade.

The re-estimation of the Extension Hill Mineral Resource and its use in the revision of the mine plan has brought about a small change in the Ore Reserve, with a new pit design slightly increasing the extractable ore. There has been no material change to underlying assumptions regarding the Extension Hill Ore Reserve. Mount Gibson has maintained consistency and not changed the mining or processing methods, estimation methodology, or its environmental or infrastructure approvals.

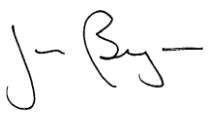
The Shine Mineral Resource and Ore Reserve for 30 June 2014 remain unchanged from the reported tonnes and grade when the project was acquired by Mount Gibson on 7 March 2014, and does not include data from drilling completed in July 2014. This data is under review for incorporation into a planned update of the Shine Mineral Resource and Ore Reserve.

Mount Gibson currently applies a cut-off grade of 50% Fe for Mineral Resources and Ore Reserves at its operations at Koolan Island and Extension Hill, and the residual Mineral Resource at Tallering Peak. Mount Gibson applies a cut-off grade of 55% Fe for the Mineral Resource and Ore Reserve at the Shine Deposit.

All Mount Gibson Mineral Resources and Ore Reserves are reported in compliance with the JORC Code, 2012 Edition and the ASX Listing Rules. There have been no material changes since Mount Gibson last reported its Mineral Resources and Ore Reserves in compliance with the JORC Code, 2012 Edition.

Yours sincerely,

MOUNT GIBSON IRON LIMITED



Jim Beyer
Chief Executive Officer

For further information:

Jim Beyer
Chief Executive Officer
Mount Gibson Iron Limited
+61-8-9426-7500
www.mtgibsoniron.com.au

John Phaceas
Manager External Relations
Mount Gibson Iron Limited
+61-8-9426-7500

Alan Deans
Last Word Corporate Communications
+61 (0)427 490 992

Mineral Resources and Ore Reserves Statement as at 30 June 2014

Table A: Mineral Resources and Ore Reserves as at 30 June 2014 by Project

Koolan Island					
	Tonnes millions	Fe %	SiO_2 %	Al_2O_3 %	P %
Mineral Resources, above 50% Fe					
Measured	8.62	59.2	13.48	1.06	0.017
Indicated	43.14	64.3	6.42	0.75	0.014
Inferred	10.90	60.2	12.48	0.79	0.015
Total	**62.66**	**62.9**	**8.44**	**0.80**	**0.014**
Ore Reserves, above 50% Fe					
Proved	4.16	59.3	14.52	0.33	0.008
Probable	24.08	64.7	5.88	0.79	0.011
Total	**28.24**	**63.9**	**7.16**	**0.72**	**0.011**
Extension Hill					
	Tonnes millions	Fe %	SiO_2 %	Al_2O_3 %	P %
Mineral Resources, above 50% Fe					
Measured	10.25	58.5	6.46	2.07	0.073
Indicated	0.70	57.9	9.99	1.36	0.068
Inferred	0.24	56.6	10.17	1.83	0.060
Total	**11.19**	**58.4**	**6.76**	**2.02**	**0.072**
Ore Reserves, above 50% Fe					
Proved	9.90	58.4	6.66	2.07	0.072
Probable	0.55	57.3	11.33	1.21	0.063
Total	**10.45**	**58.3**	**6.90**	**2.02**	**0.072**
Tallering Peak					
	Tonnes millions	Fe %	SiO_2 %	Al_2O_3 %	P %
Mineral Resources, above 50% Fe					
Measured	0.41	58.9	6.26	3.50	0.082
Indicated	1.03	58.1	11.70	1.66	0.066
Inferred	0.20	54.7	17.89	1.93	0.056
Total	**1.65**	**57.9**	**11.10**	**2.15**	**0.069**
Shine					
	Tonnes millions	Fe %	SiO_2 %	Al_2O_3 %	P %
Mineral Resources, above 55% Fe					
Measured	2.65	59.7	7.58	2.18	0.085
Indicated	4.17	58.7	9.14	1.72	0.078
Inferred	0.95	58.0	9.80	1.50	0.079
Total	**7.76**	**59.0**	**8.69**	**1.85**	**0.080**
Ore Reserves, above 55% Fe					
Proved	2.20	60.0	6.88	2.33	0.080
Probable	3.40	58.9	8.92	1.79	0.077
Total	**5.60**	**59.3**	**8.12**	**2.00**	**0.079**

Discrepancies may appear due to rounding. Mineral Resources are reported inclusive of Ore Reserves. All tonnages have been estimated as dry tonnages.

Table B: Total Group Mineral Resources and Ore Reserves as at 30 June 2014

Total Group Mineral Resources and Ore Reserves at 30 June *(above 50% Fe and above 55% Fe for Shine Project)*					
	Tonnes millions	Fe %	SiO_2 %	Al_2O_3 %	P %
Mineral Resources	**83.27**	**61.8**	**8.29**	**1.09**	**0.029**
Ore Reserves	**44.29**	**62.0**	**7.22**	**1.19**	**0.034**
Discrepancies may appear due to rounding. Mineral Resources are reported inclusive of Ore Reserves. All tonnages have been estimated as dry tonnages.					

Competent Persons and Responsibilities

Mount Gibson Iron Exploration Results

The information in this report that relates to Exploration Results including sampling techniques and data is based on information compiled by Gregory Hudson, a Competent Person who is a member of the Australian Institute of Geoscientists. Gregory Hudson is an employee of Mount Gibson Iron Limited, and he has sufficient experience 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 December 2012 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Gregory Hudson consents to the inclusion in this report of the matters based on his information in the form and context in which it appears.

Mount Gibson Iron Mineral Resources (excluding the Shine and Koolan Island Main deposits)

The information in this report relating to Mineral Resources, excluding the Shine Deposit and Koolan Island Main Deposit, is based on information compiled by Elizabeth Haren, a Competent Person who is a member and Chartered Professional of the Australasian Institute of Mining and Metallurgy. Elizabeth Haren was a full-time employee of, and is a consultant to, Mount Gibson Iron Limited. 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 this report of the matters based on her information in the form and context in which it appears. The Mineral Resource estimates comply with recommendations in the Australasian Code for Reporting of Mineral Resources and Ore Reserves (2012) by the Joint Ore Reserves Committee (JORC). Therefore they are suitable for public reporting.

Mount Gibson Iron Mineral Resource (Main Deposit at Koolan Island)

The information in this report relating to the Mineral Resources of Main Deposit at Koolan Island is based on information compiled by Jani Kalla, a Competent Person who is a member and Chartered Professional of the Australasian Institute of Mining and Metallurgy. Jani Kalla is a full-time employee of Mount Gibson Iron Limited. Jani Kalla 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'. Jani Kalla consents to the inclusion in this report of the matters based on his information in the form and context in which it appears. The Koolan Island Main Deposit Mineral Resource estimate complies with recommendations in the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (2012) by the Joint Ore Reserves Committee (JORC). Therefore it is suitable for public reporting.

Shine Deposit Mineral Resource

The information in this report that relates to Mineral Resources at the Shine Deposit is based on information compiled by John Graindorge, a Competent Person who is a member of the Australasian Institute of Mining and Metallurgy. 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. The Mineral Resource estimate complies with recommendations in the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (2012) by the Joint Ore Reserves Committee (JORC). Therefore it is suitable for public reporting.

Tallering Peak, Koolan Island and Extension Hill Ore Reserves

The information in this report relating to Ore Reserves at Tallering Peak, Koolan Island and Extension Hill is based on information compiled by Paul Salmon, a Competent Person who is a member and a Chartered Professional of the Australasian Institute of Mining and Metallurgy. Paul Salmon is a full-time employee of Mount Gibson Iron Limited. Paul Salmon 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'. Paul Salmon consents to the inclusion in the report of the matters based on his information in the form and context in which it appears. The Ore Reserve estimates comply with recommendations in the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (2012) by the Joint Ore Reserves Committee (JORC). Therefore they are suitable for public reporting.

Shine Ore Reserve

The information in this report that relates to Ore Reserves at the Shine Deposit is based on information compiled by Steve O'Dea, a Competent Person who is a member of the Australasian Institute of Mining and Metallurgy. 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. The Ore Reserve estimate complies with recommendations in the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (2012) by the Joint Ore Reserves Committee (JORC). Therefore it is suitable for public reporting.

Mineral Resources and Ore Reserves Explanatory Notes

KOOLAN ISLAND

Total Koolan Island Mineral Resources and Ore Reserves at 30 June 2014.

Koolan Island					
	Tonnes millions	Fe %	SiO_2 %	Al_2O_3 %	P %
Mineral Resources, above 50% Fe					
Measured	8.62	59.2	13.48	1.06	0.017
Indicated	43.14	64.3	6.42	0.75	0.014
Inferred	10.90	60.2	12.48	0.79	0.015
Total	**62.66**	**62.9**	**8.44**	**0.80**	**0.014**
Ore Reserves, above 50% Fe					
Proved	4.16	59.3	14.52	0.33	0.008
Probable	24.08	64.7	5.88	0.79	0.011
Total	**28.24**	**63.9**	**7.16**	**0.72**	**0.011**
Discrepancies may appear due to rounding. Mineral Resources are reported inclusive of Ore Reserves. All tonnages have been estimated as dry tonnages.					

- **Main Deposit**

Main					
	Tonnes millions	Fe %	SiO_2 %	Al_2O_3 %	P %
Mineral Resources, above 50% Fe					
Measured	2.99	60.1	13.43	0.34	0.007
Indicated	33.94	65.7	4.60	0.67	0.011
Inferred	5.42	61.4	10.97	0.77	0.010
Total	**42.35**	**64.8**	**6.04**	**0.66**	**0.011**
Ore Reserves, above 50% Fe					
Proved	2.37	59.3	14.57	0.37	0.007
Probable	21.13	65.2	4.97	0.85	0.012
Total	**23.49**	**64.6**	**5.93**	**0.80**	**0.011**
Discrepancies may appear due to rounding. Mineral Resources are reported inclusive of Ore Reserves. All tonnages have been estimated as dry tonnages.					

- Mineral Resources at Koolan Island Main deposit have been re-interpreted and re-estimated since 30 June 2013.
- The Koolan Main Mineral Resource was re-estimated in March 2014 using new geological information from geotechnical diamond core drilling, and a review of the existing drill data.
- A review of the density applied to the Mineral Resource has been completed as part of the re-estimate. This new and reviewed information has improved the understanding of the ore geometry and characteristics which assists in mine planning and scheduling.
- The re-estimation has led to a small increase in the total tonnes of the Main Mineral Resource at Koolan.

- The Mineral Resource at Koolan Island Main deposit has been depleted by approximately 2.58Mt of mining since 30 June 2013.

- The reporting of the Mineral Resource of Koolan Main is in compliance with the JORC Code, 2012 Edition and the current version of the ASX Listing Rules. A summary of the JORC Code, 2012 Edition Table 1 for Koolan Island Main is provided in Appendix 1.

- An assessment of the Mineral Resource has been completed, including a review of the reinterpretation and the density before application in the Ore Reserve.

- The Mineral Resource has been applied in the re-estimation of the Ore Reserve with a modest increase in the total tonnes of Ore.

- The Ore Reserve at Koolan Island Main deposit has been depleted by mining since 30 June 2013.

- There have been no material changes to underlying assumptions regarding the Koolan Main Ore Reserve. Mount Gibson have maintained consistency and not changed the mining or processing methods, estimation methodology, or its environmental or infrastructure approvals.

- The reporting of the Ore Reserve of Koolan Main is in compliance with the JORC Code, 2012 Edition and the current version of the ASX Listing Rules. A summary of the JORC Code, 2012 Edition Table 1 for Koolan Island Main is provided in Appendix 1.

- **Acacia East Deposit**

Acacia East					
	Tonnes millions	Fe %	SiO_2 %	Al_2O_3 %	P %
Mineral Resources, above 50% Fe					
Measured	1.65	60.6	12.94	0.19	0.009
Indicated	3.43	61.4	11.59	0.28	0.010
Inferred	3.37	59.9	13.70	0.19	0.010
Total	**8.46**	**60.7**	**12.69**	**0.23**	**0.010**
Ore Reserves, above 50% Fe					
Proved	1.77	59.4	14.58	0.22	0.009
Probable	2.94	60.7	12.44	0.36	0.010
Total	**4.71**	**60.2**	**13.24**	**0.31**	**0.010**
Discrepancies may appear due to rounding. Mineral Resources are reported inclusive of Ore Reserves. All tonnages have been estimated as dry tonnages.					

- The Mineral Resource at Koolan Island Acacia East deposit has not been re-interpreted or re-estimated since 30 June 2013.

- The Mineral Resource at Koolan Island Acacia East deposit has been depleted by approximately 0.47Mt of mining since 30 June 2013.

- The reporting of the Mineral Resource of Acacia East is in compliance with the JORC Code, 2012 Edition and the current version of the ASX Listing Rules. A summary of the JORC Code, 2012 Edition Table 1 for Koolan Island Acacia East is provided in Appendix 2.

- The Ore Reserve at Koolan Island Acacia East deposit has not been re-interpreted or re-estimated since 30 June 2013.

- The Ore Reserve at Koolan Island Acacia East deposit has been depleted by mining since 30 June 2013.

- Depletion of the Acacia East Ore Reserve has been considered in this 2014 annualised report.

- The reporting of the Ore Reserve of Acacia East is in compliance with the JORC Code, 2012 Edition and the current version of the ASX Listing Rules. A summary of the JORC Code, 2012 Edition Table 1 for Koolan Island Acacia East is provided in Appendix 2.

- **Eastern Barramundi Deposit**

Eastern Barramundi					
	Tonnes millions	Fe %	SiO_2 %	Al_2O_3 %	P %
Mineral Resources, above 50% Fe					
Measured	1.74	58.0	12.41	3.05	0.035
Indicated	1.77	56.4	14.60	2.98	0.032
Inferred	0.76	56.3	14.15	3.29	0.032
Total	**4.28**	**57.0**	**13.63**	**3.06**	**0.033**
Discrepancies may appear due to rounding. All tonnages have been estimated as dry tonnages.					

- The Mineral Resource at Koolan Island Eastern Barramundi deposit has not changed since 30 June 2013.

- The reporting of the Eastern Barramundi Mineral Resource is in compliance with the JORC Code, 2012 Edition and the current version of the ASX Listing Rules. A summary of the JORC Code, 2012 Edition Table 1 for Koolan Island Eastern Barramundi is provided in Appendix 3.

- **Barramundi West Deposit**

Barramundi West					
	Tonnes millions	Fe %	SiO_2 %	Al_2O_3 %	P %
Mineral Resources, above 50% Fe					
Measured	0.44	60.2	9.30	2.89	0.046
Indicated	0.29	57.9	11.08	3.56	0.046
Inferred	0.02	56.8	12.17	3.92	0.044
Total	**0.74**	**59.2**	**10.05**	**3.17**	**0.046**
Ore Reserves, above 50% Fe					
Proved	0.03	60.7	7.25	3.38	0.042
Probable	0.01	55.6	12.10	4.97	0.049
Total	**0.03**	**60.4**	**7.60**	**3.49**	**0.043**
Discrepancies may appear due to rounding. Mineral Resources are reported inclusive of Ore Reserves. All tonnages have been estimated as dry tonnages.					

- The Mineral Resource at Koolan Island Barramundi West deposit has not changed since 30 June 2013.

- The reporting of the Barramundi West Mineral Resource is in compliance with the JORC Code, 2012 Edition and the current version of the ASX Listing Rules. A summary of the JORC Code, 2012 Edition Table 1 for Koolan Island Barramundi West is provided in Appendix 4.

- The Ore Reserve at Koolan Island Barramundi West deposit has not changed since 30 June 2013.

- The reporting of the Barramundi West Ore Reserve is in compliance with the JORC Code, 2012 Edition and the current version of the ASX Listing Rules. A summary of the JORC Code, 2012 Edition Table 1 for Koolan Island Barramundi West is provided in Appendix 4.

- **Mullet Acacia Deposit**

Mullet Acacia					
	Tonnes millions	Fe %	SiO_2 %	Al_2O_3 %	P %
Mineral Resources, above 50% Fe					
Measured	1.80	57.6	16.13	0.66	0.018
Indicated	1.64	57.3	17.21	0.50	0.012
Inferred	0.14	59.1	22.74	0.94	0.011
Total	**3.58**	**57.5**	**16.88**	**0.60**	**0.015**
Discrepancies may appear due to rounding. All tonnages have been estimated as dry tonnages.					

- The Mineral Resource at Koolan Island Mullet Acacia deposit has been reviewed since last reported on 30 June 2013.
- A portion of the Mullet Acacia Mineral Resource has been sterilised under the final Mullet Acacia Pit.
- The material removed from the Mineral Resource is considered to lack sufficient grade and size to support any reasonable prospects for eventual economic extraction.
- An assessment of the topography and proximity of Mullet Bay was considered in the revised Mineral Resource.
- Backfilling of the Mullet Acacia pit has also been considered in the Mineral Resource review.
- Prior to the backfilling the sterilisation was approved by the Department of Mines and Petroleum (DMP).
- The result is a decrease in total Mineral Resource of 4.97Mt.
- The remaining reported Mineral Resource is from areas under the historic Mullet Acacia pit not backfilled as at 30 June 2014.
- The reporting of the Mullet Acacia Mineral Resource is in compliance with the JORC Code, 2012 Edition and the current version of the ASX Listing Rules. A summary of the JORC Code, 2012 Edition Table 1 for Koolan Island Mullet Acacia is provided in Appendix 5.
- The Ore Reserve at Koolan Island Mullet Acacia deposit has been reviewed since last reported on 30 June 2013.
- The review determined that all economically mineable portions of the Mineral Resource that could reasonably be justified from Mullet Acacia have been extracted.
- A residual Ore Reserve of less than 80k tonnes has been removed from the estimate.
- Backfilling of the Mullet Acacia Pit commenced in 2014.
- The potential for mining the Koolan Island Mullet Acacia deposit is unlikely and no reasonable mine plan exists for this deposit.
- The Mullet Acacia Ore Reserve has been removed from the Mt Gibson Ore Reserve Statement.
- The reporting and removal of the Mullet Acacia Ore Reserve is in compliance with the JORC Code, 2012 Edition and the current version of the ASX Listing Rules. A summary of the JORC Code, 2012 Edition Table 1 for Koolan Island Mullet Acacia is provided in Appendix 5.

- **Mangrove Deposit**

Mangrove					
	Tonnes millions	Fe %	SiO_2 %	Al_2O_3 %	P %
Mineral Resources, above 50% Fe					
Measured	0	0	0	0	0
Indicated	2.07	59.9	11.36	0.80	0.039
Inferred	1.19	58.2	13.70	0.97	0.038
Total	**3.26**	**59.3**	**12.21**	**0.86**	**0.039**
Discrepancies may appear due to rounding. All tonnages have been estimated as dry tonnages.					

- The Mineral Resource at Koolan Island Mangrove deposit has not changed since 30 June 2013.

- The reporting of the Mangrove Mineral Resource is in compliance with the JORC Code, 2012 Edition and the current version of the ASX Listing Rules. A summary of the JORC Code, 2012 Edition Table 1 for Koolan Island Mangrove is provided in Appendix 6.

EXTENSION HILL

Total Extension Hill Mineral Resources and Ore Reserves at 30 June 2014.

Extension Hill					
	Tonnes millions	Fe %	SiO_2 %	Al_2O_3 %	P %
Mineral Resources, above 50% Fe					
Measured	10.25	58.5	6.46	2.07	0.073
Indicated	0.70	57.9	9.99	1.36	0.068
Inferred	0.24	56.6	10.17	1.83	0.060
Total	**11.19**	**58.4**	**6.76**	**2.02**	**0.072**
Ore Reserves, above 50% Fe					
Proved	9.90	58.4	6.66	2.07	0.072
Probable	0.55	57.3	11.33	1.21	0.063
Total	**10.45**	**58.3**	**6.90**	**2.02**	**0.072**
Discrepancies may appear due to rounding. Mineral Resources are reported inclusive of Ore Reserves. All tonnages have been estimated as dry tonnages.					

- The Extension Hill Mineral Resource was re-estimated during the annual reporting period.

- In-pit infill Reverse Circulation drilling and sampling has been used to update the geological interpretation of the mineralised lodes.

- Grade control and production data and a review of density have also been considered in the 2014 evaluation.

- New information has assisted in and improved the understanding of ore geometry to assist in mine planning and scheduling.

- Geological re-interpretation has resulted in an approximate decrease of 800k tonnes to the Mineral Resource reported in 30 June 2013. The decrease in tonnes was accompanied by a 0.5% Fe increase in grade.

- The Mineral Resource at Extension Hill deposit has been depleted by approximately 2.82Mt through mining since 30 June 2013.

- The reporting of the Extension Hill Mineral Resource is in compliance with the JORC Code, 2012 Edition and the current version of the ASX Listing Rules. A summary of the JORC Code, 2012 Edition Table 1 for Extension Hill is provided in Appendix 7.

- Following the geological reinterpretation and remodelling of the deposit a new Mineral Resource was estimated for Extension Hill. Incorporation of the new Mineral Resource into the mine plan was developed for the Extension Hill deposit to estimate the Ore Reserve.

- The re-estimation of the Mineral Resource and reworking of the mine plan brought about a small change in the Ore Reserve.

- A new pit design has resulted in a small increase in the tonnes of extractable ore.

- The Ore Reserve at Extension Hill has been depleted by mining since 30 June 2013.

- There have been no material changes to underlying assumptions regarding the Extension Hill Ore Reserve. Mount Gibson have maintained consistency and not changed the mining or processing methods, estimation methodology, or its environmental or infrastructure approvals.

- The reporting of the Extension Hill Ore Reserve is in compliance with the JORC Code, 2012 Edition and the current version of the ASX Listing Rules. A summary of the JORC Code, 2012 Edition Table 1 for Extension Hill is provided in Appendix 7.

TALLERING PEAK

Total Tallering Peak Mineral Resources and Ore Reserves at 30 June 2014.

Tallering Peak					
	Tonnes millions	Fe %	SiO_2 %	Al_2O_3 %	P %
Mineral Resources, above 50% Fe					
Measured	0.41	58.9	6.26	3.50	0.082
Indicated	1.03	58.1	11.70	1.66	0.066
Inferred	0.20	54.7	17.89	1.93	0.056
Total	**1.65**	**57.9**	**11.10**	**2.15**	**0.069**
Discrepancies may appear due to rounding. All tonnages have been estimated as dry tonnages.					

- **T6 Deposit**

T6					
	Tonnes millions	Fe %	SiO_2 %	Al_2O_3 %	P %
Mineral Resources, above 50% Fe					
Measured	0.41	58.9	6.26	3.50	0.082
Indicated	0.29	56.4	7.55	4.59	0.082
Inferred	0.04	53.7	10.22	5.28	0.039
Total	**0.74**	**57.6**	**6.97**	**4.02**	**0.080**
Discrepancies may appear due to rounding. All tonnages have been estimated as dry tonnages.					

- The Mineral Resource at Tallering Peak T6 deposit has been depleted by approximately 0.88Mt of mining since 30 June 2013.
- Mining operations have ceased at Tallering Peak in the financial year ending 30 June 2014, with Ore extraction from the T6 Mineral Resource completed in March 2014.
- A sterilisation report was approved by the DMP enabling portions of the Mineral Resource under the depleted T6 pit to be removed.
- The material removed from the Mineral Resource is considered to lack sufficient grade and size to support any reasonable prospects for eventual economic extraction.
- The T6 pit was partially filled with waste from the mining of the nearby T1 pit. The backfilling has resulted in the sterilisation of approximately 1.91Mt of material grading 58.4% Fe.
- A small residual Mineral Resource of 0.74Mt at 57.6% Fe remains at Tallering Peak T6 as there remains a prospect for eventual economic extraction.
- The reporting of the remaining Mineral Resource of T6 is in compliance with the JORC Code, 2012 Edition and the current version of the ASX Listing Rules. A summary of the JORC Code, 2012 Edition Table 1 for Tallering Peak T6 is provided in Appendix 8.
- Ore Reserves at Tallering Peak T6 deposit have been depleted by mining since 30 June 2013.
- Mining of the T6 deposit was finalised prior to 30 June 2014 and no Ore Reserve remains. As such no Ore Reserve has been reported for the Tallering Peak T6 deposit.
- The potential for further mining at the T6 deposit under near term economic conditions are unlikely and no reasonable mine plan exists for this deposit. Therefore the Tallering Peak T6 Ore Reserve has been removed from the Mt Gibson Ore Reserve Statement.
- The reporting and removal of the Tallering Peak T6 Ore Reserve is in compliance with the JORC Code, 2012 Edition and the current version of the ASX Listing Rules. A summary of the JORC Code, 2012 Edition Table 1 for Koolan Island Mullet Acacia is provided in Appendix 8.

T1 Deposit

T1					
	Tonnes millions	Fe %	SiO_2 %	Al_2O_3 %	P %
Mineral Resources, above 50% Fe					
Measured	-	-	-	-	-
Indicated	0.74	58.7	13.35	0.51	0.059
Inferred	0.16	55.0	19.73	1.13	0.059
Total	**0.90**	**58.1**	**14.49**	**0.62**	**0.059**
Discrepancies may appear due to rounding. All tonnages have been estimated as dry tonnages.					

- The Mineral Resource at Tallering Peak T1 deposit has been depleted by approximately 0.95Mt of mining since 30 June 2013.
- Mining operations at Tallering Peak have ceased in the period ending 30 June 2014, with Ore extraction from the T1 Mineral Resource completed in June 2014.
- A small residual Mineral Resource of 0.90Mt at 58.1% Fe remains at Tallering Peak T1 as there remains a prospect for eventual economic extraction.

- The reporting of the remaining T1 Mineral Resource is in compliance with the JORC Code, 2012 Edition and the current version of the ASX Listing Rules. A summary of the JORC Code, 2012 Edition Table 1 for Tallering Peak T1 is provided in Appendix 9.

- The potential for additional mining at the T1 deposit is unlikely and no reasonable mine plan exists. Therefore the Ore Reserve has been removed from the Mt Gibson Ore Reserve Statement.

- The Ore Reserve at the Tallering Peak T1 deposit has been depleted by mining since 30 June 2013. The T1 deposit was finalised prior to 30 June 2014 and no Ore Reserve remains. As such no Ore Reserve has been reported for the Tallering Peak T1 deposit.

- The reporting and removal of the Tallering Peak T1 Ore Reserve is in compliance with the JORC Code, 2012 Edition and the current version of the ASX Listing Rules. A summary of the JORC Code, 2012 Edition Table 1 for Tallering Peak T1 is provided in Appendix 9.

SHINE

Total Shine Mineral Resources and Ore Reserves at 30 June 2014.

Shine					
	Tonnes millions	Fe %	SiO_2 %	Al_2O_3 %	P %
Mineral Resources, above 55% Fe					
Measured	2.65	59.7	7.58	2.18	0.085
Indicated	4.17	58.7	9.14	1.72	0.078
Inferred	0.95	58.0	9.80	1.50	0.079
Total	**7.76**	**59.0**	**8.69**	**1.85**	**0.080**
Ore Reserves, above 55% Fe					
Proved	2.20	60.0	6.88	2.33	0.080
Probable	3.40	58.9	8.92	1.79	0.077
Total	**5.60**	**59.3**	**8.12**	**2.00**	**0.079**
Discrepancies may appear due to rounding. Mineral Resources are reported inclusive of Ore Reserves. All tonnages have been estimated as dry tonnages.					

- The Mineral Resource at Shine was previously reported to the public on 7 March 2014 as an updated Mineral Resource. This statement reissues the result of the previous report.

- The reporting of the Shine Mineral Resource is in compliance with the JORC Code, 2012 Edition and the current version of the ASX Listing Rules. A summary of the JORC Code, 2012 Edition Table 1 for Shine is provided in Appendix 10.

- The Ore Reserve at the Shine deposit was previously reported to the public on 7 March 2014. This statement reissues the result of the previous report.

- The reporting of the Shine Ore Reserve is in compliance with the JORC Code, 2012 Edition and the current version of the ASX Listing Rules. A summary of the JORC Code, 2012 Edition Table 1 for Shine is provided in Appendix 10.

List of Appendices

APPENDIX 1 – Koolan Island, Main Deposit

Section 1 Sampling Techniques and Data

(Criteria in this section apply to all succeeding sections.)

Criteria	Commentary
Sampling techniques	All of the data used for resource estimation is based on the logging and sampling of RC and diamond core drilling. Percussion samples were composited over 2m intervals. Diamond samples were taken at 1m intervals. Reverse Circulation samples were taken over 1m intervals. Historical sampling (pre 1993) is of lower quality and where any ambiguity exists is excluded from the database for estimation.
Drilling techniques	Historic BHP drill hole data from 1957 to 1986 was mostly percussion drilled. BHP drilled 1 diamond hole, 25 RC holes with diamond tails, 44 RC holes and an adit. The BHP data makes up 26% of the total database. Aztec drilled 32 reverse circulation holes which make up 10% of the database. MGX have drilled 243 reverse circulation drill holes and four diamond holes since 2007. The MGX holes make up the majority of the database.
Drill sample recovery	Geologist or driller records sample recovery during drilling. No issues were detected. Standard drilling techniques were adequate for sample recovery. No relationship between sample recovery and grade has been demonstrated. No bias to material size has been demonstrated.
Logging	All drill holes have been geologically logged appropriately to the mineralisation style to support Mineral Resource estimation with logging subsequently confirmed through mining. Some diamond core has been photographed. The total length of drill holes is 49,834.5m with approximately 98% of the drill holes logged.
Sub-sampling techniques and sample preparation	Samples are received and prepared at the SGS run Koolan Island lab as 2 to 5 kg RC chip samples. They are dried for 12 hours at 105°C, crushed to <2mm and split and reduced using riffle splitters or rotary sampling devices to 300 grams. The 300 gram sample is pulverised to 75µm, from which an aliquot is taken for XRF and LOI analysis. Sample preparation from historical drilling prior to 1993 by BHP is not clearly understood, however this makes up 26% of the drill database, and less than 10% of sample and assay data used for the remaining Mineral Resource.
Quality of assay data and laboratory tests	The nature, quality and appropriateness of the sample preparation techniques employed by MGX are to industry standard. Most BHP holes were shallow and the areas have since been mined out. No QAQC information is available for these holes. Comparison between BHP holes and Aztec holes in 2005 showed there is good agreement between both datasets for Fe, and QA/QC data supports the accuracy of the Aztec data across the assay suite. While the BHP SiO_2 and Al_2O_3 data differs, there is no good reason to doubt its quality given that the company was able to operate and successfully meet sales contracts. Aztec Resources Ltd holes had field duplicates, lab duplicates and site made standards as QA checks. Results were of acceptable quality. Mount Gibson Iron Ltd use certified reference material as a standard, along with field and laboratory duplicates. MGX QAQC procedures and results are of acceptable quality.
Verification of sampling and assaying	No external verification was completed. Historical BHP data was twinned by Aztec RC holes and found to be acceptable Drill hole data found to be spurious was excluded from the database Adjustments to data were made where required after data validation processes.
Location of data points	Survey control of hole locations have been established through the mine survey department, while detailed down hole surveys of accessible holes have been conducted by contractors Surtron. Koolan Island Mine Grid (KIMG) is aligned consistent with average strike trends of the mineralisation at most of

Criteria	Commentary
	the known deposits, and the Main deposit in particular. The marked variants from this are the Eastern and Mullet limbs. All directional references in the Mineral Resources reports are according to the KIMG, which is rotated +30.18° relative to the Map Grid of Australia (MGA94_51). Topographic and survey control has been undertaken by either the mine-based survey team, or contract survey companies and is considered high quality.
Data spacing and distribution	The data spacing is approximately 50m along the strike of the mineralisation. The data spacing and distribution is more than adequate to establish the degree of geological and grade continuity appropriate for the Mineral Resource estimation and classifications applied. Percussion samples were composited over 2m intervals.
Orientation of data in relation to geological structure	The orientation of the mineralisation is well defined and drill holes were oriented to intersect mineralisation at an appropriate angle.
Sample security	Sample security was not considered a significant risk to the project. No specific measures have been taken by MGX to ensure sample security.
Audits or reviews	A formal audit of BHP drilling and survey data was carried out by Snowden Mining consultants in 2004. The historical BHP and Aztec data is generally of moderate quality as inferred by nearby MGX drill holes confirming broadly the extent and tenor of Fe mineralisation. Most historical data is in mined out areas and has little influence on remaining Mineral Resources. Ongoing reconciliations have not to date indicated an urgent need for external audits of the resource database. An audit of the Koolan mineral laboratory was conducted in May 2014 by an external group with no material concerns or problems identified.

Section 2 Reporting of Exploration Results

(Criteria listed in section 1, and where relevant, in sections 3 and 4, also apply to this section.)

Criteria	Commentary
Mineral tenement and land tenure status	Main Mineral Resource is located on Mining Lease M04/417-I held by Koolan Iron Ore Pty Ltd, a 100% owned subsidiary of Mt Gibson Iron Ltd. The mining tenement is granted under the Western Australian Mining Act, 1978. Koolan Iron Ore Pty Ltd has a native title and heritage agreement with the Dambimangari Native title group
Exploration done by other parties	Exploration has been conducted in the area of the Main resource since 1922, with active exploration (and mining) by BHP from 1957 to 1993, Aztec Resources from 2004 to 2006 and MGX from 2006 to 2012.
Geology	The mineralised zone is an overturned enriched haematitic sandstone horizon within the Yampi Sandstone Member unconformably overlying the Elgee Siltstone. It is between 12 and 30 metres thick, and dips 65 to 80° to the south.
Drill hole Information	As outlined in Drilling techniques of Section 1, there are more than 300 drillholes at or around the Main deposit dating back to 1957 forming the basis for the Mineral Resource estimate outlined in Section 3. Material drill results for Main pit have previously been announced to the market as required under the reporting requirements of the ASX Listing Rules. All material exploration results relevant to the Main area have been considered in establishing the Mineral Resource discussed in section 3.
Data aggregation methods	Not Applicable - No exploration results or drillhole intercepts are discussed in this ASX announcement.
Relationship between mineralisation	No exploration results or drillhole intercepts are discussed in this ASX announcement, however as the deposit has been mined for a number of years the true mineralisation widths are well known and understood.

Criteria	Commentary
widths and intercept lengths	
Diagrams	Cross Sections, long sections and photos of the geology, mineralisation and mineral resource have been released in previous ASX announcements.
Balanced reporting	Not Applicable - No exploration results or drillhole intercepts are discussed in this ASX announcement.
Other substantive exploration data	Not Applicable - No exploration results or drillhole intercepts are discussed in this ASX announcement.
Further work	Not Applicable - No exploration results or drillhole intercepts are discussed in this ASX announcement.

Section 3 Estimation and Reporting of Mineral Resources

(Criteria listed in section 1, and where relevant in sections 2 and 4, also apply to this section.)

Criteria	Commentary
Database integrity	Data extracted from the database for Mineral Resource estimation purposes is run through general checks to ensure data validity. The database is maintained by Mt Gibson with automated validation and extraction processes in place. Checks on data include sensible ranges of values for attributes, drill hole collars matching topography and within expected limits, overlapping sample intervals, depths, azimuths, dips and co-ordinates for consistency. Any inconsistent information is either modified or excluded from use in the estimation. Further checks are completed during the importing of the data into the mine planning software prior to modelling and estimation.
Site visits	Jani Kalla, the Competent Person for Mineral Resources, has made several visits to Koolan Island. Jani Kalla holds the position of Principal Geologist with Mount Gibson Iron.
Geological interpretation	There is an extremely high degree of confidence with the mineralisation interpretation. The mineralisation and geology is very consistent and has been proven by historical and current mining on Koolan Island. Interpretation used in the Mineral Resource estimate uses the drill holes exclusively. There are limited alternative interpretations possible for the mineralisation which would have a minimal impact on the Mineral Resource. The mineralisation is generally in the Yampi Sandstone directly above the unconformity of the Elgee Siltstone. The continuity of grade and geology is very good.
Dimensions	The Main deposit mineralisation is approximately 2,000 m in length and is currently modelled to approximately 215 m in depth below mean sea level. Mineralisation continues and extends beyond this depth however further infill drilling is required to define this area with confidence. The resource is open at depth.
Estimation and modelling techniques	Ordinary Kriging of a suite of Iron Ore elements (Fe, SiO_2, Al_2O_3, LOI, P, S, CaO, MnO, MgO, Na_2O, TiO) was completed using CAE Studio software. Minor domains of limited extent and information were estimated using Inverse Distance. Waste material was estimated where enough quality data was present however the majority of waste material is assigned default grades. While the mineralisation tends to be planar in most cases, care was taken to ensure orientation changes were honoured by the sample search and estimation orientation regimes. Estimation parameter selection was

Criteria	Commentary
	guided by the results of mining reconciliation. No assumptions were made regarding recovery of by-products. A full suite of Iron Ore elements were estimated. Block sizes used are 25 mE, 6 mN and 8 mRL. The bulk of the drilling data is at a nominal 25 m x 25 m spacing at the western end of the deposit and increases to nominally 50 m x 50 m in the eastern end. No local estimation or SMU correction has been undertaken. Correlations between elements were considered and while co-kriging was not implemented, using similar estimation parameters for correlated elements allows some reproduction of correlations. All estimation was completed within mineralisation units using “hard” boundaries. In general, most element distributions did not have extreme outliers therefore minimal top-cutting was used. Where top-cutting occurred this was done prior to sample compositing. Validation was completed by checking the global averages of composites versus model from each domain, by creating trend plots of composites versus model from each domain and by visual validation of grade trends in the model to ensure they honoured the input data.
Moisture	All tonnages have been estimated as dry tonnages.
Cut-off parameters	The 50% Fe cut-off is determined by the combined grade-tonnage characteristics as the minimum iron grade and/or maximum contaminant grades which will allow production to maintain contract-specified qualities for Lump and Fines products as currently occurring at Koolan Island. A cut-off study was completed by Coffey International Ltd (mining consultants) supporting the choice of 50% Fe as the cut-off.
Mining factors or assumptions	The mining factors assumed correlate directly to current operation at Koolan Island.
Metallurgical factors or assumptions	The metallurgical factors assumed correlate directly to current operation at Koolan Island.
Environmental factors or assumptions	Environmental factors are already considered as part of the current mining operations at Koolan Island.
Bulk density	Surtron down hole survey data has been used to measure densities on all deposits at Koolan Island. In all cases the Surtron data confirms the positive relationship between Fe and density. Regression formulas have been used to assign densities with respect to Fe estimates. In 2013, review of reconciliation information between production and the Mineral Resource estimate led to a review of bulk density. On this basis the regression was modified to reflect higher densities for the 2013 Mineral resource. This method was reviewed and continued for the 2014 Mineral Resource estimation.
Classification	The basis for the classification of the Mineral Resource has included: a. Quality and reliability of raw data; b. Confidence in the geological interpretation; c. Number, spacing and orientation of intercepts in each mineralised zone; d. Confidence concerning the known limits of mining; e. Knowledge of grade and density continuities gained from observations and; f. Geostatistical analyses.

Criteria	Commentary
	This information was used to code blocks meeting confidence criteria such as which estimation pass it was estimated in and the kriging variance of a block to define Measured, Indicated and Inferred material.
Audits or reviews	The Mineral Resource estimates are reviewed internally within Mt Gibson on a three levelled assessment structure. Periodic updates are completed when new information and understanding is required to be reflected in the Mineral Resource.
Discussion of relative accuracy/ confidence	The block model grade estimates were validated against the drill hole composites to ensure that the model reflects the input data. Monthly, quarterly and annual reconciliations are conducted, assessed and reported. The Koolan Island Mineral Resource models are provided as a basis for long term planning and mine design, and are not necessarily sufficient for shorter term planning and scheduling.

Section 4 Estimation and Reporting of Ore Reserves

(Criteria listed in section 1, and where relevant in sections 2 and 3, also apply to this section.)

Criteria	Commentary
Mineral Resource estimate for conversion to Ore Reserves	The Mineral Resource Statement for Main deposit was updated in March 2014 and tested in April and May prior to sign off for the 30 June 2014. This Mineral Resource statement was signed by Jani Kalla who is a full time employee of MGX and an AusIMM member with sufficient relevant experience to qualify as a Competent Person. The Mineral Resource is inclusive of these Ore Reserves.
Site visits	Numerous site visits have been made by Mr Paul Salmon, Principal Mining Engineer with Mount Gibson Iron. The visits included a review of the current mining operation and established a good understanding of the layout of the mine.
Study status	Koolan Island is an operating mine. Production is currently 3.5-4.0 Mtpa. A detailed and practical mine plan was developed following resource optimisation runs using Whittle software to determine an economic block model. Conventional open pit mining is planned to continue as per current operations using hydraulic excavators and dump trucks. Standard modifying factors used for open pit mining were applied.
Cut-off parameters	A cut-off grade of 50% Fe was used. This cut-off grade reflects current mining practice, blending, and product sales. A cut-off grade study was undertaken in 2014. The outcome of this study supports the use of the 50% cut off used in this statement. MGX uses the definition of marginal cut-off grade as follows: “material that would produce a more positive cashflow if processed than when treated as waste in the process of mining towards the defined pit limits. It applies to material that will be mined or stockpiled in the process of gaining access to economic material.”
Mining factors or assumptions	The August 2005 Feasibility Study converted the Mineral Resource in Main pit deposit to an Ore Reserve. The Ore Reserve has been updated annually by a LOM plan, with re-estimations of the mineral resource applied when updated. The deposits have been mined by conventional open pit mining methods, utilising industry standard practices of drilling, blasting, and load and haul using hydraulic backhoe excavators. The overburden waste has been removed by large size excavators with bulk mining method. Where required medium size excavators have been used for selective mining of ore. Known mining parameters from Main pit were used in the optimisation and pit design. These factors include slope stability, ore recovery, mining dilution, and minimum mining width. Modelling of mining dilution in three dimensions is by the digital application of a dilution skin around the ore in the Mineral Resource model. Metallurgical parameters are then added to the diluted model. The final diluted mining block model is used directly for pit optimisation and scheduling, without the further application of global factors. Ore Reserves are reported directly from the diluted mining block model, with consideration of grade,

Criteria	Commentary
	topography and pit design. Inferred Mineral Resources do not form part of the Ore Reserves. Mine infrastructure is well established following 7 years of mining operations. The physical width and therefore depth of Main Pit is constrained by the final hanging wall pit limit relative to the position of the seawall. Main pit has an overall strip ratio of 3.6:1 Waste: Ore
Metallurgical factors or assumptions	Ore from the main deposit is crushed and screened at the existing Koolan Island process plant. Metallurgical characteristics of Main Pit ore are known from three years of recent actual production data, and 30 years of historical mining and crushing prior to 1993.
Environmental	All statutory and regulatory approvals have been received for mining, occupational health and safety, environmental, and native title rights.
Infrastructure	Existing site infrastructure in place includes haul roads, pumping, crusher plant, stockpiles, port, offices, workshop, warehouse, camp, water supply, airstrip, power generation, barge landing and associated facilities.
Costs	All costs for mining, processing and shipping were derived from the operating mine. Royalties currently paid to the State Government were included in cost modelling. Penalties and premiums currently applying to impurities levels in product sales to customers were included in cost modelling.
Revenue factors	Ore Reserves were calculated based on MGX FY2015 Budget financial modelling approved by the MGX Board. Financial assumptions used in cost modelling include: • forecast consensus Pilbara FOB benchmark iron ore contract prices • impurity penalties • freight • currency exchange rates • royalties Lump yield and product quality are derived from the LOM schedule.
Market assessment	Mt Gibson has sales agreements in place with existing customers to purchase product from Koolan Island. Koolan Island product is a high quality ore that is sort after by customers. Crushed and screened products were sold to these customers in previous years.
Economic	The LOM financial model has demonstrated that Main pit will generate significant NPV. The NPV is most sensitive to iron ore price and foreign exchange rate variation, but has the benefit of a high Fe grade of 64%, and average strip ratio of 3.6:1 Waste:Ore. The mine plan sees within 2 years the strip ratio reducing significantly with a positive economic effect on the operation due to a reduced cost of mining.
Social	The Koolan Island mine has operated continuously under Mount Gibson management since 2006. Mount Gibson enjoys a good relationship with the Traditional Owners and local community.
Other	Major risks identified are: Seawall. Regular monitoring is carried out to mitigate the risk of seawall failure and flooding of Main Pit. Footwall. An extensive geotechnical study has been carried out, with the objective of establishing the factor of safety of the footwall, including establishing a ground support regime. Water ingress from high rainfall events and cyclones is a significant short term risk. Strategies are in place to control this risk, including implementation of a high capacity pumping system. Iron ore price variation and foreign exchange rates.
Classification	In-pit Measured and Indicated Mineral Resources have been converted to Proved and Probable Ore Reserves. The Main Pit Reserves consist of 10% Proved Reserves and 90% Probable Reserves.

Criteria	Commentary
	Ore Reserves do not include Inferred Mineral Resources. Mr Paul Salmon is satisfied that the stated Probable Ore Reserves accurately reflect the outcome of mine planning and the input of economic parameters into optimisation studies.
Audits or reviews	The project parameters and outcomes have been internally reviewed and approved by MGX executive management. The Ore Reserve estimates are reviewed internally within Mt Gibson on a three levelled assessment structure. Periodic updates are completed when new information and understanding is required to be reflected in the Ore Reserve.
Discussion of relative accuracy/ confidence	All parameters are well defined from the existing mining operation. Monthly, quarterly and annual reconciliations are conducted, assessed and reported. Reconciliation of the model to actual production figures indicates that the factors used to convert from Mineral Resource to Ore Reserve are robust.

APPENDIX 2 – Koolan Island, Acacia East Deposit

Section 1 Sampling Techniques and Data

(Criteria in this section apply to all succeeding sections.)

Criteria	Commentary
Sampling techniques	All of the data used for resource estimation is based on the logging and sampling of RC and diamond core drilling. Percussion samples were composited over 2m intervals. Diamond samples were taken at 1m intervals. Reverse Circulation samples were taken over 1m intervals. Historical sampling (pre 1993) is of lower quality and where any ambiguity exists, samples and assays are excluded from the database for estimation.
Drilling techniques	31 historic BHP drill holes from 1961 to 1986 were percussion drilled. BHP drilled 1 diamond hole in 1959. The BHP data make up 14% of the total database. 50 reverse circulation drillholes were completed by Aztec in 2004 & 2005, and 136 reverse circulation holes completed by MGX from 2007 to 2012.
Drill sample recovery	Geologists or drillers recorded sample recovery during drilling. No issues were detected. Standard drilling techniques were adequate for sample recovery. No relationship between sample recovery and grade has been demonstrated. No bias to material size has been demonstrated.
Logging	All drill holes have been geologically logged appropriately to the mineralisation style to support Mineral Resource estimation. Some diamond core has been photographed. The total length of drill holes is 21,544.78m with approximately 98% of the drill holes logged.
Sub-sampling techniques and sample preparation	Samples are received and prepared at the SGS run Koolan Island lab as 2 to 5 kg RC chip samples. They are dried for 12 hours at 105°C, crushed to <2mm and split and reduced using riffle splitters or rotary sampling devices to 300 grams. The 300 gram sample is pulverised to 75µm, from which an aliquot is taken for XRF and LOI analysis. Sample preparation from historical drilling prior to 1993 by BHP is not clearly understood, however this makes up 14% of the drill database, and less than 8% of sample and assay data used for the remaining Mineral Resource.
Quality of assay data and laboratory tests	Most BHP holes were shallow and the areas have since been mined out. No QAQC information is available for these holes. Comparison between BHP holes and Aztec holes in 2005 showed there is good agreement between both datasets for Fe, and QAQC data supports the accuracy of the Aztec data across the assay suite. While the BHP SiO_2 and Al_2O_3 data differs, there is no good reason to doubt its quality given that the company was able to operate and successfully meet sales contracts. Aztec Resources Ltd holes had field duplicates, lab duplicates and site made standards as QA checks. Results were of acceptable quality. Mount Gibson Iron Ltd use certified reference material as a standard, along with field and laboratory duplicates. MGX QAQC procedures and results are of acceptable quality.
Verification of sampling and assaying	No external verification was completed. Historical BHP data was twinned by Aztec RC holes and found to be acceptable Drill hole data found to be spurious was excluded from the database Adjustments to data were made where required after data validation processes.
Location of data points	Survey control of hole locations has been established through the mine survey department, while detailed down hole surveys of accessible holes have been conducted by contractors Surtron. Koolan Island Mine Grid (KIMG) which is aligned consistent with average strike trends of the mineralisation at most of the known deposits and the Main deposit in particular. The marked variants from this are the Eastern and Mullet limbs. All directional references in this report are according to the KIMG, which is rotated +30.18° relative to the Map Grid of Australia (MGA94_51).

Criteria	Commentary
	Topographic and survey control has been undertaken by either the mine-based survey team, or contract survey companies. The data spacing is approximately 25m along the strike of the mineralisation.
Data spacing and distribution	The data spacing and distribution is more than adequate to establish the degree of geological and grade continuity appropriate for the Mineral Resource estimation and classifications applied. Percussion samples were composited over 2m intervals.
Orientation of data in relation to geological structure	The orientation of the mineralisation is well defined and drill holes were oriented to intersect mineralisation at an appropriate angle.
Sample security	Sample security was not considered a significant risk to the project. No specific measures have been taken by MGX to ensure sample security.
Audits or reviews	A formal audit of BHP drilling and survey data was carried out by Snowden Mining consultants in 2004. The historical BHP and Aztec data is generally of moderate quality as inferred by nearby MGX drill holes confirming broadly the extent and tenor of Fe mineralisation. Most historical data is in mined out areas and has little influence on remaining Mineral Resources. An audit of the Koolan mineral laboratory was conducted in May 2014 by an external group with no material concerns or problems identified.

Section 2 Reporting of Exploration Results

(Criteria listed in section 1, and where relevant, in sections 3 and 4, also apply to this section.)

Criteria	Commentary
Mineral tenement and land tenure status	Acacia East Mineral Resource is located on Mining Lease M04/416-I held by Koolan Iron Ore Pty Ltd, a 100% owned subsidiary of Mt Gibson Iron Ltd. The mining tenement is granted under the Western Australian Mining Act, 1978. Koolan Iron Ore Pty Ltd has a native title and heritage agreement with the Dambimangari Native title group
Exploration done by other parties	Exploration has been conducted in the area of the Acacia East resource since 1959, with active exploration by BHP from 1959 to 1993, Aztec Resource from 2004 to 2006 and MGX from 2006 to 2012.
Geology	The mineralised zone is an enriched haematitic sandstone horizon within the Yampi Sandstone member unconformably overlying the Elgee Siltstone. It is between 8 and 20 metres thick, and dips 45 to 60o to the south.
Drill hole Information	As outlined in Drilling techniques of Section 1, there are 237 drillholes at the Acacia East resource dating back to 1959, forming the basis for the Mineral Resource estimate outlined in Section 3. Material drill results for Acacia East have previously been announced to the market as required under the reporting requirements of the ASX Listing Rules. All material exploration results relevant to the Acacia area have been considered in establishing the Mineral Resource discussed in section 3. Going forward any new exploration results that result in a material change to existing Mineral Resource in section 3 will be updated under the normal transitioning to JORC 2012.
Data aggregation methods	Not Applicable - No exploration results or drillhole intercepts are discussed in this ASX announcement.
Relationship between mineralisation widths and intercept lengths	Not Applicable - No exploration results or drillhole intercepts are discussed in this ASX announcement.

Criteria	Commentary
Diagrams	No exploration results or drillhole intercepts are discussed in this ASX announcement. Cross Sections, long sections and photos of the geology, mineralisation and mineral resource have been released in previous ASX reports.
Balanced reporting	Not Applicable - No exploration results or drillhole intercepts are discussed in this ASX announcement.
Other substantive exploration data	Not Applicable - No exploration results or drillhole intercepts are discussed in this ASX announcement.
Further work	Not Applicable - No exploration results or drillhole intercepts are discussed in this ASX announcement.

Section 3 Estimation and Reporting of Mineral Resources

(Criteria listed in section 1, and where relevant in sections 2 and 4, also apply to this section.)

Criteria	Commentary
Database integrity	Data extracted from the database for Mineral Resource estimation purposes is run through general checks to ensure data is valid. The database is maintained by Mt Gibson with automated extraction processes in place. Checks on data include sensible ranges of values for attributes, drill hole collars matching topography and with expected limits, overlapping sample intervals, depths, azimuths, dips and co-ordinates for consistency. Any inconsistent information is either modified or excluded from use in the estimation. Further checks are completed during the importing of the data into the mine planning software prior to modelling and estimation.
Site visits	Elizabeth Haren, the Competent Person for the Acacia East Mineral Resource, has made several visits to Acacia East at Koolan Island.
Geological interpretation	There is an extremely high degree of confidence with the mineralisation interpretation. The mineralisation and geology is very consistent and has been proven by historical and current mining on Koolan Island. Interpretation used in the Mineral Resource estimate uses the drill holes exclusively. There are limited alternative interpretations possible for the mineralisation which would have a minimal impact on the Mineral Resource. The mineralisation is generally between two geological units. The continuity of grade and geology is very good.
Dimensions	The Acacia East mineralisation is approximately 1,500m in length and is modelled to approximately 300 m in depth.
Estimation and modelling techniques	Ordinary Kriging of a suite of Iron Ore elements (Fe, SiO_2, Al_2O_3, LOI, P, S, CaO, MnO, MgO, Na_2O, TiO) was completed using CAE Studio software. Minor domains of limited extent and information were estimated using Inverse Distance. Waste material was estimated where enough quality data was present however the majority of waste material is assigned default grades. While the mineralisation tends to be planar in most cases, care was taken to ensure orientation changes were honoured by the sample search and estimation orientation regimes. Estimation parameter selection was guided by the results of mining reconciliation. No assumptions were made regarding recovery of by-products.

Criteria	Commentary
	A full suite of Iron Ore elements were estimated. Block sizes used are 12.5 mE, 8 mN and 6 mRL. The bulk of the drilling data is on 50mE spaced sections or closer. No local estimation or SMU correction has been undertaken. Correlations between elements were considered and while co-kriging was not implemented, using similar estimation parameters for correlated elements allows some reproduction of correlations. All estimation was completed within mineralisation units using “hard” boundaries. In general, most element distributions did not have extreme outliers therefore minimal top-cutting was used. Where top-cutting occurred this was done prior to sample compositing. Validation was completed by checking the global averages of composites versus model from each domain, by creating trend plots of composites versus model from each domain and by visual validation of grade trends in the model to ensure they honoured the input data.
Moisture	All tonnages have been estimated as dry tonnages.
Cut-off parameters	The 50%Fe cut-off is determined by the combined grade-tonnage characteristics as the minimum iron grade and/or maximum contaminant grades which will allow production to maintain contract-specified qualities for Lump and Fines products as currently occurring at Koolan Island.
Mining factors or assumptions	The mining factors are assumed to correlate directly to the current operation at Koolan Island.
Metallurgical factors or assumptions	The metallurgical factors are assumed to correlate directly to current operation at Koolan Island.
Environmental factors or assumptions	Environmental factors are already considered as part of the current mining operations at Koolan Island.
Bulk density	Surtron down hole survey data has been used to measure densities on all deposits at Koolan Island. In all cases the Surtron data confirms the positive relationship between Fe and density. Regression formulas have been used to assign densities with respect to Fe estimates.
Classification	The basis for the classification of the Mineral Resource has included: a. Quality and reliability of raw data; b. Confidence in the geological interpretation; c. Number, spacing and orientation of intercepts in each mineralised zone; d. Confidence concerning the known limits of mining; e. Knowledge of grade and density continuities gained from observations and; f. Geostatistical analyses. This information was used to guide digitising of strings around defined classification areas in either long section or plan, depending on the orientation of the mineralisation. The strings were then used to flag the classification to the model.
Audits or reviews	The Mineral Resource estimates are reviewed internally within Mt Gibson on a three levelled assessment structure. Periodic updates are completed when new information and understanding is required to be reflected in the Mineral Resource.

Criteria	Commentary
Discussion of relative accuracy/ confidence	The Koolan Island Mineral Resource models are provided as a basis for long term planning and mine design, and are not necessarily sufficient for shorter term planning and scheduling. The block model grade estimates were validated against the drill hole composites to ensure that the model reflects the input data. Monthly, quarterly and annual reconciliations are conducted, assessed and reported.

Section 4 Estimation and Reporting of Ore Reserves

(Criteria listed in section 1, and where relevant in sections 2 and 3, also apply to this section.)

Criteria	Commentary
Mineral Resource estimate for conversion to Ore Reserves	The Mineral Resource Statement for the Acacia East deposit was updated for use in the 30 June 2014 Mineral Resource and Ore Reserve statement. This Mineral Resource statement was signed by Elizabeth Haren, consultant to MGX and an AusIMM member with sufficient relevant experience to qualify as a Competent Person. The Mineral Resource is inclusive of these Ore Reserves.
Site visits	Numerous site visits have been made by Mr Paul Salmon, Principal Mining Engineer with Mount Gibson Iron. The visits included a review of the current mining operation and established a good understanding of the layout of the mine.
Study status	Koolan Island is an operating mine. Production is currently 3.5-4.0 Mtpa. A detailed and practical mine plan was developed following resource optimisation runs using Whittle software to determine an economic block model. Conventional open pit mining is planned using hydraulic excavators and dump trucks. Standard modifying factors used for open pit mining were applied.
Cut-off parameters	A cut-off grade of 50% Fe was used. This cut-off grade reflects current mining practice, blending, and product sales. A cut-off grade study was undertaken in 2014. The outcome of this study supports the use of the 50% cut off used in this statement. MGX uses the definition of marginal cut-off grade as follows: “material that would produce a more positive cashflow if processed than when treated as waste in the process of mining towards the defined pit limits. It applies to material that will be mined or stockpiles in the process of gaining access to economic material.”
Mining factors or assumptions ***Mining factors or assumptions cont.***	The August 2005 Feasibility Study converted the Mineral Resource in Acacia East pit deposit to an Ore Reserve. The Ore Reserve has been updated annually by a Life of Mine (LOM) Operating plan, with re-estimations of the Mineral Resource applied when updated. The deposits have been mined by conventional open pit mining methods, utilising industry standard practices of drilling, blasting, and load and haul using hydraulic backhoe excavators. The overburden waste has been removed by large size excavators with bulk mining method. Where required medium size excavators have been used for selective mining of ore. Known mining parameters from Main pit combined with assumptions and observations at Acacia east were used in the optimisation and pit design. These factors include slope stability, ore recovery, mining dilution, and minimum mining width. Modelling of mining dilution in three dimensions is by the digital application of a dilution skin around the ore in the Mineral Resource model. Metallurgical parameters are then added to the diluted model. The final diluted mining block model is used directly for pit optimisation and scheduling, without the further application of global factors. Ore Reserves are reported directly from the diluted mining block model, with consideration of grade, topography and pit design. A review of the bulk density in the 2013 estimate led to an adjustment with an average increase of 5.3%, resulting in a slight increase in Ore Reserves. This same density method has been applied in 2014.

Criteria	Commentary
	Inferred Mineral Resources do not form part of the Ore Reserves. Mine infrastructure is well established following 7 years of mining operations. Acacia East pit has an overall strip ratio of 7.8 : 1 Waste: Ore
Metallurgical factors or assumptions	Ore from the Acacia East deposit is crushed and screened at the existing Koolan Island process plant.
Environmental	All statutory and regulatory approvals have been received for mining, occupational health and safety, environmental, and native title rights.
Infrastructure	Existing site infrastructure includes haul roads, pumping, crusher plant, stockpiles, port, offices, workshop, warehouse, camp, water supply, airstrip, power generation, barge landing and associated facilities.
Costs	All costs for mining, processing and shipping were derived from the operating mine. Royalties currently paid to the State Government were included in cost modelling. Penalties currently applying to impurities in product sales to customers were included in cost modelling.
Revenue factors	Ore Reserves were calculated based on FY2015 Budget financial modelling approved by the MGX Board. Financial assumptions used in cost modelling include: • forecast consensus Pilbara FOB benchmark iron ore contract prices • impurity penalties • freight • currency exchange rates • royalties Lump yield and product quality are derived from the LOM schedule.
Market assessment	Mt Gibson has sales agreements in place with existing customers to purchase product from Koolan Island. Crushed and screened products were sold to these customers in previous years.
Economic	The LOM financial model has demonstrated that Acacia East pit will generate significant NPV. The NPV is most sensitive to iron ore price and foreign exchange rates.
Social	The Koolan Island mine has operated continuously since 2006, and enjoys a good relationship with the Traditional Owners and local community.
Other	Major risk identified is: Water ingress from high rainfall events and cyclones is a significant risk. Strategies are in place to control this risk, including implementation of a high capacity pumping system. Iron ore price variation and foreign exchange rates.
Classification	In pit Measured and Indicated Resources have been converted to Proved and Probable Reserves. Acacia East Reserves consist of 38% Proved Reserves and 62% Probable Reserves. Reserves do not include Inferred resources. Mr Paul Salmon is satisfied that the stated Probable Ore Reserves accurately reflect the outcome of mine planning and the input of economic parameters into optimisation studies.
Audits or reviews	The project parameters and outcomes have been internally reviewed and approved by MGX executive management. The Ore Reserve estimates are reviewed internally within Mt Gibson on a three levelled assessment structure. Periodic updates are completed when new information and understanding is required to be reflected in the Ore Reserve.

Criteria	Commentary
Discussion of relative accuracy/ confidence	All parameters are well defined from the existing mining operation. Monthly, quarterly and annual reconciliations are conducted, assessed and reported. Reconciliation of the model to actual production figures indicates that the factors used to convert from resource to reserve are robust.

APPENDIX 3 – Koolan Island, Eastern-Barramundi Deposit

Section 1 Sampling Techniques and Data

(Criteria in this section apply to all succeeding sections.)

Criteria	Commentary
Sampling techniques	All of the data used for Mineral Resource estimation is based on the logging and sampling of RC and diamond core drilling. Percussion samples were composited over 2m intervals. Diamond samples were taken at 1m intervals. Reverse Circulation samples were taken over 1m intervals. Historical sampling (pre 1993) is of lower quality and where any ambiguity exists is excluded from the database for estimation.
Drilling techniques	Historic BHP drill hole data from 1961 to 1986 was mostly percussion drilled. Holes were an average depth of 40m. BHP drilled 6 diamond holes in the 1960's and three holes in the 1980's. The BHP data make up 10% of the total database. Aztec drilled 160 reverse circulation holes and two diamond holes. Aztec data make up 20% of the database. MGX have drilled 467 RC drill holes since 2007.
Drill sample recovery	Geologists or drillers record sample recovery during drilling. No issues were detected.
	As drill conditions are favourable no measures were required to maximise sample recovery.
	No relationship between sample recovery and grade has been demonstrated. No bias to material size has been demonstrated.
Logging	All drill holes have been geologically logged appropriately to the mineralisation style to support Mineral Resource estimation with logging subsequently confirmed through mining. Some diamond core has been photographed. The total length of drill holes is 53,398m with approximately 98% of the drill holes logged.
Sub-sampling techniques and sample preparation	Samples are received and prepared at the SGS run Koolan Island lab as 2 to 5 kg RC chip samples. They are dried for 12 hours at 105°C, crushed to <2mm and split and reduced using riffle splitters or rotary sampling devices to 300 grams. The 300 gram sample is pulverised to 75µm, from which an aliquot is taken for XRF and LOI analysis.
Quality of assay data and laboratory tests	The nature, quality and appropriateness of the sample preparation techniques employed by MGX are to industry standard. Most BHP holes were shallow and the areas have since been mined out. No QAQC information is available for these holes. Comparison between BHP holes and Aztec holes in 2005 showed there is good agreement between both datasets for Fe, and QA/QC data supports the accuracy of the Aztec data across the assay suite. While the BHP SiO_2 and Al_2O_3 data differs, there is no good reason to doubt its quality given that the company was able to operate and successfully meet sales contracts. Aztec Resources Ltd holes had field duplicates, lab duplicates and site made standards as QA checks. Results were of acceptable quality. Mount Gibson Iron Ltd use certified reference material as a standard, along with field and laboratory duplicates. MGX QAQC procedures and results are of acceptable quality.
Verification of sampling and assaying	No external verification was completed. Historical BHP data was twinned by Aztec RC holes and found to be acceptable Drill hole data found to be spurious was excluded from the database

Criteria	Commentary
	Adjustments to data were made where required after data validation processes.
Location of data points	Survey control of hole locations have been established through the mine survey department, while detailed down hole surveys of accessible holes have been conducted by contractors Surtron. Koolan Island Mine Grid (KIMG) is aligned consistent with average strike trends of the mineralisation at most of the known deposits, and the Main deposit in particular. The marked variants from this are the Eastern and Mullet limbs. All directional references in the Mineral Resources reports are according to the KIMG, which is rotated +30.18° relative to the Map Grid of Australia (MGA94_51). Topographic and survey control has been undertaken by either the mine-based survey team, or contract survey companies and is considered high quality.
Data spacing and distribution	The data spacing is approximately 50m along the strike of the mineralisation. The data spacing and distribution is more than adequate to establish the degree of geological and grade continuity appropriate for the Mineral Resource estimation and classifications applied. Percussion samples were composited over 2m intervals.
Orientation of data in relation to geological structure	The orientation of the mineralisation is well defined and drill holes were oriented to intersect mineralisation at an appropriate angle.
Sample security	Sample security was not considered a significant risk to the project. No specific measures have been taken by MGX to ensure sample security.
Audits or reviews	A formal audit of BHP drilling and survey data was carried out by Snowden Mining consultants in 2004. The historical BHP and Aztec data is generally of moderate quality as inferred by nearby MGX drill holes confirming broadly the extent and tenor of Fe mineralisation. Most historical data is in mined out areas and has little influence on remaining Mineral Resources. Ongoing reconciliations have not to date indicated an urgent need for external audits of the resource database. An audit of the Koolan mineral laboratory was conducted in May 2014 by an external group with no material concerns or problems identified.

Section 2 Reporting of Exploration Results

(Criteria listed in section 1, and where relevant, in sections 3 and 4, also apply to this section.)

Criteria	Commentary
Mineral tenement and land tenure status	Eastern-Barramundi Mineral Resource is located on Mining Lease M04/416-I held by Koolan Iron Ore Pty Ltd, a 100% owned subsidiary of Mt Gibson Iron Ltd. The mining tenement is granted under the Western Australian Mining Act, 1978. Koolan Iron Ore Pty Ltd has a native title and heritage agreement with the Dambimangari Native title group
Exploration done by other parties	Exploration has been conducted in the area of the Eastern-Barramundi resource since 1959, with active exploration by BHP from 1959 to 1993, Aztec Resource from 2004 to 2006 and MGX from 2006 to 2012.
Geology	The mineralised zone is an overturned enriched haematitic sandstone horizon within the Yampi Sandstone member unconformably overlying the Elgee Siltstone. It is between 8 and 20 metres thick, and dips 55 to 80o to the south.
Drill hole Information	As outlined in Drilling techniques of Section 1, there are 620 drillholes at the Eastern- Barramundi resource dating back to 1961, forming the basis for the Mineral Resource estimate outlined in Section 3. Material drill results for Eastern Barramundi have previously been announced to the market as required under the reporting requirements of the ASX Listing Rules. All material exploration results relevant to the Eastern- Barramundi area have been considered in establishing the Mineral Resource discussed in section 3. Going forward any new exploration results that result in a material change to existing Mineral Resource in section 3 will be updated under the normal transitioning to JORC 2012.

Criteria	Commentary
Data aggregation methods	Not Applicable - No exploration results or drillhole intercepts are discussed in this ASX announcement.
Relationship between mineralisation widths and intercept lengths	Not Applicable - No exploration results or drillhole intercepts are discussed in this ASX announcement.
Diagrams	No exploration results or drillhole intercepts are discussed in this ASX announcement. Cross Sections, long sections and photos of the geology, mineralisation and mineral resource have been released in previous ASX reports.
Balanced reporting	Not Applicable - No exploration results or drillhole intercepts are discussed in this ASX announcement.
Other substantive exploration data	Not Applicable - No exploration results or drillhole intercepts are discussed in this ASX announcement.
Further work	Not Applicable - No exploration results or drillhole intercepts are discussed in this ASX announcement.

Section 3 Estimation and Reporting of Mineral Resources

(Criteria listed in section 1, and where relevant in sections 2 and 4, also apply to this section.)

Criteria	Commentary
Database integrity	Data extracted from the database for Mineral Resource estimation purposes is run through general checks to ensure data is valid. The database is maintained by Mt Gibson with automated extraction processes in place. Checks on data include sensible ranges of values for attributes, drill hole collars matching topography and with expected limits, overlapping sample intervals, depths, azimuths, dips and co-ordinates for consistency. Any inconsistent information is either modified or excluded from use in estimation.
Site visits	Elizabeth Haren, the Competent Person for Mineral Resources, has made several visits to Koolan Island.
Geological interpretation	There is an extremely high degree of confidence with the mineralisation interpretation. The mineralisation and geology is very consistent and has been proven by historical and current mining on Koolan Island. Interpretation uses the drill holes exclusively. There are limited alternative interpretations possible for the mineralisation which would have a minimal impact on the Mineral Resource. The mineralisation is generally between two geological units. The continuity of grade and geology is very good.
Dimensions	The Eastern-Barramundi mineralisation is approximately 1,500m in length and is modelled to approximately 250 m in depth.
Estimation and modelling techniques	Ordinary Kriging of a suite of Iron Ore elements (Fe, SiO_2, Al_2O_3, LOI, P, S, CaO, MnO, MgO, Na_2O, TiO) was completed using CAE Studio software. Minor domains of limited extent and information were estimated using Inverse Distance. Waste material was estimated where enough quality data was present however the majority of waste material

Criteria	Commentary
	is assigned default grades. While the mineralisation tends to be planar in most cases, care was taken to ensure orientation changes were honoured by the sample search and estimation orientation regimes.Estimation parameter selection was guided by the results of mining reconciliation. No assumptions were made regarding recovery of by-products. A full suite of Iron Ore elements were estimated. Block sizes used are 12.5 mE, 8 mN and 3 mRL. The bulk of the drilling data is on 50mE spaced sections or closer. No local estimation or SMU correction has been undertaken. Correlations between elements were considered and while co-kriging was not implemented, using similar estimation parameters for correlated elements allows some reproduction of correlations. All estimation was completed within mineralisation units using “hard” boundaries. In general, most element distributions did not have extreme outliers therefore minimal top-cutting was used. Where top-cutting occurred this was done prior to sample compositing. Validation was completed by checking the global averages of composites versus model from each domain, by creating trend plots of composites versus model from each domain and by visual validation of grade trends in the model to ensure they honoured the input data.
Moisture	All tonnages have been estimated as dry tonnages.
Cut-off parameters	The 50%Fe cut-off is determined by the combined grade-tonnage characteristics as the minimum iron grade and/or maximum contaminant grades which will allow production to maintain contract-specified qualities for Lump and Fines products as currently occurring at Koolan Island.
Mining factors or assumptions	The mining factors are assumed to correlate directly to current operation at Koolan Island.
Metallurgical factors or assumptions	The metallurgical factors are assumed to correlate directly to current operation at Koolan Island.
Environmental factors or assumptions	Environmental factors are already considered as part of the current mining operations at Koolan Island.
Bulk density	Surtron down hole survey data has been used to measure densities on all deposits at Koolan Island. In all cases the Surtron data confirms the positive relationship between Fe and density. Regression formulas have been used to assign densities with respect to Fe estimates.

Criteria	Commentary
Classification	The basis for the classification of the Mineral Resource has included: a. Quality and reliability of raw data; b. Confidence in the geological interpretation; c. Number, spacing and orientation of intercepts in each mineralised zone; d. Confidence concerning the known limits of mining; e. Knowledge of grade and density continuities gained from observations and; f. Geostatistical analyses. This information was used to guide the selection of kriging variance values to define Measured, Indicated and Inferred material.
Audits or reviews	The Mineral Resource estimates are reviewed internally within Mt Gibson on a three levelled assessment structure. Periodic updates are completed when new information and understanding is required to be reflected in the Mineral Resource.
Discussion of relative accuracy/ confidence	The Koolan Island Mineral Resource models are provided as a basis for long term planning and mine design, and are not necessarily sufficient for shorter term planning and scheduling. The block model grade estimates were validated against the drill hole composites to ensure that the model reflects the input data.

APPENDIX 4 – Koolan Island, Barramundi West Deposit

Section 1 Sampling Techniques and Data

(Criteria in this section apply to all succeeding sections.)

Criteria	Commentary
Sampling techniques	All of the data used for Mineral Resource estimation is based on the logging and sampling of RC and diamond core drilling. Percussion samples were composited over 2m intervals. Diamond samples were taken at 1m intervals. Reverse Circulation samples were taken over 1m intervals. Historical sampling is of lower quality and where any ambiguity exists is excluded from the database for estimation.
Drilling techniques	Data is a combination of percussion, reverse circulation and diamond drilling. There are more than 100 drillholes at Barramundi West.
Drill sample recovery	Geologists or drillers record sample recovery during drilling. No issues were detected. As drill conditions are favourable no measures were required to maximise sample recovery. No relationship between sample recovery and grade has been demonstrated. No bias to material size has been demonstrated.
Logging	All drill holes have been geologically logged appropriately to the mineralisation style to support Mineral Resource estimation with logging subsequently confirmed through mining. Some diamond core has been photographed.
Sub-sampling techniques and sample preparation	Samples are received and prepared at the SGS run Koolan Island lab as 2 to 5 kg RC chip samples. They are dried for 12 hours at 105°C, crushed to <2mm and split and reduced using riffle splitters or rotary sampling devices to 300 grams. The 300 gram sample is pulverised to 75µm, from which an aliquot is taken for XRF and LOI analysis.
Quality of assay data and laboratory tests	The nature, quality and appropriateness of the sample preparation techniques employed by MGX are to industry standard. Most BHP holes were shallow and the areas have since been mined out. No QAQC information is available for these holes. Comparison between BHP holes and Aztec holes in 2005 showed there is good agreement between both datasets for Fe, and QAQC data supports the accuracy of the Aztec data across the assay suite. While the BHP SiO_2 and Al_2O_3 data differs, there is no good reason to doubt its quality given that the company was able to operate and successfully meet sales contracts. Aztec Resources Ltd holes had field duplicates, lab duplicates and site made standards as QA checks. Results were of acceptable quality. Mount Gibson Iron Ltd use certified reference material as a standard, along with field and laboratory duplicates. MGX QAQC procedures and results are of acceptable quality.
Verification of sampling and assaying	No external verification was completed. Historical BHP data was twinned by Aztec RC holes and found to be acceptable Drill hole data found to be spurious was excluded from the database Adjustments to data were made where required after data validation processes.

Criteria	Commentary
Location of data points	Survey control of hole locations has been established through the mine survey department, while detailed down hole surveys of accessible holes have been conducted by contractors Surtron. Koolan Island Mine Grid (KIMG) which is aligned consistent with average strike trends of the mineralisation at most of the known deposits, and the Main deposit in particular. The marked variants from this are the Eastern and Mullet limbs. All directional references in this report are according to the KIMG, which is rotated +30.18° relative to the Map Grid of Australia (MGA94_51). Topographic and survey control has been undertaken by either the mine-based survey team, or contract survey companies.
Data spacing and distribution	The data spacing is approximately 50m along the strike of the mineralisation. The data spacing and distribution is more than adequate to establish the degree of geological and grade continuity appropriate for the Mineral Resource estimation and classifications applied. Percussion samples were composited over 2m intervals.
Orientation of data in relation to geological structure	The orientation of the mineralisation is well defined and drill holes were oriented to intersect mineralisation at an appropriate angle.
Sample security	Sample security was not considered a significant risk to the project. No specific measures have been taken by MGX to ensure sample security.
Audits or reviews	A formal audit of BHP drilling and survey data was carried out by Snowden Mining consultants in 2004. The historical BHP and Aztec data is generally of moderate quality as inferred by nearby MGX drill holes confirming broadly the extent and tenor of Fe mineralisation. Most historical data is in mined out areas and has little influence on remaining Mineral Resources. Ongoing reconciliations have not to date indicated an urgent need for external audits of the resource database. An audit of the Koolan mineral laboratory was conducted in May 2014 by an external group with no material concerns or problems identified.

Section 2 Reporting of Exploration Results

(Criteria listed in section 1, and where relevant, in sections 3 and 4, also apply to this section.)

Criteria	Commentary
Mineral tenement and land tenure status	Barramundi West Mineral Resource is located on Mining Lease M04/416-I held by Koolan Iron Ore Pty Ltd, a 100% owned subsidiary of Mt Gibson Iron Ltd. The mining tenement is granted under the Western Australian Mining Act, 1978. Koolan Iron Ore Pty Ltd has a native title and heritage agreement with the Dambimangari Native title group
Exploration done by other parties	Exploration has been conducted in the area of the Barramundi West resource since 1959, with active exploration by BHP from 1970 to 1993, Aztec Resource from 2004 to 2006 and MGX from 2006 to 2012.
Geology	The mineralised zone is an enriched haematitic sandstone horizon within the Yampi Sandstone member unconformably overlying the Elgee Siltstone. It is between 8 and 20 metres thick, and dips 45 to 60o to the south.
Drill hole Information	As outlined in Drilling techniques of Section 1, there are over 100 drillholes at the Barramundi West resource dating back to 1970, forming the basis for the Mineral Resource estimate outlined in Section 3. Material drill results for Barramundi West have previously been announced to the market as required under the reporting requirements of the ASX Listing Rules. All material exploration results relevant to the Barramundi West area have been considered in establishing the Mineral Resource discussed in section 3. Going forward any new exploration results that result in a material change to existing Mineral Resource in section 3 will be updated under the normal transitioning to JORC 2012.

Criteria	Commentary
Data aggregation methods	Not Applicable - No exploration results or drillhole intercepts are discussed in this ASX announcement.
Relationship between mineralisation widths and intercept lengths	Not Applicable - No exploration results or drillhole intercepts are discussed in this ASX announcement.
Diagrams	No exploration results or drillhole intercepts are discussed in this ASX announcement. Cross Sections, long sections and photos of the geology, mineralisation and mineral resource have been released in previous ASX reports.
Balanced reporting	Not Applicable - No exploration results or drillhole intercepts are discussed in this ASX announcement.
Other substantive exploration data	Not Applicable - No exploration results or drillhole intercepts are discussed in this ASX announcement.
Further work	Not Applicable - No exploration results or drillhole intercepts are discussed in this ASX announcement.

Section 3 Estimation and Reporting of Mineral Resources

(Criteria listed in section 1, and where relevant in sections 2 and 4, also apply to this section.)

Criteria	Commentary
Database integrity	Data extracted from the database for Mineral Resource estimation purposes is run through general checks to ensure data is valid. The database is maintained by Mt Gibson with automated extraction processes in place. Checks on data include sensible ranges of values for attributes, drillhole collars matching topography and with expected limits, overlapping sample intervals, depths, azimuths, dips and co-ordinates for consistency. Any inconsistent information is either modified or excluded from use in estimation.
Site visits	Elizabeth Haren, the Competent Person for Mineral Resources, has made several visits to Koolan Island.
Geological interpretation	There is an extremely high degree of confidence with the mineralisation interpretation. The mineralisation and geology is very consistent and has been proven by historical and current mining on Koolan Island. Interpretation uses the drill holes exclusively. There are limited alternative interpretations possible for the mineralisation which would have a minimal impact on the Mineral Resource. The mineralisation is generally between two geological units. The continuity of grade and geology is very good.
Dimensions	The Barramundi West mineralisation is approximately 1,500m in length and is modelled to approximately 150 m in depth.
Estimation and modelling techniques	Ordinary Kriging of a suite of Iron Ore elements (Fe, SiO_2, Al_2O_3, LOI, P, S, CaO, MnO, MgO, Na_2O, TiO) was completed using CAE Studio software. Minor domains of limited extent and information were estimated using Inverse Distance. Waste material was estimated where enough quality data was present however the majority of waste material is assigned default grades.

Criteria	Commentary
	While the mineralisation tends to be planar in most cases, care was taken to ensure orientation changes were honoured by the sample search and estimation orientation regimes.Estimation parameter selection was guided by the results of mining reconciliation. No assumptions were made regarding recovery of by-products. A full suite of Iron Ore elements were estimated. Block sizes used are 12.5 mE, 8 mN and 3 mRL. The bulk of the drilling data is on 50mE spaced sections or closer. No local estimation or SMU correction has been undertaken. Correlations between elements were considered and while co-kriging was not implemented, using similar estimation parameters for correlated elements allows some reproduction of correlations. All estimation was completed within mineralisation units using “hard” boundaries. In general, most element distributions did not have extreme outliers therefore minimal top-cutting was used. Where top-cutting occurred this was done prior to sample compositing. Validation was completed by checking the global averages of composites versus model from each domain, by creating trend plots of composites versus model from each domain and by visual validation of grade trends in the model to ensure they honoured the input data.
Moisture	All tonnages have been estimated as dry tonnages.
Cut-off parameters	The 50%Fe cut-off is determined by the combined grade-tonnage characteristics as the minimum iron grade and/or maximum contaminant grades which will allow production to maintain contract-specified qualities for Lump and Fines products as currently occurring at Koolan Island.
Mining factors or assumptions	The mining factors are assumed to correlate directly to current operation at Koolan Island.
Metallurgical factors or assumptions	The metallurgical factors are assumed to correlate directly to current operation at Koolan Island.
Environmental factors or assumptions	Environmental factors are already considered as part of the current mining operations at Koolan Island.
Bulk density	Surtron down hole survey data has been used to measure densities on all deposits at Koolan Island. In all cases the Surtron data confirms the positive relationship between Fe and density. Regression formulas have been used to assign densities with respect to Fe estimates.
Classification	The basis for the classification of the Mineral Resource has included: a. Quality and reliability of raw data; b. Confidence in the geological interpretation; c. Number, spacing and orientation of intercepts in each mineralised zone; d. Confidence concerning the known limits of mining; e. Knowledge of grade and density continuities gained from observations and; f. Geostatistical analyses. This information was used to guide digitising of strings around defined classification areas in either long section or plan, depending on the orientation of the mineralisation. The strings were then used to flag the classification to the model.
Audits or reviews	The Mineral Resource estimates are reviewed internally within Mt Gibson on a three levelled assessment structure. Periodic updates are completed when new information and understanding is required to be reflected in the

Criteria	Commentary
	Mineral Resource.
Discussion of relative accuracy/ confidence	The Koolan Island Mineral Resource models are provided as a basis for long term planning and mine design, and are not necessarily sufficient for shorter term planning and scheduling. The block model grade estimates were validated against the drill hole composites to ensure that the model reflects the input data.

Section 4 Estimation and Reporting of Ore Reserves

(Criteria listed in section 1, and where relevant in sections 2 and 3, also apply to this section.)

Criteria	Commentary
Mineral Resource estimate for conversion to Ore Reserves	The Mineral Resource for Barramundi West deposit was reviewed and updated on 27 June 2013. This Mineral Resource statement was signed by Elizabeth Haren who is a consultant to MGX and an AusIMM member with sufficient relevant experience to qualify as a Competent Person. The Mineral Resource is inclusive of these Ore Reserves.
Site visits	Numerous site visits have been made by Mr Paul Salmon, Principal Mining Engineer with Mount Gibson Iron. The visits included a review of the current mining operation and established a good understanding of the layout of the mine.
Study status	Koolan Island is an operating mine. Production is currently 3.5-4.0 Mtpa. A detailed and practical mine plan was developed following resource optimisation runs using Whittle software to determine an economic block model. Conventional open pit mining is planned using hydraulic excavators and dump trucks. Standard modifying factors used for open pit mining were applied.
Cut-off parameters	A cut-off grade of 50% Fe was used. This cut-off grade reflects current mining practice, blending, and product sales. A cut-off grade study was undertaken in 2014. The outcome of this study supports the use of the 50% cut off used in this statement. MGX uses the definition of marginal cut-off grade as follows: “material that would produce a more positive cashflow if processed than when treated as waste in the process of mining towards the defined pit limits. It applies to material that will be mined or stockpiles in the process of gaining access to economic material.”
Mining factors or assumptions	The August 2005 Feasibility Study converted the Mineral Resource in Barramundi West pit deposit to an Ore Reserve. The deposits have been mined by conventional open pit mining methods, utilising industry standard practices of drilling, blasting, and load and haul using hydraulic backhoe excavators. The overburden waste has been removed by large size excavators with bulk mining method. Where required medium size excavators have been used for selective mining of ore. Known mining parameters from Main pit combined with assumptions and observations at Acacia east were used in the optimisation and pit design. These factors include slope stability, ore recovery, mining dilution, and minimum mining width. Modelling of mining dilution in three dimensions is by the digital application of a dilution skin around the ore in the Mineral Resource model. Metallurgical parameters are then added to the diluted model. The final diluted mining block model is used directly for pit optimisation and scheduling, without the further application of global factors. Ore Reserves are reported directly from the diluted mining block model, with consideration of grade, topography and pit design. Inferred mineral resources do not form part of the ore reserves. Mine infrastructure is well established following 7 years of mining operations. Barramundi West pit has an overall strip ratio of 5.8:1 Waste: Ore

Criteria	Commentary
Metallurgical factors or assumptions	Ore from the Barramundi West deposit is crushed and screened at the existing Koolan Island process plant. Metallurgical characteristics of Barramundi West Pit ore are known from two years of recent actual production data, and 30 years of historical mining prior to 1993.
Environmental	All statutory and regulatory approvals have been received for mining, occupational health and safety, environmental, and native title rights.
Infrastructure	Existing site infrastructure in place includes haul roads, pumping, crusher plant, stockpiles, port, offices, workshop, warehouse, camp, water supply, airstrip, power generation, barge landing and associated facilities.
Costs	All costs for mining, processing and shipping were derived from the operating mine. Royalties currently paid to the State Government were included in cost modelling. Penalties currently applying to impurities in product sales to customers were included in cost modelling.
Revenue factors	Ore Reserves were calculated based on FY2015 Budget financial modelling approved by the MGX Board. Financial assumptions used in cost modelling include: • forecast consensus Pilbara FOB benchmark iron ore contract prices • impurity penalties • freight • currency exchange rates • royalties Lump yield and product quality are derived from the LOM schedule.
Market assessment	Mt Gibson has sales agreements in place with existing customers to purchase product from Koolan Island. Crushed and screened products were sold to these customers in previous years.
Economic	The LOM financial model has demonstrated that Barramundi West pit can generate significant NPV. The NPV is most sensitive to iron ore price and foreign exchange rate.
Social	The Koolan Island mine has operated continuously since 2006, and enjoys a good relationship with the Traditional Owners and local community.
Other	Major risks: Iron ore price variation and foreign exchange rates.
Classification	In pit Measured and Indicated Resources have been converted to Proved and Probable Reserves. The Barramundi West Pit Reserves consist of 93% Proved Reserves and 7% Probable Reserves. Ore Reserves do not include Inferred Mineral Resources.
Audits or reviews	The project parameters and outcomes have been internally reviewed and approved by MGX executive management.
Discussion of relative accuracy/ confidence	All parameters are well defined from existing mining operations elsewhere on Koolan Island.

APPENDIX 5 – Koolan Island, Mullet Acacia Deposit

Section 1 Sampling Techniques and Data

(Criteria in this section apply to all succeeding sections.)

Criteria	Commentary
Sampling techniques	All of the data used for the Mineral Resource estimation is based on the logging and sampling of RC and diamond core drilling. Percussion samples were composited over 2m intervals. Diamond samples were taken at 1m intervals. Reverse Circulation samples were taken over 1m intervals. Historical sampling (pre 1993) is of lower quality and where any ambiguity exists is excluded from the database for estimation.
Drilling techniques	35 historic BHP drill holes from 1961 to 1986 were percussion drilled. There are 6 diamond holes and 323 reverse circulation holes.
Drill sample recovery	Geologist or driller records show sample recovery during drilling. No issues were detected. Standard drilling techniques were adequate for sample recovery. No relationship between sample recovery and grade has been demonstrated. No bias to material size has been demonstrated.
Logging	All drill holes have been geologically logged appropriately to the mineralisation style to support Mineral Resource estimation with logging subsequently confirmed through mining. Some diamond core has been photographed.
Sub-sampling techniques and sample preparation	Samples are received and prepared at the SGS run Koolan Island lab as 2 to 5 kg RC chip samples. They are dried for 12 hours at 105°C, crushed to <2mm and split and reduced using riffle splitters or rotary sampling devices to 300 grams. The 300 gram sample is pulverised to 75µm, from which an aliquot is taken for XRF and LOI analysis.
Quality of assay data and laboratory tests	The nature, quality and appropriateness of the sample preparation techniques employed by MGX are to industry standard. Most BHP holes were shallow and the areas have since been mined out. No QAQC information is available for these holes. Comparison between BHP holes and Aztec holes in 2005 showed there is good agreement between both datasets for Fe, and QA/QC data supports the accuracy of the Aztec data across the assay suite. While the BHP SiO_2 and Al_2O_3 data differs, there is no good reason to doubt its quality given that the company was able to operate and successfully meet sales contracts. Aztec Resources Ltd holes had field duplicates, lab duplicates and site made standards as QA checks. Results were of acceptable quality. Mount Gibson Iron Ltd use certified reference material as a standard, along with field and laboratory duplicates. MGX QAQC procedures and results are of acceptable quality.
Verification of sampling and assaying	No external verification was completed. Historical BHP data was twinned by Aztec RC holes and found to be acceptable Drill hole data found to be spurious was excluded from the database Adjustments to data were made where required after data validation processes.
Location of data points	Survey control of hole locations have been established through the mine survey department, while detailed down hole surveys of accessible holes have been conducted by contractors Surtron. Koolan Island Mine Grid (KIMG) is aligned consistent with average strike trends of the mineralisation at most of the known deposits and the Main deposit in particular. The marked variants from this are the Eastern and Mullet limbs. All directional references in the Mineral Resources reports are according to the KIMG, which is rotated +30.18° relative to the Map Grid of Australia (MGA94_51).

Criteria	Commentary
	Topographic and survey control has been undertaken by either the mine-based survey team, or contract survey companies and is considered high quality.
Data spacing and distribution	The data spacing is approximately 50m along the strike of the mineralisation. The data spacing and distribution is more than adequate to establish the degree of geological and grade continuity appropriate for the Mineral Resource estimation and classifications applied. Percussion samples were composited over 2m intervals.
Orientation of data in relation to geological structure	The orientation of the mineralisation is well defined and drill holes were oriented to intersect mineralisation at an appropriate angle.
Sample security	Sample security was not considered a significant risk to the project. No specific measures have been taken by MGX to ensure sample security.
Audits or reviews	A formal audit of BHP drilling and survey data was carried out by Snowden Mining consultants in 2004. The historical BHP and Aztec data is generally of moderate quality as inferred by nearby MGX drill holes confirming broadly the extent and tenor of Fe mineralisation. Most historical data is in mined out areas and has little influence on remaining Mineral Resources. An audit of the Koolan mineral laboratory was conducted in May 2014 by an external group with no material concerns or problems identified.

Section 2 Reporting of Exploration Results

(Criteria listed in section 1, and where relevant, in sections 3, also apply to this section.)

Criteria	Commentary
Mineral tenement and land tenure status	The Mullet Acacia Mineral Resource is located on Mining Lease M04/416-I held by Koolan Iron Ore Pty Ltd, a 100% owned subsidiary of Mt Gibson Iron Ltd. The mining tenement is granted under the Western Australian Mining Act, 1978. Koolan Iron Ore Pty Ltd has a native title and heritage agreement with the Dambimangari Native title group
Exploration done by other parties	Exploration has been conducted in the area of the Mullet Acacia resource since 1959, with active exploration by BHP from 1961 to 1993, Aztec Resource from 2004 to 2006 and MGX from 2006 to 2012.
Geology	The mineralised zone is an enriched haematitic sandstone horizon within the Yampi Sandstone member unconformably overlying the Elgee Siltstone. It is between 8 and 20 metres thick. The Mullet Acacia resource around a gently west plunging antiform, with the younging up Acacia limb dipping 45 to 60o to the south, and the overturned Mullet limb dipping 60 to 80o to the south.
Drill hole Information	As outlined in Drilling techniques of Section 1, there are 6 diamond holes and 323 reverse circulation holes at the Mullet Acacia resource dating back to 1961, which form the basis for the Mineral Resource estimate outlined in Section 3. Material drill results for Mullet Acacia have previously been announced to the market as required under the reporting requirements of the ASX Listing Rules. All material exploration results relevant to the Mullet Acacia area have been considered in establishing the Mineral Resource discussed in section 3. Going forward any new exploration results that result in a material change to existing Mineral Resource in section 3 will be updated under the normal transitioning to JORC 2012.
Data aggregation methods	Not Applicable - No exploration results or drillhole intercepts are discussed in this ASX announcement.
Relationship between mineralisation widths and	Not Applicable - No exploration results or drillhole intercepts are discussed in this ASX announcement.

Criteria	Commentary
intercept lengths	
Diagrams	No exploration results or drillhole intercepts are discussed in this ASX announcement. Cross Sections, long sections and photos of the geology, mineralisation and mineral resource have been released in previous ASX reports.
Balanced reporting	Not Applicable - No exploration results or drillhole intercepts are discussed in this ASX announcement.
Other substantive exploration data	Not Applicable - No exploration results or drillhole intercepts are discussed in this ASX announcement.
Further work	Not Applicable - No exploration results or drillhole intercepts are discussed in this ASX announcement.

Section 3 Estimation and Reporting of Mineral Resources

(Criteria listed in section 1, and where relevant in sections 2, also apply to this section.)

Criteria	Commentary
Database integrity	Data extracted from the database for Mineral Resource estimation purposes is run through general checks to ensure data is valid. The database is maintained by Mt Gibson with automated extraction processes in place. Checks on data include sensible ranges of values for attributes, drillhole collars matching topography and with expected limits, overlapping sample intervals, depths, azimuths, dips and co-ordinates for consistency. Any inconsistent information is either modified or excluded from use in estimation.
Site visits	Elizabeth Haren, the Competent Person for Mineral Resources, has made several visits to Koolan Island.
Geological interpretation	There is an extremely high degree of confidence with the mineralisation interpretation. The mineralisation and geology is very consistent and has been proven by historical and current mining on Koolan Island. Interpretation uses the drill holes exclusively. There are limited alternative interpretations possible for the mineralisation which would have a minimal impact on the Mineral Resource. The mineralisation is generally between two geological units. The continuity of grade and geology is very good.
Dimensions	The Mullet Acacia mineralisation is approximately 1,600m in length and is modelled to approximately 300 m in depth.
Estimation and modelling techniques	Ordinary Kriging of a suite of Iron Ore elements (Fe, SiO_2, Al_2O_3, LOI, P, S, CaO, MnO, MgO, Na_2O, TiO) was completed using CAE Studio software. Minor domains of limited extent and information were estimated using Inverse Distance. Waste material was estimated where enough quality data was present however the majority of waste material is assigned default grades. While the mineralisation tends to be planar in most cases, care was taken to ensure orientation changes were honoured by the sample search and estimation orientation regimes.Estimation parameter selection was guided by the results of mining reconciliation. No assumptions were made regarding recovery of by-products.

Criteria	Commentary
	A full suite of Iron Ore elements were estimated. Block sizes used are 12.5 mE, 8 mN and 3 mRL. The bulk of the drilling data is on 50mE spaced sections or closer. No local estimation or SMU correction has been undertaken. Correlations between elements were considered and while co-kriging was not implemented, using similar estimation parameters for correlated elements allows some reproduction of correlations. All estimation was completed within mineralisation units using “hard” boundaries. In general, most element distributions did not have extreme outliers therefore minimal top-cutting was used. Where top-cutting occurred this was done prior to sample compositing. Validation was completed by checking the global averages of composites versus model from each domain, by creating trend plots of composites versus model from each domain and by visual validation of grade trends in the model to ensure they honoured the input data.
Moisture	All tonnages have been estimated as dry tonnages.
Cut-off parameters	The 50%Fe cut-off is determined by the combined grade-tonnage characteristics as the minimum iron grade and/or maximum contaminant grades which will allow production to maintain contract-specified qualities for Lump and Fines products as currently occurring at Koolan Island.
Mining factors or assumptions	The mining factors are assumed to correlate directly to current operations at Koolan Island.
Metallurgical factors or assumptions	The metallurgical factors are assumed to correlate directly to current operations at Koolan Island.
Environmental factors or assumptions	Environmental factors are already considered as part of the current mining operations at Koolan Island.
Bulk density	Surtron down hole survey data has been used to measure densities on all deposits at Koolan Island. In all cases the Surtron data confirms the positive relationship between Fe and density. Regression formulas have been used to assign densities with respect to Fe estimates.
Classification	The basis for the classification of the Mineral Resource has included: a. Quality and reliability of raw data; b. Confidence in the geological interpretation; c. Number, spacing and orientation of intercepts in each mineralised zone; d. Confidence concerning the known limits of mining; e. Knowledge of grade and density continuities gained from observations and; f. Geostatistical analyses. This information was used to guide digitising of strings around defined classification areas in either long section or plan, depending on the orientation of the mineralisation. The strings were then used to flag the classification to the model.
Audits or reviews	The Mineral Resource estimates are reviewed internally within Mt Gibson on a three levelled assessment structure. Periodic updates are completed when new information and understanding is required to be reflected in the Mineral Resource.

Criteria	Commentary
Discussion of relative accuracy/ confidence	The Koolan Island Mineral Resource models are provided as a basis for long term planning and mine design, and are not necessarily sufficient for shorter term planning and scheduling. The block model grade estimates were validated against the drill hole composites to ensure that the model reflects the input data.

APPENDIX 6 – Koolan Island, Mangrove Deposit

Section 1 Sampling Techniques and Data

(Criteria in this section apply to all succeeding sections.)

Criteria	Commentary
Sampling techniques	All of the data used for the Mineral Resource estimation is based on the logging and sampling of RC and diamond core drilling. Percussion samples were composited over 2m intervals. Diamond samples were taken at 1m intervals. Reverse Circulation samples were taken over 1m intervals. Historical sampling is of lower quality and where any ambiguity exists is excluded from the database for estimation.
Drilling techniques	9 percussion drilled holes and 44 reverse circulation holes were used for estimation.
Drill sample recovery	Geologist or driller records show sample recovery during drilling. No issues were detected. Standard drilling techniques were adequate for sample recovery. No relationship between sample recovery and grade has been demonstrated. No bias to material size has been demonstrated.
Logging	All drill holes have been geologically logged appropriately to the mineralisation style to support Mineral Resource estimation with logging subsequently confirmed through mining.
Sub-sampling techniques and sample preparation	Samples are received and prepared at the SGS run Koolan Island lab as 2 to 5 kg RC chip samples. They are dried for 12 hours at 105°C, crushed to <2mm and split and reduced using riffle splitters or rotary sampling devices to 300 grams. The 300 gram sample is pulverised to 75µm, from which an aliquot is taken for XRF and LOI analysis.
Quality of assay data and laboratory tests	The nature, quality and appropriateness of the sample preparation techniques employed by MGX are to industry standard. Most BHP holes were shallow and the areas have since been mined out. No QAQC information is available for these holes. Comparison between BHP holes and Aztec holes in 2005 showed there is good agreement between both datasets for Fe, and QA/QC data supports the accuracy of the Aztec data across the assay suite. While the BHP SiO_2 and Al_2O_3 data differs, there is no good reason to doubt its quality given that the company was able to operate and successfully meet sales contracts. Aztec Resources Ltd holes had field duplicates, lab duplicates and site made standards as QA checks. Results were of acceptable quality. Mount Gibson Iron Ltd use certified reference material as a standard, along with field and laboratory duplicates. MGX QAQC procedures and results are of acceptable quality.
Verification of sampling and assaying	No external verification was completed. Historical BHP data was twinned by Aztec RC holes and found to be acceptable Drill hole data found to be spurious was excluded from the database Adjustments to data were made where required after data validation processes.
Location of data points	Survey control of hole locations have been established through the mine survey department, while detailed down hole surveys of accessible holes have been conducted by contractors Surtron. Koolan Island Mine Grid (KIMG) is aligned consistent with average strike trends of the mineralisation at most of the known deposits and the Main deposit in particular. The marked variants from this are the Eastern and Mullet limbs. All directional references in the Mineral Resources reports are according to the KIMG, which is rotated +30.18° relative to the Map Grid of Australia (MGA94_51). Topographic and survey control has been undertaken by either the mine-based survey team, or contract survey companies and is considered high quality.

Criteria	Commentary
Data spacing and distribution	The data spacing is approximately 50m along the strike of the mineralisation. The data spacing and distribution is more than adequate to establish the degree of geological and grade continuity appropriate for the Mineral Resource estimation and classifications applied. Percussion samples were composited over 2m intervals.
Orientation of data in relation to geological structure	The orientation of the mineralisation is well defined and drill holes were oriented to intersect mineralisation at an appropriate angle.
Sample security	Sample security was not considered a significant risk to the project. No specific measures have been taken by MGX to ensure sample security.
Audits or reviews	A formal audit of BHP drilling and survey data was carried out by Snowden Mining consultants in 2004. The historical BHP and Aztec data is generally of moderate quality as inferred by nearby MGX drill holes confirming broadly the extent and tenor of Fe mineralisation. Most historical data is in mined out areas and has little influence on remaining Mineral Resources. An audit of the Koolan mineral laboratory was conducted in May 2014 by an external group with no material concerns or problems identified.

Section 2 Reporting of Exploration Results

(Criteria listed in section 1, and where relevant, in sections 3 and 4, also apply to this section.)

Criteria	Commentary
Mineral tenement and land tenure status	The Mangrove Mineral Resource is located on Mining Lease M04/417-I held by Koolan Iron Ore Pty Ltd, a 100% owned subsidiary of Mt Gibson Iron Ltd. The mining tenement is granted under the Western Australian Mining Act, 1978. Koolan Iron Ore Pty Ltd has a native title and heritage agreement with the Dambimangari Native title group
Exploration done by other parties	Exploration has been conducted in the area of the Mangrove resource since 1955, with active exploration by BHP from 1957 to 1993, Aztec Resource from 2004 to 2006 and MGX from 2006 to 2012.
Geology	The mineralised zone is an enriched haematitic sandstone horizon within the Yampi Sandstone Member unconformably overlying the Elgee Siltstone. It is between 12 and 30 metres thick. The mineralised unit is overturned and dips from 80^{o} to the south in the west, twisting to right way up 80^{o} to the North in the east.
Drill hole Information	As outlined in Drilling techniques of Section 1, there are 9 percussion drillholes and 44 reverse circulation drillholes at Mangrove, which form the basis for the Mineral Resource estimate outlined in Section 3. Material drill results for Mangrove have previously been announced to the market as required under the reporting requirements of the ASX Listing Rules. All material exploration results relevant to the Mangrove area have been considered in establishing the Mineral Resource discussed in section 3. Going forward any new exploration results that result in a material change to existing Mineral Resource in section 3 will be updated under the normal transitioning to JORC 2012.
Data aggregation methods	Not Applicable - No exploration results or drillhole intercepts are discussed in this ASX announcement.
Relationship between mineralisation widths and intercept lengths	Not Applicable - No exploration results or drillhole intercepts are discussed in this ASX announcement.

Criteria	Commentary
Diagrams	No exploration results or drillhole intercepts are discussed in this ASX announcement. Cross Sections, long sections and photos of the geology, mineralisation and mineral resource have been released in previous ASX reports.
Balanced reporting	Not Applicable - No exploration results or drillhole intercepts are discussed in this ASX announcement.
Other substantive exploration data	Not Applicable - No exploration results or drillhole intercepts are discussed in this ASX announcement.
Further work	Not Applicable - No exploration results or drillhole intercepts are discussed in this ASX announcement.

Section 3 Estimation and Reporting of Mineral Resources

(Criteria listed in section 1, and where relevant in sections 2 and 4, also apply to this section.)

Criteria	Commentary
Database integrity	Data extracted from the database for Mineral Resource estimation purposes is run through general checks to ensure data is valid. The database is maintained by Mt Gibson with automated extraction processes in place. Checks on data include sensible ranges of values for attributes, drillhole collars matching topography and with expected limits, overlapping sample intervals, depths, azimuths, dips and co-ordinates for consistency. Any inconsistent information is either modified or excluded from use in estimation.
Site visits	Elizabeth Haren, the Competent Person for Mineral Resources, has made several visits to Koolan Island.
Geological interpretation	There is an extremely high degree of confidence with the mineralisation interpretation. The mineralisation and geology is very consistent and has been proven by historical and current mining on Koolan Island. Interpretation uses the drill holes exclusively. There are limited alternative interpretations possible for the mineralisation which would have a minimal impact on the Mineral Resource. The mineralisation is generally between two geological units. The continuity of grade and geology is very good.
Dimensions	The Mangrove mineralisation is approximately 1,000m in length and is modelled to approximately 250 m in depth.
Estimation and modelling techniques	Ordinary Kriging of a suite of Iron Ore elements (Fe, SiO_2, Al_2O_3, LOI, P, S, CaO, MnO, MgO, Na_2O, TiO) was completed using CAE Studio software. Minor domains of limited extent and information were estimated using Inverse Distance. Waste material was estimated where enough quality data was present however the majority of waste material is assigned default grades. While the mineralisation tends to be planar in most cases, care was taken to ensure orientation changes were honoured by the sample search and estimation orientation regimes.Estimation parameter selection was guided by the results of mining reconciliation. No assumptions were made regarding recovery of by-products. A full suite of Iron Ore elements were estimated. Block sizes used are 12.5 mE, 8 mN and 6 mRL. The bulk of the drilling data is on 50mE spaced sections or closer. No local estimation or SMU correction has been undertaken.

Criteria	Commentary
	Correlations between elements were considered and while co-kriging was not implemented, using similar estimation parameters for correlated elements allows some reproduction of correlations. All estimation was completed within mineralisation units using "hard" boundaries. In general, most element distributions did not have extreme outliers therefore minimal top-cutting was used. Where top-cutting occurred this was done prior to sample compositing. Validation was completed by checking the global averages of composites versus model from each domain, by creating trend plots of composites versus model from each domain and by visual validation of grade trends in the model to ensure they honoured the input data.
Moisture	All tonnages have been estimated as dry tonnages.
Cut-off parameters	The 50%Fe cut-off is determined by the combined grade-tonnage characteristics as the minimum iron grade and/or maximum contaminant grades which will allow production to maintain contract-specified qualities for Lump and Fines products as currently occurring at Koolan Island.
Mining factors or assumptions	The mining factors are assumed to correlate directly to current operations at Koolan Island.
Metallurgical factors or assumptions	The metallurgical factors are assumed to correlate directly to current operations at Koolan Island.
Environmental factors or assumptions	Environmental factors are already considered as part of the current mining operations at Koolan Island.
Bulk density	Surtron down hole survey data has been used to measure densities on all deposits at Koolan Island. In all cases the Surtron data confirms the positive relationship between Fe and density. Regression formulas have been used to assign densities with respect to Fe estimates.
Classification	The basis for the classification of the Mineral Resource has included: a. Quality and reliability of raw data; b. Confidence in the geological interpretation; c. Number, spacing and orientation of intercepts in each mineralised zone; d. Confidence concerning the known limits of mining; e. Knowledge of grade and density continuities gained from observations and; f. Geostatistical analyses. This information was used to guide digitising of strings around defined classification areas in either long section or plan, depending on the orientation of the mineralisation. The strings were then used to flag the classification to the model.
Audits or reviews	The Mineral Resource estimates are reviewed internally within Mt Gibson on a three levelled assessment structure. Periodic updates are completed when new information and understanding is required to be reflected in the Mineral Resource.
Discussion of relative accuracy/ confidence	The block model grade estimates were validated against the drill hole composites to ensure that the model reflects the input data. The Koolan Island Mineral Resource models are provided as a basis for long term planning and mine design, and are not necessarily sufficient for shorter term planning and scheduling.

APPENDIX 7 – Extension Hill

Section 1 Sampling Techniques and Data

(Criteria in this section apply to all succeeding sections.)

Criteria	
Sampling techniques	Drill holes used in the Mineral Resource estimate included 588 reverse circulation holes (RC), 17 diamond holes (DD) and 37 RC holes with diamond tails (RCD) for a total of 15,094m within the mineralisation wireframes. Rotary air blast (RAB), air core (AC) and water bore (WB) drilling were also carried out, but were not used in the estimate. Holes were generally angled towards grid west or east to optimally intersect the sub-vertical mineralised zones. There were a total of 899 drill holes in the supplied Extension Hill database. Drill hole collar locations and down-hole surveys were carried out by company and contract surveyors. During the 2008/09 program, RC samples were collected through a cyclone mounted directly above a riffle splitter on a 1/8 split at 1m intervals. During the 2013/14 program, RC samples were collected at 1m intervals through a static cone splitter attached to the RC drill rig. Two samples were taken for each metre at the time of drilling, and each sample identified with a sample ID and with suffix "A" or "B", each sample weighing between 2-4kg. Diamond drill core was predominately half core sampled, with some full core sampled for chemistry and metallurgical properties. RC samples were analysed using XRF. Laboratory accuracy and precision were assessed by the submission of Certified Reference Materials and duplicate samples.
Drilling techniques	For the 2008/09 program, RC drilling used a 140mm face sampling percussion hammer. For the 2013/14 program, RC drilling used a face sampling hammer with 108 mm bit size. Diamond drilling was carried out with HQ and PQ sized equipment with triple tube.
Drill sample recovery	Recoveries from historical drilling are unknown. Recoveries from MGX drilling were recorded in the database with no significant issues noted. RC samples were visually checked for recovery, moisture and contamination. Diamond core recovery was recorded in the drill logs. No drill hole intersected the water table and all samples returned were dry. No relationship between sample recovery and grade has been demonstrated. No bias to material size has been demonstrated.
Logging	All diamond drill holes were logged for recovery, RQD, geology and structure. RC drilling was logged for various geological attributes. Logging of diamond core and RC samples recorded lithology, texture, alteration and mineralisation. All RC samples were logged in the field with spoil piles and sieved chips assessed. All drill holes were logged in full.
Sub-sampling techniques and sample preparation	Core was cut in half using a core saw. All samples were collected from the same side of the core. Whole core for sampled for metallurgical purposes. During the 2008/09 program, RC samples were collected through a cyclone mounted directly above a riffle splitter on a 1/8 split at 1m intervals. During the 2013/14 program, RC samples were collected at 1m intervals through a static cone splitter attached to the RC drill rig. All samples were dry. Sampling of diamond core and RC chips used industry standard techniques. Each sample is reduced by riffle splitting to approximately a 400g sub-sample. They are then re-bagged and the residue returned to the original bag. The sub-samples are put in the preparation oven to dry for 4 hours in temperatures of 100°C to 110°C. Sub-samples are then pulverized until 90% passing 106µm fraction (75µm during the 2008/09 program). Field QC procedures for MGX drilling involved the use of certified reference materials (1 in 20) and duplicates (1 in 25).

Criteria	
	Field duplicates were taken on 1m samples for RC using the rig mounted splitter. Results were acceptable. Sample sizes are considered appropriate to correctly represent the low nugget iron mineralisation based on: the style of mineralisation, the thickness and consistency of the intersections, the sampling methodology and assay value ranges for Fe.
Quality of assay data and laboratory tests	Assays for typical iron ore suite of elements by XRF and LOI conducted by Ultratrace (2006) and Spectrolab Geraldton (2009). Spectrolab Geraldton is NATA accredited for the XRF analysis of Iron Ore and Loss on Ignition determination according to ISO17025. An oxide balance was carried out on each sample; any sample falling outside the range 98% to 102% was repeated, firstly as a repeat bead, then the pulp, and then the residue if required. No geophysical tools were used to determine any element concentrations used in this resource estimate. Down-hole density data was used in the estimate, obtained from the surveys completed by Surtron Technologies in 2009 and ABIM Solutions in 2008 and 2013/14. For the 2008/09 program, 273 CRM's were submitted at a rate of one per hole. 13 CRM's which failed due to the pulp not being ground finely enough once this was identified the pulp CRM's were pulped again and the results consistently fell within 3 standard deviations. The laboratory tested 616 internal standards and all were assayed in the recommended limits. For the 2013/14 program, MGX followed its established QAQC procedures with the use of Certified Reference Materials as standards, along with field and laboratory duplicates. CRM's were inserted in pulp and coarse form at a rate of one in 20 samples. Field duplicates were inserted at a rate of one in 25 samples. Results show good accuracy and precision and indicate that that the sample and assay data are representative, homogenous and repeatable, and suitable for use in the resource estimate.
Verification of sampling and assaying	RPM has independently verified significant intersections of mineralisation by inspecting drill chips from the 2013 drilling within the Extension Hill pit. Validation and cross checking of laboratory performance has included submission of repeat and split samples to Bureau Veritas laboratories in Perth. No twin holes were drilled. Assay results were provided by the lab to MGX in electronic (sif, csv and pdf) format, and then validated and entered into the MGX database situated at the Perth office. Assay, sample ID and logging data are matched and validated using filters in the MGX database. The data is further visually validated by Mount Gibson geologists and database staff. The MGX drilling database is a commercially available software package which is used throughout the mining industry. Assay values that were below detection limit were adjusted to equal half of the detection limit value.
Location of data points	All MGX and Asia Iron collar positions have been surveyed using a Trimble RTK GPS system with expected accuracy of +/- 0.02m horizontal and +/- 0.03m vertical, relative to each other and to the onsite survey control. Surveys were picked up on the Extension Hill Mine local grid, which is MGA94z50 plus 32.5^{o}. Topographic surface uses Lidar data.
Data spacing and distribution	The nominal drill hole spacing is 25m by 25m. The mineralised domains have demonstrated sufficient continuity in both geological and grade continuity to support the definition of Mineral Resource, and the classifications applied under the 2012 JORC Code. Samples have been composited to 1m lengths using best fit techniques.
Orientation of data in relation to geological structure	Drill holes are angled to grid west and east, as the deposit is sub-vertical. This represents the most optimal way to intersect the sub-vertical units. No orientation based sampling bias has been identified in the data.

Criteria	
Sample security	All samples taken from Extension Hill were kept within MGX's premises and transported to the onsite lab at Extension Hill. Sample security was not considered a significant risk to the project. No specific measures were taken by MGX to ensure sample security beyond the normal chain of custody for sample submission.
Audits or reviews	RPM reviewed RC sampling techniques during the November 2013 site visit. RPM concludes that sampling techniques are conducted to industry standards. An audit of the Extension Hill mineral laboratory was conducted in May 2014 by an external group. Concerns or problems identified have been rectified, with no material concerns or problems identified.

Section 2 Reporting of Exploration Results

(Criteria listed in section 1, and where relevant, in sections 3 and 4, also apply to this section.)

Criteria	Commentary
Mineral tenement and land tenure status	The Extension Hill deposit is located on Mining Lease M59/399-I held by Extension Hill Pty Ltd which is an independent third party unrelated to Mount Gibson Iron Limited. Mount Gibson Mining, a wholly-owned subsidiary of Mount Gibson Iron Limited, has the right to explore and develop DSO iron (defined as hematite, goethite and Limonite) on the Mining Leases through contractual rights and agreement with Extension Hill Pty Ltd. The tenements are in good standing with active mining occurring at Extension Hill.
Exploration done by other parties	The area has historically been explored for iron. Between 1962 and 1966 Kokan Mining Company Ltd and Kakiuchi & Company Ltd drilled a number of diamond holes into Extension Hill. Work was suspended in 1966 and recommenced in 1969 with the Griffin Coal Mining Company joining as a joint venture member. Work including diamond and percussion drilling continued until 1977 when the joint venture was dissolved and the project abandoned. In 1995 Asia Iron Pty Ltd acquired the leases. Asia Iron Pty Ltd conducted drill programs over Extension Hill in 1995-1997, 2002 and 2005. With subsequent programs in 2012. In 2008 to 2009 Mt Gibson Mining conducted a resource drill out of Extension Hill which included 492 RC holes.
Geology	The geology of Extension Hill can be defined as a jaspilitic iron formation mineralised to hematite and goethite. The rocks have been exposed to intensive weathering with the depth of complete oxidation in the iron formation 90-100m below the surface. Laterised detrital goethite-dominated hematitic material on the flanks related to paleo-topography which has been re-worked and enriched by paleo-weathering and weathering process. The main iron mineralisation is hematite dominated related to paleo weathering enrichment of the primary magnetite mineralisation. The hematite is sub vertical to vertically dipping striking north-south.
Drill hole Information	Drill hole locations and the resource wireframes are summarised in the report "Mineral Resource Estimate Extension Hill Iron Ore Deposit, Western Australia (April 2014)". In the opinion of MGX material drill results have been adequately reported previously to the market as required under the reporting requirements of the ASX Listing Rules.
Data aggregation methods	Exploration results are not being reported. Not applicable as a Mineral Resource is being reported. Metal equivalent values are not being reported.
Relationship between mineralisation widths and intercept lengths	Drill holes are angled to grid west and east, as the deposit is sub-vertical. This represents the most optimal way to intersect the sub-vertical units.

Criteria	Commentary
Diagrams	Relevant diagrams have been included within the Mineral Resource report (Mineral Resource Estimate Extension Hill Iron Ore Deposit, Western Australia – April 2014) main body of text.
Balanced reporting	Drill holes were located and picked up by mine site surveyors using Trimble RTK GPS system with expected accuracy of +/- 0.02m horizontal and +/- 0.03m vertical on Extension Hill Mine local grid, which is MGA94z50 plus 32.5°. Exploration results are not being reported.
Other substantive exploration data	Resource infill drilling has progressed over several programs as the size and extent of the mineralisation became clear.
Further work	No further work is currently planned for the Extension Hill deposit. Refer to diagrams in the body of text within the Mineral Resource Report.

Section 3 Estimation and Reporting of Mineral Resources

(Criteria listed in section 1, and where relevant in sections 2 and 4, also apply to this section.)

Criteria	Commentary
Database integrity	Data extracted from the database for Mineral Resource estimation purposes is run through general checks to ensure data is valid. The database is maintained by MGX with automated extraction processes in place. Checks on data include sensible ranges of values for attributes, drill hole collars matching topography and with expected limits, overlapping sample intervals, depths, azimuths, dips and co-ordinates for consistency. Any inconsistent information is either modified or excluded from use in estimation.
Site visits	A site visit was conducted by Elizabeth Haren and Shaun Searle of RPM during November 2013. Elizabeth and Shaun inspected the deposit and pit area, active RC drilling, logging, sampling and laboratory procedures. During this time, notes and photos were taken. Discussions were held with site personnel regarding drilling and sampling procedures. No major issues were encountered
Geological interpretation	The confidence in the geological interpretation is considered to be good and is based on previous current mining and visual confirmation in outcrop and within the open pit. Geochemistry and geological logging has been used to assist identification of lithology and mineralisation The deposit consists of sub-vertical to steeply dipping supergene-enriched BIF units. Mineralisation is mostly confined to the BIF units and the detrital material on the flanks of the deposit. Infill drilling has supported and refined the model and the current interpretation is considered robust Outcropping of mineralisation and host rocks within the open pit confirm the geometry of the mineralisation. Infill drilling and mining has confirmed geological and grade continuity.
Dimensions	The Extension Hill Mineral Resource area extends over an N-S strike length of 1,190m (from 19,850mN – 21,030mN), has a maximum width of 400m (9,720mE – 10,120mE) and includes the 115m vertical interval from 445mRL to -330mRL
Estimation and modelling techniques	Ordinary Kriging of a suite of Iron Ore elements (Fe, SiO_2, Al_2O_3, LOI, P, S, CaO, MnO, MgO, Na_2O, TiO) was completed using CAE Studio software. Minor domains of limited extent and information were estimated using Inverse Distance. Waste material was estimated where enough quality data was present however the majority of waste material is assigned default grades.

Criteria	Commentary
Estimation and modelling techniques cont.	While the mineralisation tends to be planar in most cases, care was taken to ensure orientation changes were honoured by the sample search and estimation orientation regimes.Estimation parameter selection was guided by the results of mining reconciliation. No assumptions were made regarding recovery of by-products. A full suite of Iron Ore elements were estimated. There is no potentially acid forming material within the Mineral Resource model. Block sizes used are 25mE, 10mN and 2.5m RL. The bulk of the drilling data was on nominal 30m spaced sections. No local estimation or SMU correction has been undertaken. Correlations between elements were considered and while co-kriging was not implemented, using similar estimation parameters for correlated elements allows some reproduction of correlations. All estimation was completed within mineralisation units using “hard” boundaries. In general, most element distributions did not have extreme outliers therefore minimal top-cutting was used. Where top-cutting occurred this was done prior to sample compositing. Validation was completed by checking the global averages of composites versus model from each domain, by creating trend plots of composites versus model from each domain and by visual validation of grade trends in the model to ensure they honoured the input data.
Estimation and modelling techniques	Using parameters derived from modelled variograms, Ordinary Kriging (OK) was used to estimate average block grades in three passes using Surpac software. Linear grade estimation was deemed suitable for the Extension Hill Mineral Resource due to the geological control on mineralisation. Maximum extrapolation of wireframes from drilling was 15m across strike. This was half drill hole spacing in this region of the deposit. Maximum extrapolation was generally half drill hole spacing. No recovery of by-products is anticipated. A total of 12 elements were estimated for the mineralisation domains (Fe, SiO2, Al2O3, P, S, LOI, Mn, TiO2, CaO, MgO, K2O and Na2O) and a total of 6 elements for BIF and magnetite waste domains (Fe, SiO2, Al2O3, P, S, LOI). In addition, Magnasat was estimated into the HEM, MAG and BIF lithology types. The parent block dimensions used were 12m NS by 8m EW by 2.5m vertical with sub-cells of 3.0m by 2.0m by 0.625m. The parent NS block size was selected on the basis of 50% of the average drill hole spacing of the deposit, while dimensions in other directions were selected to provide sufficient resolution to the block model in the across-strike and down-dip direction. An orientated ‘ellipsoid’ search was used to select data and adjusted to account for the variations in lode orientations, however all other parameters were taken from the variography derived from wireframe lodes 1, 2, 8 and 13. Three passes were used for each domain. First pass had a range of, with a minimum of 8 to 20 samples. For the second pass, the range was extended to 60, with a minimum of 4 to 20 samples. For the final pass, the range was extended to 120m, with a minimum of 2 to 10 samples. A maximum of 30 samples was used for all 3 passes, with a maximum of 8 samples per hole. No local estimation or SMU correction has been undertaken. Correlations between elements were considered and while co-kriging was not implemented, using similar estimation parameters for correlated elements allows some reproduction of correlations. The strong negative correlation between Fe and SiO2 was preserved in the block model. The deposit mineralisation was constrained by wireframes constructed using a 50% Fe cut-off grade. The wireframes were applied as hard boundaries in the estimate. In general, most element distributions did not have extreme outliers therefore no top-cutting was used. Validation was completed by checking the global averages of composites versus model from each domain, by creating trend plots of composites versus model from each domain and by visual validation of grade trends in the model to ensure they honoured the input data.
Moisture	Tonnages and grades were estimated on a dry in situ basis. No moisture values were reviewed.

Criteria	Commentary
Cut-off parameters	The 50%Fe cut-off is determined by the combined grade-tonnage characteristics as the minimum iron grade and/or maximum contaminant grades which will allow production to maintain contract-specified qualities for Lump and Fines products as currently occurring at Extension Hill.
Mining factors or assumptions	The mining factors are assumed to correlate directly to current operation at Extension Hill.
Metallurgical factors or assumptions	The metallurgical factors are assumed to correlate directly to current operation at Extension Hill.
Environmental factors or assumptions	Environmental factors are already considered as part of the current mining operations at Extension Hill.
Bulk density	Surtron Technologies was employed to take down-hole survey readings of drill holes in 2009, whilst ABIM Solutions was employed to take down-hole survey readings of drill holes from 2008 and 2013 to 2014. Down-hole density and calliper measurements were recorded at 10cm intervals. Bulk density was assigned based on average down-hole densities for each individual wireframe lode. Down-hole density measurements account for voids and moisture. After trend analysis of the down-hole density data, 3 lodes had average densities applied based on elevation constraints.
Classification	The basis for the classification of the Mineral Resource has included: a. Quality and reliability of raw data; b. Confidence in the geological interpretation; c. Number, spacing and orientation of intercepts in each mineralised zone; d. Confidence concerning the known limits of mining; e. Knowledge of grade and density continuities gained from observations; and f. Geostatistical analyses. This information was used to guide digitising of strings around defined classification areas in either long section or plan, depending on the orientation of the mineralisation. The strings were then used to flag the classification to the model. The input data is comprehensive in its coverage of the mineralisation and does not favour or misrepresent in-situ mineralisation. The definition of mineralised zones is based on high level geological understanding producing a robust model of mineralised domains. This model has been confirmed by infill drilling which supported the interpretation. Validation of the block model shows good correlation of the input data to the estimated grades. The Mineral Resource estimate appropriately reflects the view of the Competent Person.
Audits or reviews	Internal audits have been completed by RPM which verified the technical inputs, methodology, parameters and results of the estimate. The Mineral Resource estimates are reviewed internally within Mt Gibson on a three levelled assessment structure. Periodic updates are completed when new information and understanding is required to be reflected in the Mineral Resource.
Discussion of relative accuracy/ confidence	The Extension Hill Mineral Resource model is provided as a basis for long term planning and mine design, and is not necessarily sufficient for shorter term planning and scheduling. The block model grade estimates were validated against the drill hole composites to ensure that the model reflects the input data. The Mineral Resource statement relates to global estimates of tonnes and grade.

Section 4 Estimation and Reporting of Ore Reserves

(Criteria listed in section 1, and where relevant in sections 2 and 3, also apply to this section.)

Criteria	Commentary
Mineral Resource estimate for conversion to Ore Reserves	The Mineral Resource for Extension Hill was updated prior to 30 June 2014. The Extension Hill Mineral Resource is compliant with the JORC Code, 2012 Edition and the current version of the ASX Listing Rules. This 2014 Mineral Resource statement was signed by Elizabeth Haren who is a consultant to Mount Gibson and an AusIMM member with sufficient relevant experience to qualify as a Competent Person. The Mineral Resource is inclusive of these Ore Reserves.
Site visits	Numerous site visits have been made by Mr Paul Salmon, Principal Mining Engineer with Mount Gibson Iron. The visits included a review of the current mining operation and established a good understanding of the layout of the mine.
Study status	Extension Hill is an operating mine. Production is currently approximately 3.0 Mtpa. A detailed and practical mine plan was developed following resource optimisation runs using Whittle software to determine an economic block model. Conventional open pit mining is planned using hydraulic excavators and dump trucks. Standard modifying factors used for open pit mining were applied.
Cut-off parameters	A cut-off grade of 50% Fe was used. This cut-off grade reflects current mining practice, blending, and product sales. Material grading 50-55% Fe is stockpiled awaiting future transport and sale. A cut-off grade study was undertaken in 2014. The outcome of this study supports the use of the 50% cut off used in this statement. MGX uses the definition of marginal cut-off grade as follows: “material that would produce a more positive cashflow if processed than when treated as waste in the process of mining towards the defined pit limits. It applies to material that will be mined or stockpiles in the process of gaining access to economic material.”
Mining factors or assumptions	The July 2009 Feasibility Study converted the Mineral Resource at Extension Hill to an Ore Reserve. The Ore Reserve has been updated annually by a LOM plan. The deposit has been mined by conventional open pit mining methods, utilising industry standard practices of drilling, blasting, and load and haul using hydraulic backhoe excavators. Known mining parameters from Main pit combined with assumptions and observations at Acacia east were used in the optimisation and pit design. These factors include slope stability, ore recovery, mining dilution, and minimum mining width. Modelling of mining dilution in three dimensions is by the digital application of a dilution skin around the ore in the Mineral Resource model. Metallurgical parameters are then added to the diluted model. The final diluted mining block model is used directly for pit optimisation and scheduling, without the further application of global factors. Ore Reserves are reported directly from the diluted mining block model, with consideration of grade, topography and pit design. Inferred resources do not form part of the ore reserves. Mine infrastructure is well established following 2.5 years of mining operations. Extension Hill pit has an overall strip ratio of 0.6:1 Waste: Ore.
Metallurgical factors or assumptions	Ore from the Extension Hill deposit is crushed and screened at the existing Extension Hill process plant. Metallurgical characteristics of Extension Hill Pit ore are known from two years of actual production and crushing data.
Environmental	All statutory and regulatory approvals have been received for mining, occupational health and safety, environmental, and native title rights.
Infrastructure	Existing site infrastructure in place includes haul roads, pumping, crusher plant, stockpiles, offices, workshop, warehouse, camp, water supply, power generation, and associated facilities.

Criteria	Commentary
Costs	All costs for mining, processing, transport and shipping were derived from the operating mine. Royalties currently paid to the State Government were included in cost modelling. Penalties currently applying to impurities in product sales to customers were included in cost modelling.
Revenue factors	Ore Reserves were estimated based on FY2015 Budget financial modelling approved by the MGX Board. Financial assumptions used in cost modelling include: • forecast consensus Pilbara FOB benchmark iron ore contract prices • impurity penalties • freight • currency exchange rates Lump yield and product quality are derived from the LOM schedule.
Market assessment	Mt Gibson has sales contracts in place for approximately 75% of LOM production, with the remaining sold on the spot market. Crushed and screened products were sold to these customers in previous years.
Economic	The LOM financial model has demonstrated that Extension Hill pit can generate significant NPV. The NPV is most sensitive to iron ore price and foreign exchange rates.
Social	The Extension Hill mine has operated continuously since December 2010, and enjoys a good relationship with the Traditional Owners and local community.
Other	No other significant risks were identified.
Classification	In pit Measured and Indicated Resources have been converted to Proved and Probable Reserves. The Extension Hill Reserves consist of 95% Proved Reserves and 5% Probable Reserves. Reserves do not include Inferred resources. Mr Paul Salmon is satisfied that the stated Proved and Probable Ore Reserves accurately reflect the outcome of mine planning and the input of economic parameters into optimisation studies.
Audits or reviews	The project parameters and outcomes have been internally reviewed and approved by MGX executive management.
Discussion of relative accuracy/ confidence	All parameters are well defined from the existing mining operation. Reconciliation of the model to actual production figures indicates that the factors used to convert from resource to reserve are robust.

APPENDIX 8 – Tallering Peak, T6 Deposit

Section 1 Sampling Techniques and Data

(Criteria in this section apply to all succeeding sections.)

Criteria	Commentary
Sampling techniques	All of the data used for Mineral Resource estimation is based on the logging and sampling of RC and diamond core drilling. RC samples were collected using a cone splitter or riffle splitter at 1 m intervals. Diamond drill core was predominately half core sampled.
Drilling techniques	There are 1,322 drill holes in the T6 area. Recent RC holes are either 13.3 cm in or 12.4 cm diameter using a face sampling hammer. Diamond drilling has been HQ, HQ3, PQ and PQ3 in diameter.
Drill sample recovery	No relationship between sample recovery and grade has been demonstrated. No bias to material size has been demonstrated
Logging	All drill holes have been geologically logged appropriately to the mineralisation style to support Mineral Resource estimation with logging subsequently confirmed through mining. Logging of drill hole samples was done with sufficient detail to meet the requirements of resource estimation and mining studies.
Sub-sampling techniques and sample preparation	The majority of Samples were prepared onsite by Spectrolab Pty Ltd, with early samples prepared at NATA certified labs in Perth and Geraldton. Assays for typical iron ore suite of elements by XRF and LOI. Samples prepared onsite by Spectrolab Pty Ltd were split with a riffle splitter to approximately 500 g and pulverised to 100µm. A 100 g sub-sample was then scooped from the pulveriser bowl.
Quality of assay data and laboratory tests	The nature, quality and appropriateness of the sample preparation techniques employed by MGX are to industry standard.
Verification of sampling and assaying	No external verification was completed. Drill hole data found to be spurious was excluded from the database. Adjustments to data were made where required after data validation processes.
Location of data points	The grid is based on the Tallering Peak local mine grid. Collar locations are surveyed routinely using a GPS. Downhole surveys were collected for the drill holes completed by MGX using gyro techniques, which is not effected by the magnetism of the BIF host rock. Historic drilling was surveyed downhole using an Eastman camera. Topographic and survey control has been undertaken by either the mine-based survey team, or contract survey companies.
Data spacing and distribution	The data spacing is sufficient to establish the degree of geological and grade continuity necessary to support the resource classifications that were applied.
Orientation of data in relation to geological structure	The location and orientation of the majority of the drilling is appropriate given the strike and morphology of the iron mineralisation.
Sample security	Sample security was not considered a significant risk to the project. No specific measures have been taken by MGX to ensure sample security.
Audits or reviews	No external reviews or audits have been completed. Ongoing reconciliations have not to date indicated an urgent need for external audits of the resource database.

Section 2 Reporting of Exploration Results

(Criteria listed in section 1, and where relevant, in sections 3 and 4, also apply to this section.)

Criteria	Commentary
Mineral tenement and land tenure status	The Tallering Peak T6 Mineral Resource is located on Mining Lease M70/896-I held by Mt Gibson Mining Ltd. Mt Gibson Mining Ltd is a 100% owned subsidiary of Mt Gibson Iron Ltd. The mining tenement is granted under the Western Australian Mining Act, 1978. Mt Gibson Mining has a native title and heritage agreement with the Mullewa Wadjari and Wajarri Yamatji Native title claimant groups.
Exploration done by other parties	Exploration has been conducted in the area of the Tallering Peak T6 resource since 1958. Exploration was first conducted by WA Geological survey in 1958-9, then Western Mining Corporation from 1961 to 1991 and Kingstream resources through several Joint Ventures from 1992 to 2003. Mount Gibson has been actively exploring and mining Tallering Peak since 2003.
Geology	Tallering Peak T6 is a hematite enriched Banded Iron Formation typical of Greenstone Terrains in the Yilgarn. The orebody consist of a high Fe grade hematite unit trending east –west dipping to the North at 60 to 70°. The enriched BIF zone varies between 10 and 40 metres in width.
Drill hole Information	As outlined in Drilling techniques of Section 1, there are over 1,300 drillholes at Tallering Peak T6 which form the basis for the Mineral Resource estimate outlined in Section 3. Material drill results for Tallering Peak have previously been announced to the market as required under the reporting requirements of the ASX Listing Rules. All material exploration results relevant to the Tallering Peak area have been considered in establishing the Mineral Resource discussed in section 3.
Data aggregation methods	Not Applicable - No exploration results or drillhole intercepts are discussed in this ASX announcement.
Relationship between mineralisation widths and intercept lengths	Not Applicable - No exploration results or drillhole intercepts are discussed in this ASX announcement.
Diagrams	No exploration results or drillhole intercepts are discussed in this ASX announcement. Cross Sections, long sections and photos of the geology, mineralisation and mineral resource have been released in previous ASX reports.
Balanced reporting	Not Applicable - No exploration results or drillhole intercepts are discussed in this ASX announcement.
Other substantive exploration data	Not Applicable - No exploration results or drillhole intercepts are discussed in this ASX announcement.
Further work	Not Applicable - No exploration results or drillhole intercepts are discussed in this ASX announcement.

Section 3 Estimation and Reporting of Mineral Resources

(Criteria listed in section 1, and where relevant in sections 2 and 4, also apply to this section.)

Criteria	Commentary
Database integrity	Data extracted from the database for Mineral Resource estimation purposes is run through general checks to ensure data is valid. The database is maintained by Mt Gibson with automated extraction processes in place. Checks on data include sensible ranges of values for attributes, drill hole collars matching topography and with expected limits, overlapping sample intervals, depths, azimuths, dips and co-ordinates for consistency. Any inconsistent information is either modified or excluded from use in estimation.

Criteria	Commentary
Site visits	The Competent Person for Mineral Resources has made several visits to Tallering Peak.
Geological interpretation	There are no alternative interpretations possible as the mining of this deposit is almost complete and ore body knowledge is very good and reflected in the Mineral Resource.
Dimensions	The Main Range mineralisation, including T6, covers an area of approximately 2,000m by 750m and is modelled to approximately 300 m in depth.
Estimation and modelling techniques	Ordinary Kriging of a suite of Iron Ore elements (Fe, SiO_2, Al_2O_3, LOI, P, S, CaO, MnO, MgO, Na_2O, TiO) was completed using CAE Studio software. Minor domains of limited extent and information were estimated using Inverse Distance. Waste material was estimated where enough quality data was present however the majority of waste material is assigned default grades. While the mineralisation tends to be planar in most cases, care was taken to ensure orientation changes were honoured by the sample search and estimation orientation regimes.Estimation parameter selection was guided by the results of mining reconciliation. No assumptions were made regarding recovery of by-products. A full suite of Iron Ore elements were estimated. Potentially acid forming material was flagged within the Mineral Resource model. Block sizes used are 12.5mE, 10mN and 5m RL. The bulk of the drilling data was on a 50mE by 50mN spacing. No local estimation or SMU correction has been undertaken. Correlations between elements were considered and while co-kriging was not implemented, using similar estimation parameters for correlated elements allows some reproduction of correlations. All estimation was completed within mineralisation units using “hard” boundaries. In general, most element distributions did not have extreme outliers therefore minimal top-cutting was used. Where top-cutting occurred this was done prior to sample compositing. Validation was completed by checking the global averages of composites versus model from each domain, by creating trend plots of composites versus model from each domain and by visual validation of grade trends in the model to ensure they honoured the input data.
Moisture	All tonnages have been estimated as dry tonnages.
Cut-off parameters	The 50%Fe cut-off is determined by the combined grade-tonnage characteristics as the minimum iron grade and/or maximum contaminant grades which will allow production to maintain contract-specified qualities for Lump and Fines products as currently occurring at Tallering Peak.
Mining factors or assumptions	The mining factors are assumed to correlate directly to current operation at Tallering Peak.
Metallurgical factors or assumptions	The metallurgical factors are assumed to correlate directly to current operation at Tallering Peak.
Environmental factors or assumptions	Environmental factors are already considered as part of the current mining operations at Tallering Peak.

Criteria	Commentary
Bulk density	Data from downhole geophysical logging was collected. Measurements from drill core validate the downhole geophysical density logging. Regression formulas have been used to assign densities with respect to Fe estimates.
Classification	The basis for the classification of the Mineral Resource has included: a. Quality and reliability of raw data; b. Confidence in the geological interpretation; c. Number, spacing and orientation of intercepts in each mineralised zone; d. Confidence concerning the known limits of mining; e. Knowledge of grade and density continuities gained from observations and; f. Geostatistical analyses. This information was used to guide the selection of kriging variance values to define Measured, Indicated and Inferred material.
Audits or reviews	The Mineral Resource estimates are reviewed internally within Mt Gibson on a three levelled assessment structure. Periodic updates are completed when new information and understanding is required to be reflected in the Mineral Resource.
Discussion of relative accuracy/ confidence	The block model grade estimates were validated against the drill hole composites to ensure that the model reflects the input data.

APPENDIX 9 – Tallering Peak, T1 Deposit

Section 1 Sampling Techniques and Data

(Criteria in this section apply to all succeeding sections.)

Criteria	Commentary
Sampling techniques	All of the data used for the Mineral Resource estimation is based on the logging and sampling of RC and diamond core drilling. RC samples were collected using a cone splitter at 1 m intervals. Diamond drill core was predominately half core sampled.
Drilling techniques	There are 124 drill holes in the T1 area. Recent RC holes are either 13.3 cm in or 12.4 cm diameter using a face sampling hammer. Diamond drilling has been HQ, HQ3, PQ and PQ3 in diameter.
Drill sample recovery	Sample weights from RC drilling in 2012 indicate an average recovery of 65-70%. No sample recovery information is available for the diamond drill core.
Logging	Drilling at depth confirms the geological continuity of the mapped outcrops of banded iron formation and iron mineralisation. Logging of drill hole samples was done with sufficient detail to meet the requirements of resource estimation and mining studies.
Sub-sampling techniques and sample preparation	Samples were prepared onsite by Spectrolab Pty Ltd. Samples were split with a riffle splitter to approximately 500 g and pulverised to 100 µm. A 100 g sub-sample was then scooped from the pulveriser bowl.
Quality of assay data and laboratory tests	Assays for typical iron ore suite of elements by XRF and LOI. Limited QAQC conducted at onsite Spectrolab laboratory.
Verification of sampling and assaying	Snowden's analysis of the QAQC data for the T1 deposit did not identify any significant issues with the assay data which could be material to the resource estimate. Snowden has not conducted any independent verification of the assay data.
Location of data points	The grid is based on the Tallering Peak local mine grid. Collar locations are surveyed routinely using a GPS. Downhole surveys were collected for the drill holes completed by MGX using gyro techniques, which is not effected by the magnetism of the BIF host rock. Historic drilling was surveyed downhole using an Eastman camera.
Data spacing and distribution	The drilling grid at T1 is somewhat irregular due to the steep terrain. In the central portion of the deposit, the drilling is based on a nominal section spacing of 20 m, with holes spaced at approximately 25 m intervals on each section line. This section spacing is sufficient to establish the degree of geological and grade continuity necessary to support the resource classifications that were applied.
Orientation of data in relation to geological structure	The location and orientation of the majority of the T1 drilling is appropriate given the strike and morphology of the iron mineralisation. Some holes are drilled sub-parallel to the mineralisation due to the steep terrain.
Sample security	No specific measures have been taken by MGX to ensure sample security.
Audits or reviews	Snowden is not aware of any audits or reviews for the T1 deposit. Snowden reviewed the data quality when completing Mineral Resource estimation in 2013. No issues were identified.

Section 2 Reporting of Exploration Results

(Criteria listed in section 1, and where relevant, in sections 3 and 4, also apply to this section.)

Criteria	Commentary
Mineral tenement and land tenure status	The Tallering Peak T1 Mineral Resource is located on Mining Lease M70/896-I held by Mt Gibson Mining Ltd. Mt Gibson Mining Ltd is a 100% owned subsidiary of Mt Gibson Iron Ltd. The mining tenement is granted under the Western Australian Mining Act, 1978. Mt Gibson Mining has a native title and heritage agreement with the Mullewa Wadjari and Wajarri Yamatji Native title claimant groups.
Exploration done by other parties	Exploration has been conducted in the area of the Tallering Peak T1 resource since 1958. Exploration was first conducted by WA Geological survey in 1958-9, then Western Mining Corporation from 1961 to 1991 and Kingstream resources through several Joint Ventures from 1992 to 2003. Mount Gibson Mining has been actively exploring and mining Tallering Peak since 2003, with exploration conducted on T1 since 2012.
Geology	Tallering Peak T1 is a hematite enriched Banded Iron Formation typical of Greenstone Terrains in the Yilgarn. The ore body consist of a high Fe grade hematite unit trending east –west dipping to the North at 60 to 70o. The enriched BIF zone varies between 7 and 20 metres in width.
Drill hole Information	As outlined in Drilling techniques of Section 1, there are 124 drillholes at Tallering Peak T1, which form the basis for the Mineral Resource estimate outlined in Section 3. Material drill results for Tallering Peak have previously been announced to the market as required under the reporting requirements of the ASX Listing Rules. All material exploration results relevant to the Tallering Peak area have been considered in establishing the Mineral Resource discussed in section 3. Going forward any new exploration results that result in a material change to existing Mineral Resource in section 3 will be updated under the normal transitioning to JORC 2012.
Data aggregation methods	Not Applicable - No exploration results or drillhole intercepts are discussed in this ASX announcement.
Relationship between mineralisation widths and intercept lengths	Not Applicable - No exploration results or drillhole intercepts are discussed in this ASX announcement.
Diagrams	No exploration results or drillhole intercepts are discussed in this ASX announcement. Cross Sections, long sections and photos of the geology, mineralisation and mineral resource have been released in previous ASX reports.
Balanced reporting	Not Applicable - No exploration results or drillhole intercepts are discussed in this ASX announcement.
Other substantive exploration data	Not Applicable - No exploration results or drillhole intercepts are discussed in this ASX announcement.
Further work	Not Applicable - No exploration results or drillhole intercepts are discussed in this ASX announcement.

Section 3 Estimation and Reporting of Mineral Resources

(Criteria listed in section 1, and where relevant in sections 2 and 4, also apply to this section.)

Criteria	Commentary
Database integrity	Snowden undertook a basic check of the data provided by MGX for potential errors as a preliminary step to compiling the resource estimate. No significant flaws were identified. Negative grades are recorded for some samples. These were replaced by a positive trace value prior to estimation. "GVT" and "TS" series holes were excluded from the grade estimation.
Site visits	John Graindorge (Principal Consultant, Snowden) visited the T1 site on 28th November 2012, viewing the outcropping BIF and iron mineralisation, and the drill sites. Elizabeth Haren visited the T1 site on 5th June 2013 and reviewed the collar locations, diamond drill core and outcropping geology.
Geological interpretation	The Fe mineralisation has been interpreted based on a mixture of Fe threshold grades and the geological and geophysical logging. Alternative interpretations of the mineralisation are unlikely to significantly change the overall volume of the Fe mineralised envelopes in terms of the reported classified resources at a 55% Fe cut-off. Outcrops of the iron mineralisation and various lithologies, confirms the validity of the geological interpretation based on the drilling.
Dimensions	The T1 deposit is hosted within an east-west (local grid) trending BIF. The mineralisation parallels the stratigraphy, trends roughly east-west and dips steeply to the north, with a total strike length of about 400 m.
Estimation and modelling techniques	Estimation of Fe, SiO_2, Al_2O_3, LOI, P, S, CaO, MnO, MgO, Na_2O & TiO using ordinary block kriging for all bedded units, including mineralisation, with hard domain boundaries. Inverse distance weighting (power=2) for dolerite and canga units. Top-cuts were applied for each domain to reduce influence of relatively high grades. Block model constructed using a parent cell size of 20 m by 10 m by 5 m in the X, Y and Z directions respectively. No previous resource estimates have been completed for T1. Block estimates were validated against the input composite data both globally and locally.
Moisture	All tonnages have been estimated as dry tonnages.
Cut-off parameters	Mineral Resource was originally reported above a 55% Fe cut-off grade by Snowden. The cut-off grade was provided by MGX and is based on the assumption that the T1 deposit will be mined by open pit mining methods and that costs will be similar to the currently operating Tallering Peak main pit. Results of a spread of Cut-off grades from 50 to 57% Fe were shown in the estimate. A review of the specification grade of saleable products from Tallering Peak has seen an alteration of the cut-off grade used to 50% Fe.
Mining factors or assumptions	It is assumed the deposit will be mined using open cut methods.
Metallurgical factors or assumptions	It is assumed that the hematite ore will be direct shipping with minimal processing required (crushing and screening only).
Environmental factors or assumptions	No environmental assumptions have been made. Environmental factors are already considered as part of the current mining operations at Tallering Peak.

Criteria	Commentary
Bulk density	The bulk density was estimated into the model blocks using ordinary kriging based on downhole geophysical logging. Measurements from drill core validate the downhole geophysical density logging. The average bulk density value (4.5 t/m3), whilst high, is similar to the nearby T2, T3, T4 and T6 deposits.
Classification	Only hematite mineralisation has been considered as part of the Mineral Resource.
	The resources have been classified based on the continuity of both the geology and the Fe grades, along with the drill hole spacing and data quality. The resource has been classified as a combination of Indicated and Inferred.
Audits or reviews	The Mineral Resource estimates are reviewed internally within Mt Gibson on a three levelled assessment structure. Periodic updates are completed when new information and understanding is required to be reflected in the Mineral Resource. No external reviews or audits have been completed.
Discussion of relative accuracy/ confidence	The block model grade estimates were validated against the drill hole composites to ensure that the model reflects the input data.

APPENDIX 10 – Shine Project

Section 1 Sampling Techniques and Data

(Criteria in this section apply to all succeeding sections.)

Criteria	Commentary
Sampling techniques	The bulk of the data used for the Mineral Resource estimation is based on the logging and sampling of RC drilling. RC samples (wet and dry) were collected at 1 m intervals using a cone splitter. Within the hematite mineralisation, 33% of the samples are recorded as either wet or damp. Diamond drill core was generally quarter-core or half-core sampled (cut with a diamond saw) using the same nominal sample interval.
Drilling techniques	The majority of drilling was completed using angled RC holes (87 % of drilling) with a 140 mm face sampling hammer. The remaining holes (13% or drilling) were completed using diamond drilling of HQ and PQ diameter.
Drill sample recovery	Sample recovery information for the RC drilling is indicative only but suggests that the majority of samples have achieved a moderate to high sample recovery. It is not possible to comment on the relationship between grade and recovery due to the subjective nature of the recovery information.
Logging	Drilling at depth confirms the geological continuity of the mapped outcrop of banded iron formation and iron mineralisation. Qualitative logging of all drillholes in their entirety. Logging of drillhole samples was done with sufficient detail to meet the requirements of resource estimation and mining studies.
Sub-sampling techniques and sample preparation	RC drill samples (33% of mineralised samples recorded as damp or wet) were collected using a cone splitter. Diamond core was generally half-core or quarter-core sampled. Drilling was sampled using a 1m sampling interval. Three analytical laboratories have been used for the sample preparation and XRF analysis – Amdel Ltd in Perth and Adelaide, along with Ultra Trace Pty Ltd in Perth. Sample preparation comprises oven drying and crushing to approximately 3 mm, followed by pulverising to 90% passing 105µm. The sample sizes are considered to be appropriate to correctly represent the mineralisation based on the style of mineralisation (massive hematite), the thickness and consistency of intersections and the drilling methodology.
Quality of assay data and laboratory tests	Samples assayed for typical iron ore suite of elements and compounds by XRF. Loss on ignition (LOI) by thermogravimetric analyser at 1,000°C. In-house standards and field duplicates inserted into the sample batches (nominal rate of 1:50 for standards and 1:25 for field duplicates) to monitor sampling and assaying quality. Snowden's analysis of the QAQC data for the Shine deposit did not identify any significant issues with the assay data which could be material to the resource estimate.
Verification of sampling and assaying	Snowden has not conducted any independent verification of the assay data. All data was collected electronically and stored in a SQL database with appropriate validation procedures. No adjustments or calibrations were made to any assay data used in the estimate, apart from resetting below detection limit values to half positive detection. No twinned diamond core holes have been completed to validate the RC drilling results.
Location of data points	The grid is based on the MGA 94 Zone 50 grid datum. Collar locations are surveyed routinely by a contract surveyor using RTK GPS.

Criteria	Commentary
	Downhole surveys were collected for the majority of drillholes using gyro techniques, which is not effected by the magnetism of the BIF host rock, at 5 m or 10 m intervals. Topography wireframe based on 2 m contours.
Data spacing and distribution	The drilling was completed along a set of east-west trending sections. The section spacing is approximately 50 m apart with drillholes spaced 25 m apart on section. This section spacing is sufficient to establish the degree of geological and grade continuity necessary to support the resource classifications that were applied. The drilling was composited downhole using a 1 m interval.
Orientation of data in relation to geological structure	Holes are predominately drilled at an inclination of 60° towards the west. Some holes drilled towards the east at similar inclination. The location and orientation of the Shine drilling is appropriate given the strike and morphology of the iron mineralisation.
Sample security	No specific measures have been taken to ensure sample security. Once received at the laboratory, samples were compared by the laboratory to the sample dispatch documents. Snowden does not believe that sample security poses a material risk to the integrity of the assay data used in the Mineral Resource estimate.
Audits or reviews	Snowden is not aware of any audits or reviews for the Shine deposit.

Section 2 Reporting of Exploration Results

(Criteria listed in section 1, and where relevant, in sections 3 and 4, also apply to this section.)

Criteria	Commentary
Mineral tenement and land tenure status	Gindalbie was the vendor of the project to Mount Gibson. The Shine Project area is defined by an area previously agreed between the tenement holder "Minjar Gold" and the vendors Gindalbie who have iron mineral rights over the tenure. The Shine Project Area is over parts of 3 mining leases M59/406, M59/421 and M59/731.
Exploration done by other parties	Exploration for Iron at the Shine Project Area has only been conducted by Gindalbie.
Geology	The Shine deposit is located along a north-northwest trending, sub-vertical banded iron formation (BIF), which is part of the Windanning Formation. The BIF forms a prominent ridge which is approximately 50m to 90m wide in the Shine area. A sequence of mafic, ultramafic and pelitic sediments bounds the BIF to the east, while a talc-rich ultramafic schist occurs to the west of the BIF.
Drill hole Information	The majority of the drilling has been Reverse Circulation, with some diamond holes drilled for metallurgical and geotechnical assessment. Specific drillhole information is not considered material as Mineral resource has been previously reported in August 2012, and there has been no additional drilling since late 2012.
Data aggregation methods	One metre composited samples have been used in the Mineral Resource Estimate.
Relationship between mineralisation widths and	As the mineralisation is near vertical drilling at 60o or greater does give some intercept lengths up to 1.5 times the width of mineralisation. See Figures 3 to 5 in the ASX Announcement "Acquisition of Shine Hematite Project Completed", dated 7 March 2014 for diagrammatical examples.

Criteria	Commentary
intercept lengths	
Diagrams	Figures 2 to 5 in the ASX Announcement "Acquisition of Shine Hematite Project Completed", dated 7 March 2014 show site layout and cross sections of the deposit.
Balanced reporting	Not applicable as a Mineral resource has been estimated.
Other substantive exploration data	There is no other substantive work or data.
Further work	A future drill program to increase confidence throughout the Mineral Resource is planned. This will include RC drilling, particularly in the inferred areas, and diamond drilling for metallurgical test work.

Section 3 Estimation and Reporting of Mineral Resources

(Criteria listed in section 1, and where relevant in sections 2 and 4, also apply to this section.)

Criteria	Commentary
Database integrity	All data collected electronically and stored in a SQL database with appropriate data validation procedures. The database was managed by Gindalbie. Snowden undertook a basic check of the data for potential errors as a preliminary step to compiling the resource estimate. No significant flaws were identified.
Site visits	John Graindorge (Principal Consultant, Snowden) visited the Shine site in February 2012, reviewing the drilling and sampling, along with the general site geology, including outcropping BIF and iron mineralisation.
Geological interpretation	The iron mineralisation has been interpreted based on a mixture of Fe threshold grades and the geological and geophysical logging. Iron mineralisation occurs as hematite-goethite in the upper portions of the BIF, with magnetite occurring at depth below the base of oxidation which is approximately 100 m below surface. The boundary between the hematite and magnetite is interpreted to occur over a relatively narrow zone (a few meters) and as such no transitional zone was modelled. An east-west striking, shallow dipping, narrow dolerite dyke is interpreted which stopes out the mineralisation. The northern and southern areas of the BIF and associated iron mineralisation are covered by a siliceous capping (a product of near-surface weathering processes), which thickens to the north and south (i.e. this zone is thinnest in the central parts of the deposit). Outcrops of the iron mineralisation and various lithologies, confirms the validity of the geological interpretation based on the drilling. Alternative interpretations of the mineralisation are unlikely to significantly change the overall volume of the Fe mineralised envelopes in terms of the reported classified resources at a 55% Fe cut-off.
Dimensions	The Shine deposit is hosted within a north-south trending BIF. The mineralisation parallels the stratigraphy, trends roughly north-south and is sub-vertical, with a total strike length of about 1.7 km. The mineralisation occurs in two sub-parallel zones which are up to 30 m wide in places and extend up to 200 m below surface.
Estimation and modelling techniques	Estimation of Fe, SiO_2, Al_2O_3, P, LOI, CaO, K_2O, MgO, MnO, S and TiO_2 using ordinary block kriging for all domains with hard domain boundaries and top-cuts where required to control the impact of outlier grades. Block model constructed using a parent cell size of 10 mE by 25 mN by 10 mRL. The search ellipse orientation and radius was based on the results of the grade continuity analysis, with the same search neighbourhood parameters used for all elements to maintain the metal balance and correlations between elements. An initial search of 200 m along strike by 40 m down dip by 20 m thick was used, with a minimum of 10 and maximum of 40 samples.

Criteria	Commentary
	Hematite and magnetite mineralisation was modelled, along with the host rock domains. Due to insufficient samples, the narrow dolerite domain was assigned default grades for all elements based on the available sample data. Block estimates were validated against the input composite data both globally and locally. Snowden previously estimated the Shine resource in November 2011.
Moisture	All tonnages have been estimated as dry tonnages.
Cut-off parameters	The iron mineralisation within the hematite was reported above a 55% Fe cut-off grade. The cut-off grade was provided by MGX and is based on the assumption that the Shine deposit will be mined by open pit mining methods and that costs will be similar to existing mines operated by MGX (e.g. Extension Hill and Tallering Peak). Snowden believes that the cut-off grade is reasonable for the hematite mineralisation. The iron mineralisation within the magnetite was reported above a 0% Fe cut-off grade as it is assumed that this material will require some form of beneficiation to upgrade the material to a saleable product.
Mining factors or assumptions	It is assumed the deposit will be mined using open cut methods.
Metallurgical factors or assumptions	It is assumed that the hematite mineralisation will be direct shipping with minimal processing required (crushing and screening only) to produce lump and fines products. Magnetite mineralisation will likely require beneficiation to produce a concentrate.
Environmental factors or assumptions	It is assumed that no environmental factors exist that could prohibit any potential mining development at the Shine deposit.
Bulk density	The bulk density was estimated into the model blocks using ordinary kriging based on downhole geophysical logging. The geophysical measurements were collected at 10 cm intervals downhole and were composited to 1 m prior to estimation. The average bulk density value (2.72 t/m^3) is reasonable for hematite mineralisation. There were no bulk density measurements within the magnetite mineralised domain and therefore the mean bulk density of the hematite mineralisation (2.72 t/m^3) was applied.
Classification	The resources have been classified based on the continuity of both the geology and the Fe grades, along with the drillhole spacing and data quality. The hematite resource has been classified as a combination of Measured, Indicated and Inferred. The hematite mineralisation was classified as a Measured Resource where the drilling density was 50 mN by 25 mE (or less) and the hematite mineralisation shows good geological continuity. The hematite mineralisation was classified as an Indicated Resource where the drilling density was greater than 50 mN by 25 mE but less than 100 mN by 25 mE and the hematite mineralisation shows reasonable geological continuity. The remainder of the hematite mineralisation was classified as an Inferred Resource due to structural complexity and the narrow, discontinuous geometry of the mineralisation. Magnetite mineralisation is classified in its entirety as Inferred due to the low number of samples and early stage of metallurgical testing.
Audits or reviews	The Mineral Resource estimates are reviewed internally within Mt Gibson on a three levelled assessment structure. Periodic updates are completed when new information and understanding is required to be reflected in the Mineral Resource. No external reviews or audits have been completed.

Criteria	Commentary
Discussion of relative accuracy/ confidence	The block model grade estimates were validated against the drillhole composites to ensure that the model reflects the local input data.

Section 4 Estimation and Reporting of Ore Reserves

(Criteria listed in section 1, and where relevant in sections 2 and 3, also apply to this section.)

Criteria	Commentary
Mineral Resource estimate for conversion to Ore Reserves	The Ore Reserve is based on the Mineral Resource Estimate, August 2012, and the JORC 2012 Update completed by Snowden in January 2014. The Mineral Resources are inclusive of Ore Reserves.
Site visits	The Competent Person responsible for the Ore Reserve estimate has not visited the Project site. No site visit was deemed necessary as the site is a 'greenfields' site with no existing mine workings and or site specific mine infrastructure being present.
Study status	As at the date of this Ore Reserve Estimate the requirement for a Pre-Feasibility Study has not been mandated by JORC/ASIC. While a prefeasibility study has not been completed *per se* there is sufficient information and completed studies to determine an economically viable and technically achievable estimate of an Ore Reserve.
Cut-off parameters	Cut-off grades are based on production of saleable Direct Shipping Ore (DSO) product. A cut-off grade of 57%Fe has been applied to deliver a High Grade product with an average grade of >60%Fe. A second cut-off grade of 55%Fe has been applied to enable the production of a Medium Grade product.
Mining factors or assumptions	The Project has been assessed with a view to conventional open pit selective mining employing a mining contractor. Owner operator mining is also applicable to this style of operation. A detailed mine design has been completed based on Whittle 4X optimisation and contract mining budget prices. Typical small scale open pit mining methods are appropriate for the deposit. Geotechnical parameters are based on the Dempers & Seymour "Shine Project – Pit Slope Design, Draft Report, June 2013". This report identifies five geotechnical domains with each domain further subdivided into RL ranges. The report recommends an interamp slope angle, batter height and angle, as well as berm width for each RL range in each domain. The interamp slope angles identified range from 43° to 48°. Batter heights range from 4m to 20m with proposed face angles of 50°, 55°, or 60°. Berm widths are 5m-6m in the upper ranges reducing to 2m for lower batter heights. Major assumptions for pit optimisation are geotechnical parameters, mining and logistics costs as well as price assumptions. A base mining cost has been applied, adjusted for depth as follows: Above 400mRL (average surface level) - $0.03/bench (10m height) Below 400mRL - $0.04/bench Dilution of 2% with 98% recovery has been assumed integral to the block model. A minimum mining width of 20m is used. The optimisation included approximately 13% Inferred material which has been treated as waste for the economic assessment. The Project considers the use of an existing rail haulage facility within 200km road haulage from the mine. The Project is dependent on an existing port facility.

Criteria	Commentary
Metallurgical factors or assumptions	Mount Gibson plans to utilize a process plant with a rated capacity of 1.6Mtpa. Processing will be crushing and screening only typical of DSO Iron Ore. Crushing will occur on-site to produce lump and fines products for transport via rail to port for export. The DSO lump and fines material meet the product specifications required to be marketable.
Environmental	The project has secured key regulatory approvals, including environmental. The process of transferring government approvals into the name of Mount Gibson from Gindalbie is complete.
Infrastructure	The Project will utilise existing infrastructure.
Costs	Capital costs have been provided by Mount Gibson totalling $9 to $11 million. Operating costs are based on mining contractor budget quotations. Indicative average total cash operating costs estimated at approximately $75 per tonne of ore sold, exclusive of State Government royalties. Deleterious elements present in the product are of negligible levels which will not affect the project viability. A single exchange rate of 0.86 is used for the study due to the short life of the project. The exchange rate is based on the CRU forecasts. Transport charges are based on existing costs for similar products in similar locations. No consideration has been made for failure to meet specification as there is no indication that this would occur. There is a WA state government royalty of 7.5%.
Revenue factors	Revenue is based on CRU forecasts and modelled product grades. US exchange rates were based on the CRU forecasts.
Market assessment	The global market for DSO hematite is large relative to the Shine Hematite Ore Reserve with future consumption trends implying ongoing demand. The hematite market is diverse and increasingly transparent. Competitor analysis is not deemed necessary to enable confidence in market assessment. Price forecasts have been completed independently.
Economic	The Project economics are directly related to the mining and logistics and derived from quotations and existing costs. Confidence in the inputs is high. The Project exhibits a significant positive NPV. Sensitivities are the cost of mining, cost of transport and value of the product.
Social	The Project is a fully approved typical mine for the location and no impediments to its operation are known.
Other	The project has been sold in its entirety to Mount Gibson from Gindalbie in February 2014. Marketing and product sale arrangements will be made prior to the commencement of mining.
Classification	Classification is based on geological confidence. The deposit is typical of small hematite deposits with conventional mining appropriate for the Project. No Measured Resources have been classified as Probable.
Audits or reviews	No audits have been undertaken on the Reserve. The Ore Reserve estimates are reviewed internally within Mt Gibson on a three levelled assessment structure.
Discussion of relative accuracy/ confidence	The accuracy of the Ore Reserve is based on regularising the Mineral Resource block model into 10m x 25m x 10m mining blocks. This process maintains the confidence level of the Mineral Resource at a practical mining blocks size. The Project economics are directly related to the mining and logistics and derived from quotations and existing costs. Confidence in the inputs is high.