

Mount Gibson Iron Limited



MGX

**Global Iron Ore & Steel
Forecast Conference
Perth, 29 March 2022**



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Kimberley Region – Koolan Island

- **High Grade (65% Fe*)** hematite Direct Shipping Ore (DSO) operation.
- Elevated phase of overburden stripping now largely complete and the waste:ore stripping ratio is rapidly reducing.
- Imminent increases in high grade production and shipments.
- Ore sales guidance of **1.5-1.7 Mwmt** in the FY22 financial year, heavily weighted to the June 2022 quarter.

Mid-West Region

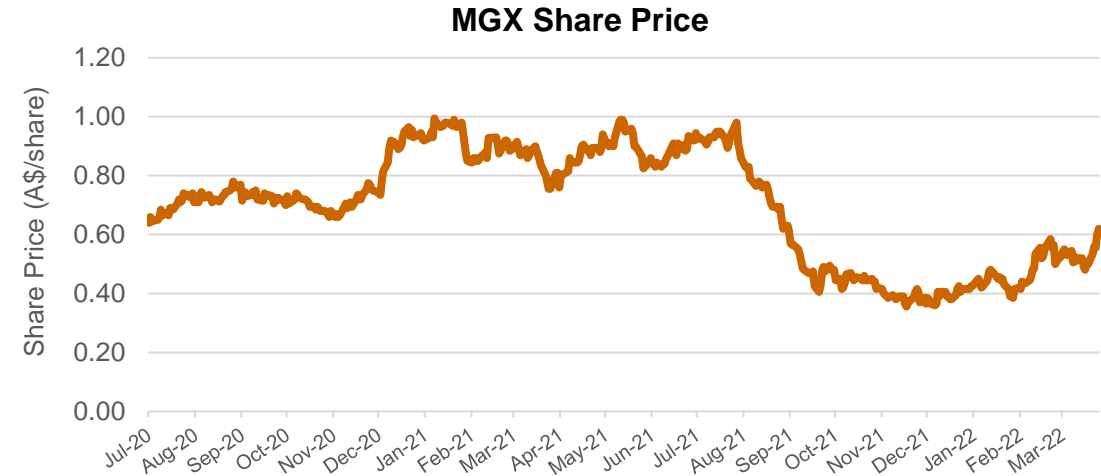
Shine Project, Extension Hill, Geraldton Port

- **Shine Iron Ore Project** on care and maintenance and under active review to assess potential for future restart.
- **Geraldton Port infrastructure** being monetised under commercial agreements with third parties.
- **Mid-West rail refund** accruing at ~\$2 million/quarter, based on third party rail volumes on segments of the Mid-West network. Capped at \$35M (indexed), circa \$24M earned to date.
- Options for Extension Hill site and assets under review.

Corporate Overview

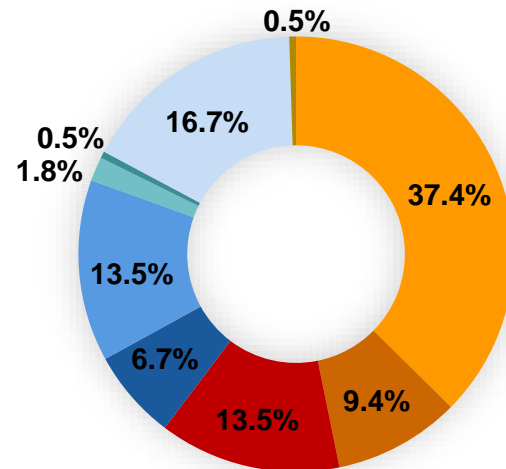


Issued shares	1,211 million shares
Market capitalisation	A\$750 million (\$0.62/share)
Cash/investments	A\$142 million (31 December 2021)
Bank Borrowings	Nil
Dividends	A\$332 million (fully franked) paid since 2011



Shareholder Distribution (% issued shares at 31 December 2021)

- APAC Resources
- Australia/NZ Institutions
- Shougang Fushan
- Australian/NZ Retail
- North America
- UK & Europe
- Directors & Management
- Other
- Asia/Middle East



Board and Management

- Lee Seng Hui – *Non-Executive Chairman*
- Simon Bird – *Lead Independent Non-Executive Director*
- Russell Barwick – *Independent Non-Executive Director*
- Paul Douglas – *Independent Non-Executive Director*
- Alan Jones – *Independent Non-Executive Director*
- Ding Rucai – *Non-Executive Director*
- Peter Kerr - *CEO*
- Mark Mitchell - *COO*
- Gillian Dobson - *CFO*
- David Stokes - *Co. Sec. & General Counsel*

Key Activities for 2022

Significant increase anticipated for Koolan Island high grade iron ore shipments



Increasing High Grade Sales

Koolan sales +1.5 Mwmt for FY22 & rising significantly in FY23

Grades rising to 65% Fe

Completion of Koolan Island overburden stripping program

Waste:ore strip ratio reducing to ~6:1 in June 2022 half-year
Progressive further reductions to average 1.5:1 for following 5 years

Significantly increased cashflow generation

Mine cashflows to rise significantly as sales increase and the waste stripping program winds down

Koolan Island Crusher Upgrade

Commissioning underway - upgraded crusher to provide increased high grade processing capability for remainder of mine life

Mid-West / Shine

Shine iron ore deposit has option value and the potential for a restart is being monitored.

COVID-19

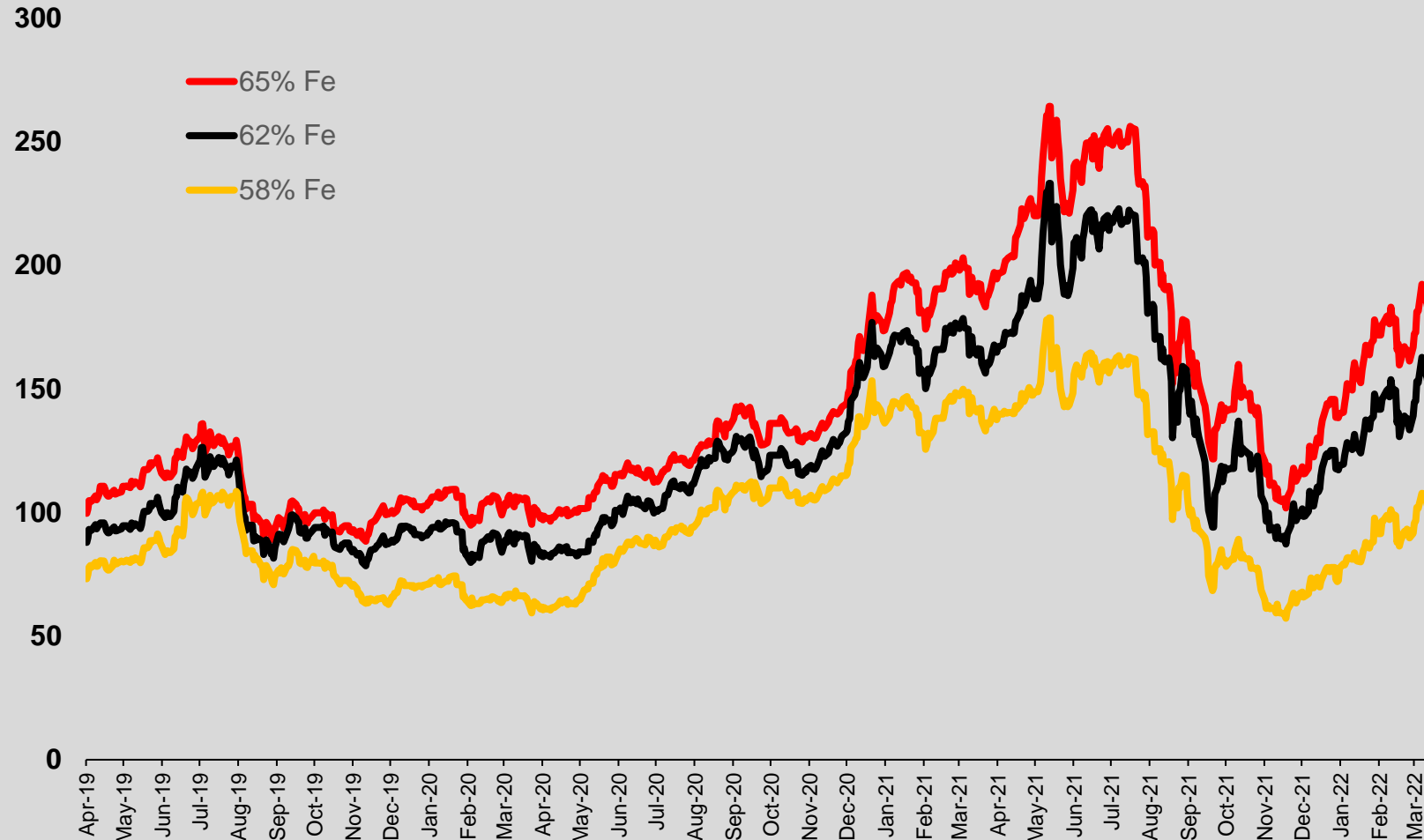
COVID testing and isolation procedures instituted, benefitting from Koolan sealed airstrip transport capability.

Iron Ore Pricing

Iron ore price outlook is robust



Iron Ore Price
(US\$/dmt CFR fines North China)



Source: S&P Platts

Prices fell rapidly in the second half of 2021 due to Chinese Government curbs to hold steel production below 2020's record output of 1.065Bt.

In mid-2021, China's steel output had been on track for 1.1Bt, so major curbs were required in second half to comply.

Reported Chinese steel production in 2021 was only marginally lower at 1.03Bt, still at near-record level.

Chinese steel output is forecast to peak during the current 5-Year Plan Period and "remain high" until 2025*.

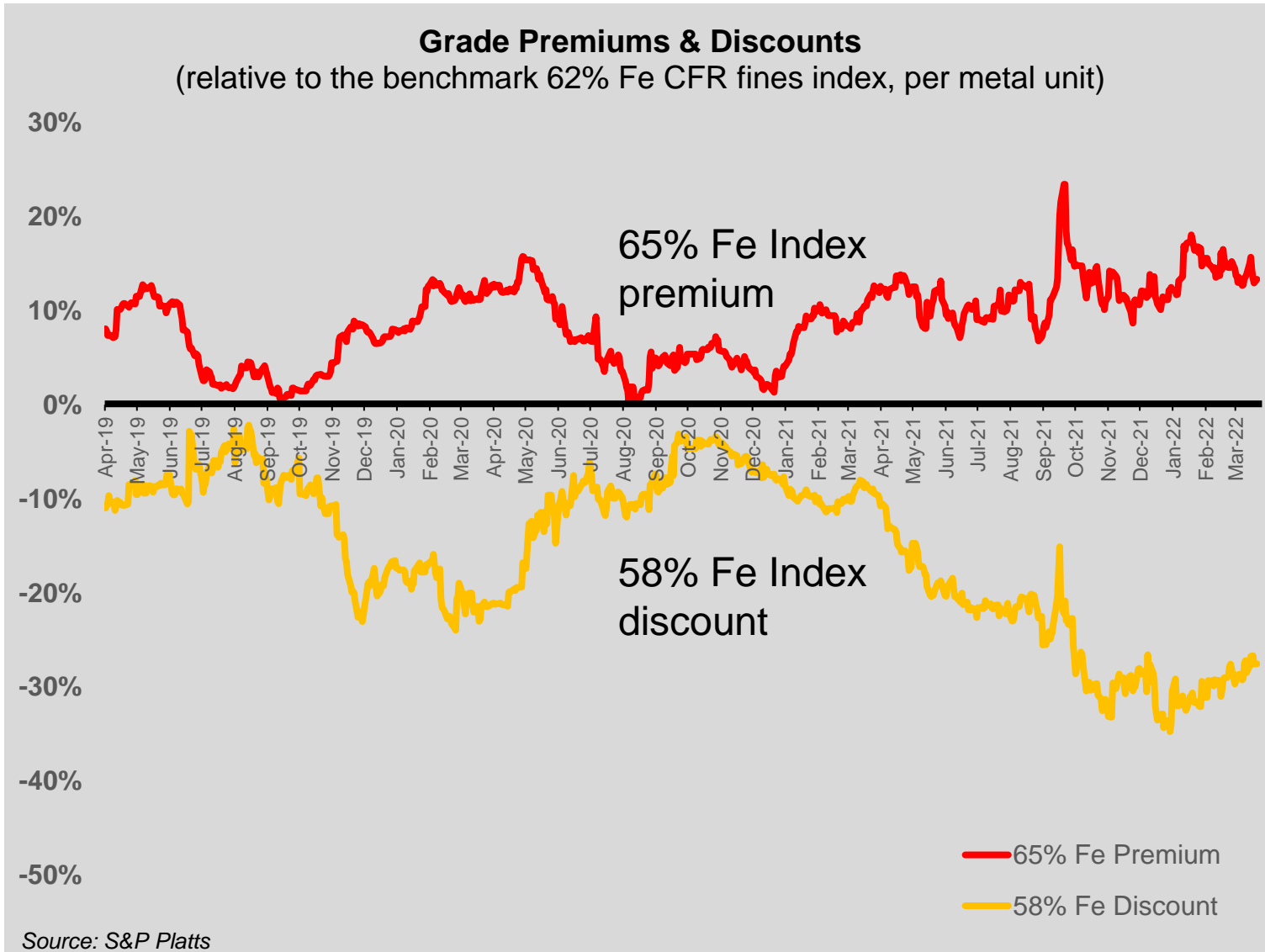
Chinese iron ore imports are also projected to remain above 1Btpa through to 2025*.

Chinese-led demand and global supply constraints continue to support pricing.

*China Metallurgical Industry Planning and Research Institute, March 2022.

Iron Ore Pricing

Quality differential has widened



Grade pricing differentials have widened after compressing in 2020, reflecting Chinese steel makers' profitability and renewed focus on environmental targets.

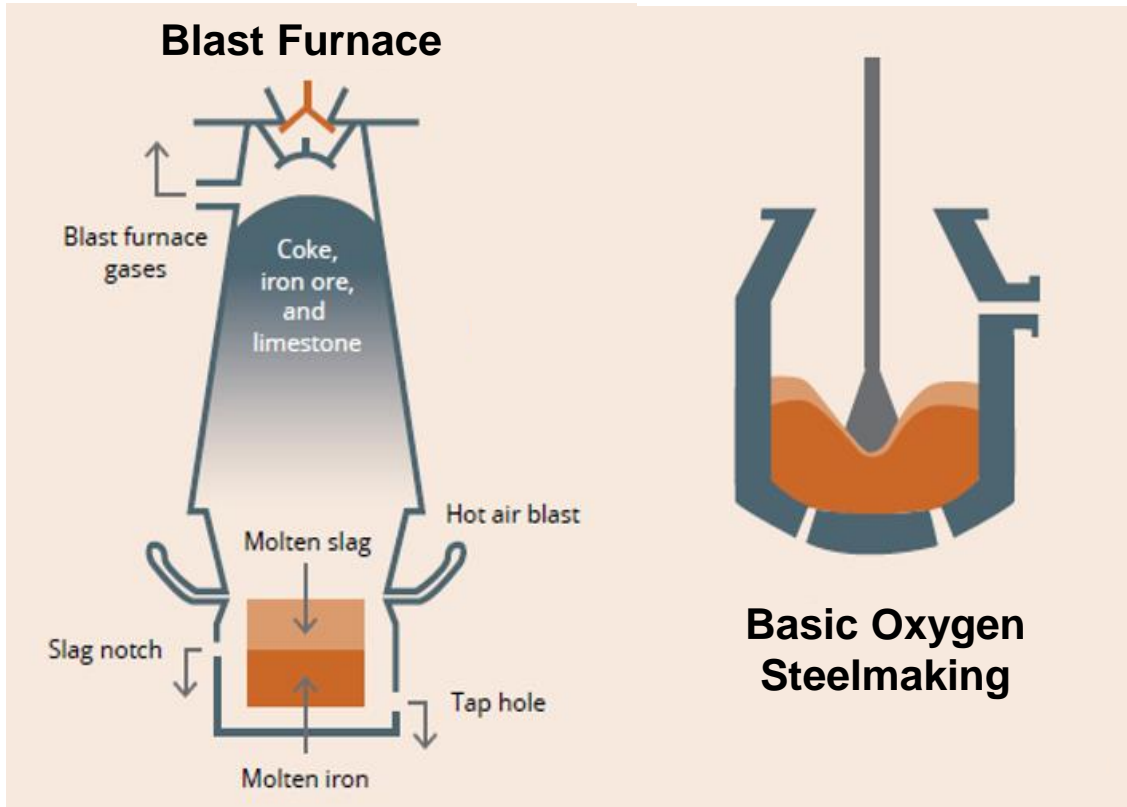
The Chinese Government is requiring steel producers to meet tighter emission targets, whilst supporting domestic growth.

The spread between prices for 58% Fe and 65% Fe ores is currently around US\$70/dmt, with the 65% Fe price carrying a 68% premium to the 58% Fe price.

Mount Gibson's access to high-grade ore has resumed and will progressively increase through 2022 for the following five years.

Iron Ore Quality in Steel Production

Ore quality has a significant impact on steel making unit costs and emissions intensity



Source: Minerals Council of Australia: Best in Class – Australia's Bulk Commodity Giants, 2019

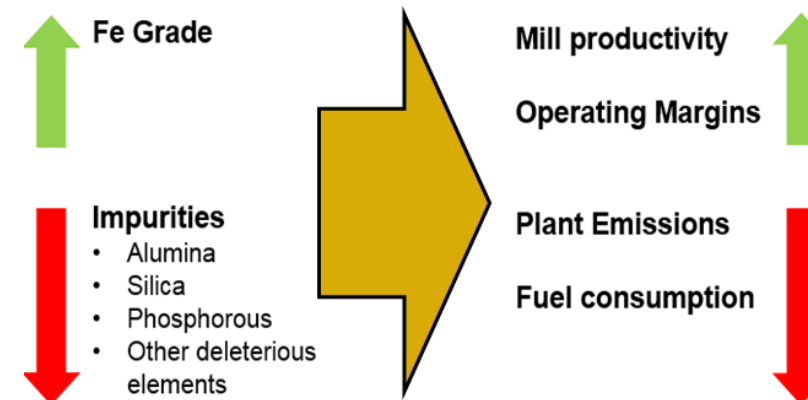
The impurities content of iron ore (predominantly **alumina & silica**) impacts Blast Furnace efficiency and productivity.

High-impurity ores increase fluxing requirements leading to **increased slag volumes and higher coke rates** to melt the slag.

As Blast Furnaces are generally liquid-volume constrained, increases in slag volume cause commensurate **decreases in hot metal production, lowering productivity and increasing cost.**

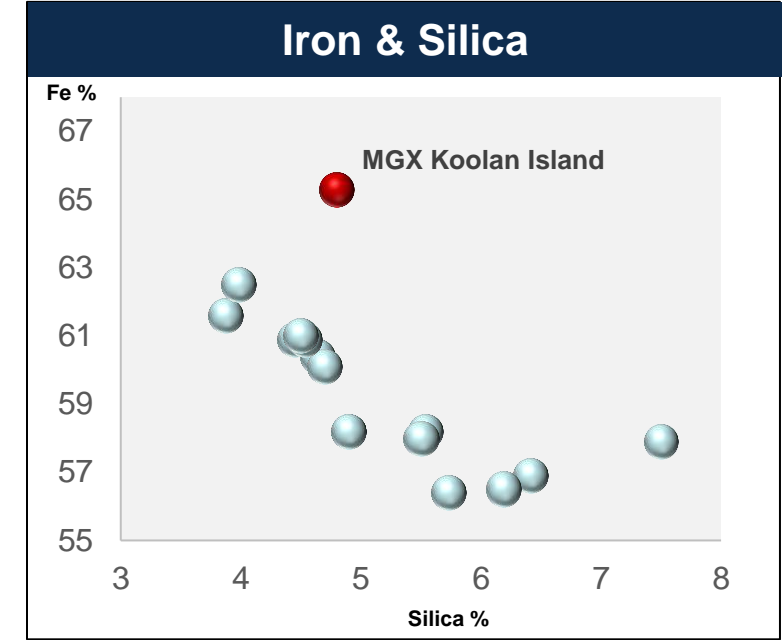
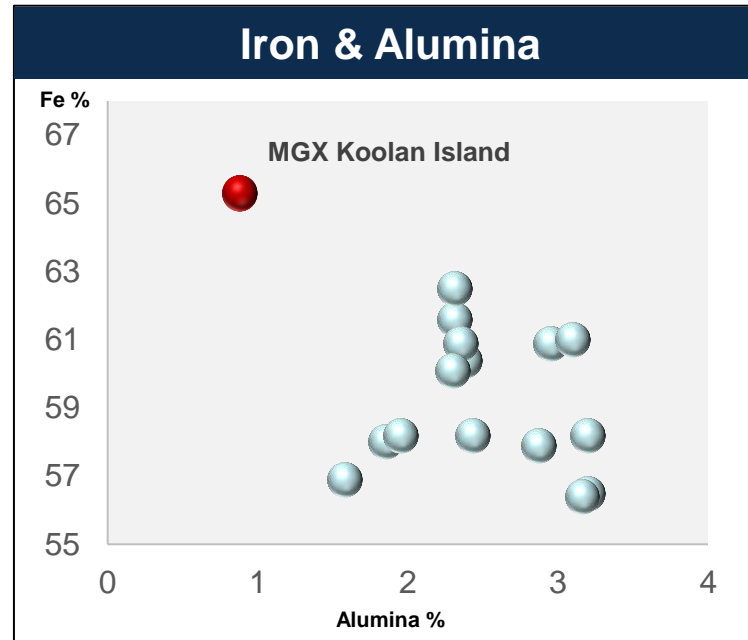
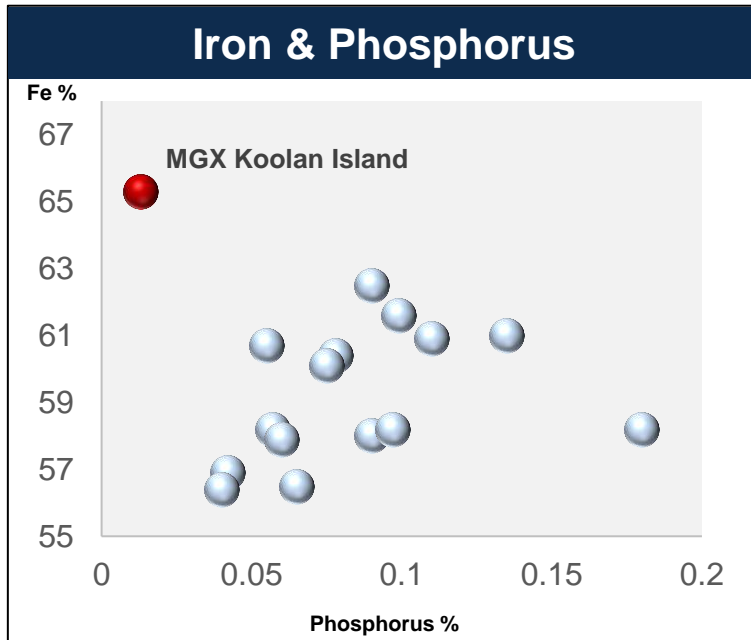
Phosphorus is also a key impurity and reports to hot metal rather than slag, requiring removal in the subsequent Basic Oxygen Steelmaking process.

These factors increase Blast Furnace emission intensity and costs:



Koolan Island

A high grade and low-impurity direct-shipping iron ore product



Comparisons with Western Australian Direct Shipping Fines Iron Ore Products

Koolan Island – Ore Reserves at 30 June 2021					
	Tonnes millions	Fe %	SiO ₂ %	Al ₂ O ₃ %	P %
Ore Reserves, above 50% Fe					
Proved	-	-	-	-	-
Probable	17.5	65.3	4.8	0.88	0.013
Total	17.5	65.3	4.8	0.88	0.013
<i>Discrepancies may appear due to rounding. All tonnages have been estimated as dry tonnages.</i>					

High grade hematite iron ore (Ore Reserve grade of 65.3% Fe).

Low levels of contaminants (particularly alumina and phosphorus).

Sought-after product, sold under life-of-mine offtakes.

Chart sources: Mount Gibson Iron, public/company reports and Metals Market Index. MGX Koolan Island reflects current Ore Reserves. Other ores depicted represent fines products from other WA producers. Refer slide at the end of this presentation for MGX Mineral Resources and Ore Reserves information.

Koolan Island

Overview



Koolan Island

The birthplace of Western Australia's iron ore industry



Photographs courtesy: State Library of Western Australia

Late 1800's – the “Iron Islands” of Yampi Sound were a known a source of ships’ ballast materials.

1907 - first Koolan Island mining leases issued.

1938 – mine development suspended by Australian Commonwealth embargo on iron ore exports.

1952 – Western Australian Government legislates ownership of Koolan Island’s iron ore deposits to BHP.

1963 – visit by HRH Queen Elizabeth II and Prince Philip, Duke of Edinburgh.

1965 - export embargo lifted over Yampi Sound deposits enabling exports to Japan.

1965 to 1993 - BHP produces 68Mt of high grade ores.

2007 - MGX acquires Koolan Island and restarts exports. MGX has exported +30Mt to date.

Koolan Island

Self-contained high grade mining, processing and shiploading operation



Koolan Island is located in Yampi Sound in the Buccaneer Archipelago off the northern Kimberley coast of Western Australia, approximately 140 kilometres north of Derby.



Koolan Island

Fully equipped stand-alone mining, processing, shiploading & transport infrastructure



Wharf & Shiploader



Airstrip



Training areas



Accommodation village



Processing plant & stockpile handling infrastructure

Koolan Island

Main Pit Operations



Main Pit, looking east, February 2022.

Koolan Island

Main Pit operations



High-grade ore mining in eastern end
of Main Pit, March 2022.



Koolan Island

Significant recent developments



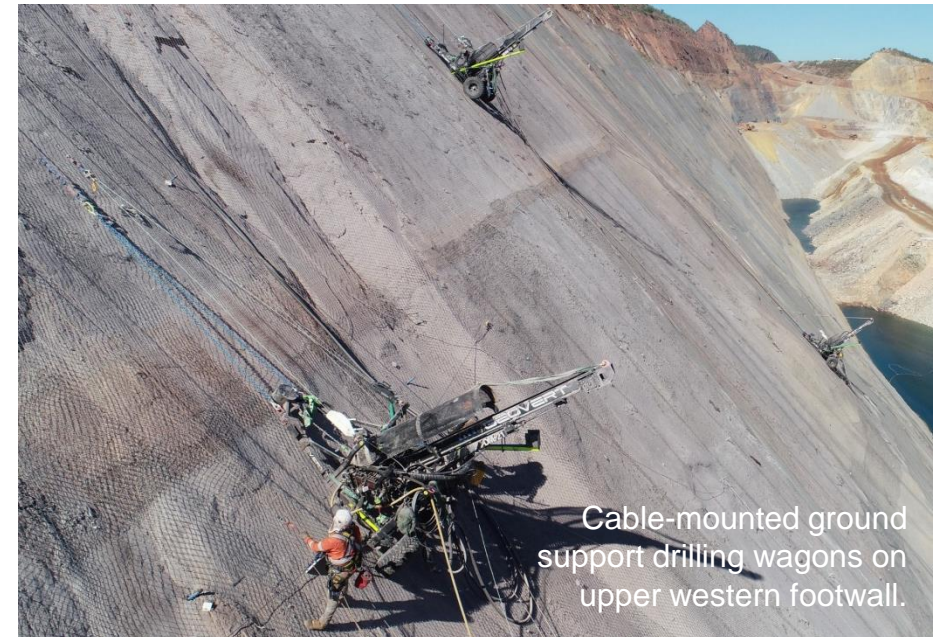
Substantial investments made:

- **Overburden stripping program** – the waste:ore stripping ratio is anticipated to average ~6:1 in the June half year (down from 17:1 in the December half year) and to progressively reduce from mid-2022 to average 1.5:1 over the following five years. The stripping ratio is the key driver of operating costs at Koolan Island.
- **Upper footwall ground support program** – a key safety initiative to further support the surface rock on the upper footwall and enable safe mining access to significant volumes of high grade ore in the western half of the Main Pit.
- **Processing plant upgrade** – construction is complete and commissioning is underway. The upgraded plant is scheduled to enable the efficient processing of increased high grade ore quantities for the remainder of the mine life.

Production is tracking to achieve **substantially higher shipment volumes** in the current half-year, with product grades **already improved to 63% Fe** and rising towards the Ore Reserve grade of 65% Fe at mid-year.



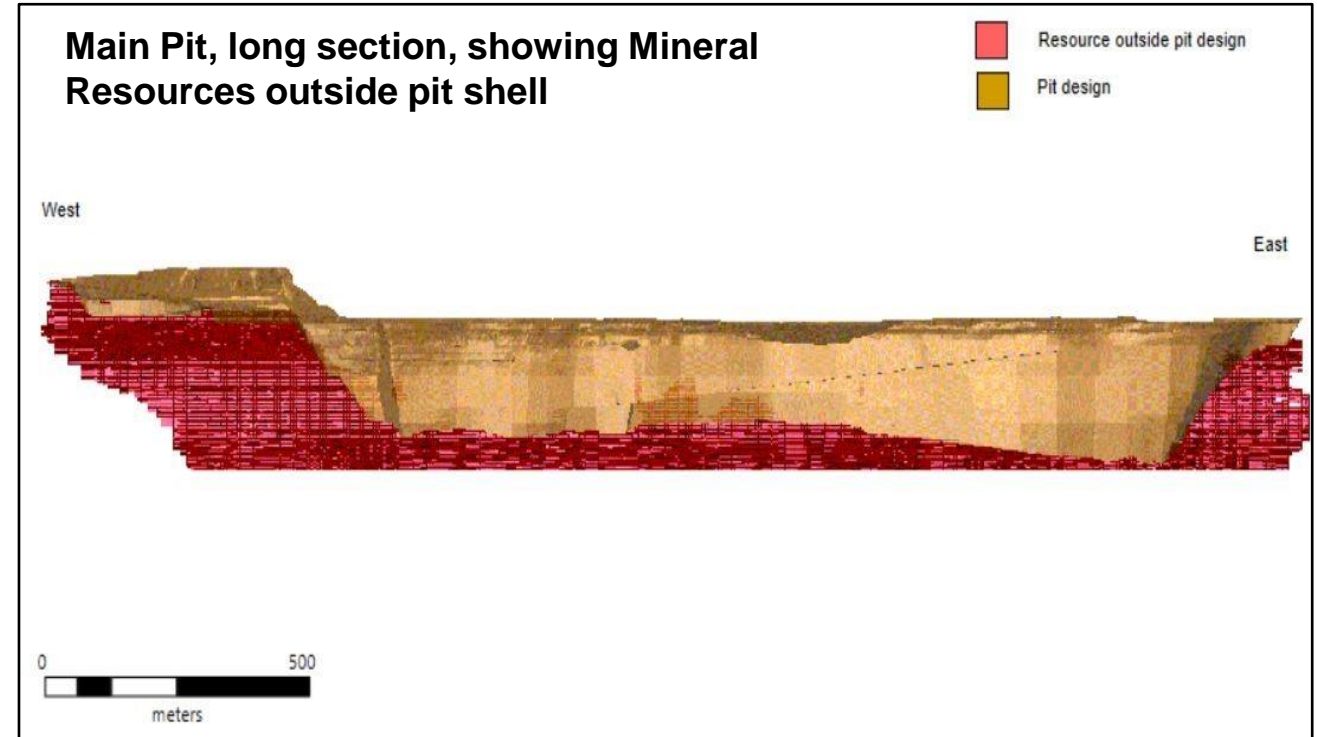
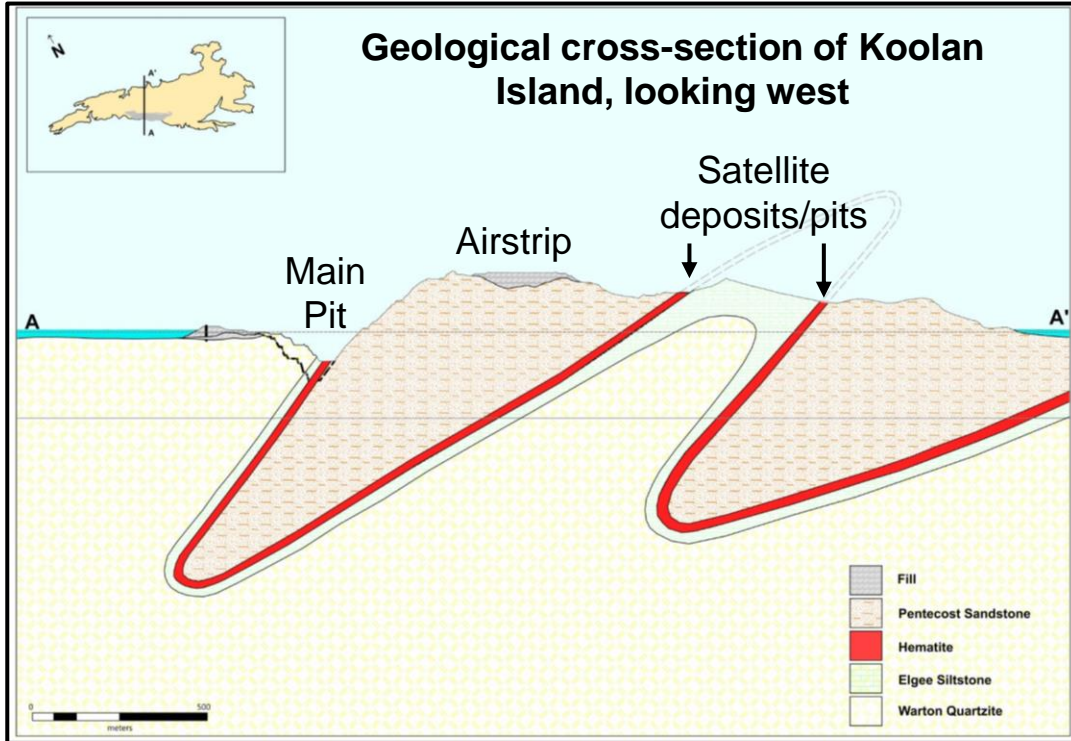
Bulk ore carrier berthing at Koolan Island, March 2022



Cable-mounted ground support drilling wagons on upper western footwall.

Koolan Island

Mine life extension targets



Opportunities exist for incremental extensions beyond the current 5 year mine life.

Main Pit – potential for incremental extensions, mainly beneath the currently planned final pit floor and at the western end.

Acacia East satellite deposit may provide a continued blending option in future years.

Mangrove satellite deposit also has potential to provide a blending option in later years. Heritage clearances have been obtained and resource definition drilling is being planned for 2022.

Koolan Island

A strong and respectful relationship with the Dambimangari Traditional Owners



Koolan country smoking ceremony

Mount Gibson Iron

Carbon Emission Reduction Opportunities & Initiatives



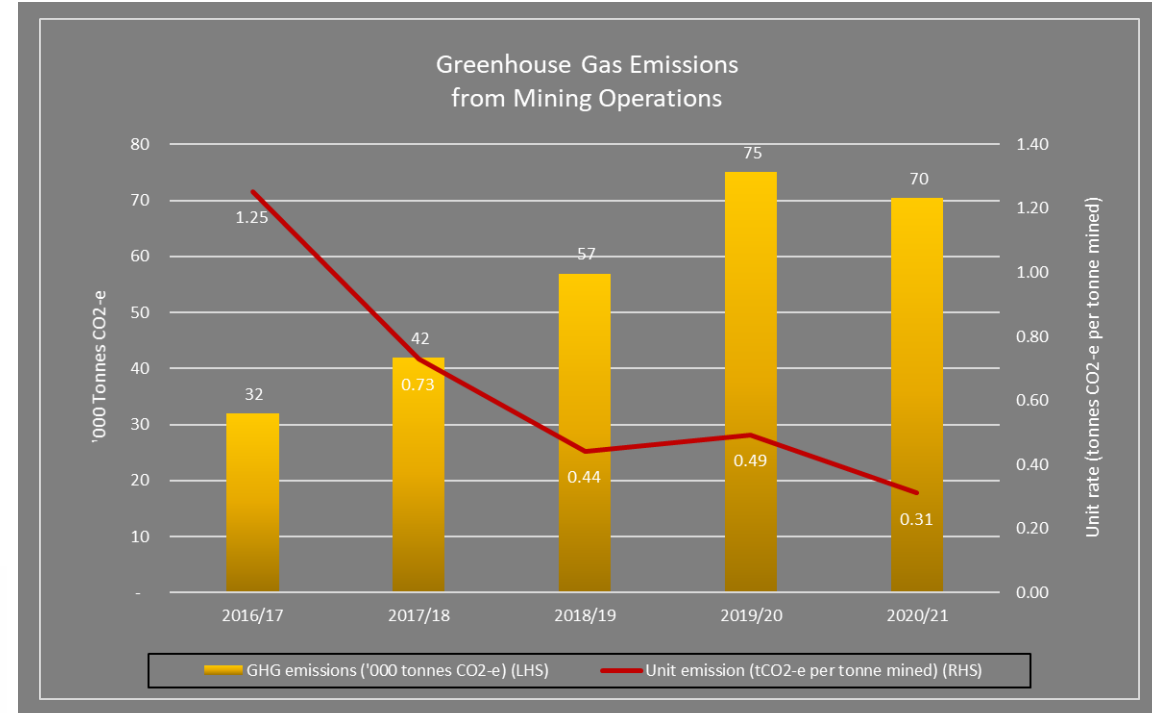
Iron ore is essential for steel production, and we seek to minimise our controllable carbon emissions.

Higher grade (lower impurity) iron ores facilitate lower energy use and lower emissions by steel producers.

Mount Gibson invests in substantial environmental offsets via environmental contributions and direct flora cultivation and rehabilitation programs.



Darwinia Masonii translocation area, Iron Hill, Mid-West




Energy consumption on Mount Gibson's mine sites is modest, relating predominantly to mining and crushing/sizing, with energy usage and emissions anticipated to reduce in line with declining material movement.

Opportunities for renewable power generation and power savings are under review.

Mount Gibson Iron

Mining Responsibly - Sustainability Snapshot FY21



Rate of energy use decreased by **28.2%***



Rate of water use decreased by **28.5%***



Rate of greenhouse gas emissions decreased by **28.6%***



Lost Time Injury Frequency Rate of **4.4 incidents per million hours worked** and a **Total Recordable Injury Frequency Rate of 13.8**

\$405m direct contribution into Australian economy in supplier payments, taxes, royalties, wages and community contributions



Total sales revenue of **\$311.7m** (Free on Board) from ore sales of **3.0m tonnes**

\$59.8m paid in salaries, wages and other employee benefits to **356 employees**



\$311m in payments to Australian contractors and suppliers

86.2% WA-based companies

13.8% other Australian-based companies



682 hectares of land under rehabilitation

0 **Zero fatalities**

Zero material environmental incidents



12.4% Aboriginal employees

16.6% female employees

951 crew change flights, including 145 by large commercial jets, to and from Koolan Island's new Laawun Airport



* Per 100 tonnes of ore and unmineralised material (waste) mined, including processing of stockpiled ore.
All currency is in Australian dollars unless noted otherwise.

Mount Gibson Iron (ASX: MGX)

Summary



An established independent mid-tier iron ore producer offering meaningful exposure to production growth of high grade hematite iron ores.

Disciplined pathway to materially higher sales and cashflows as Koolan's high grade production builds.

Desired growth in bulk materials and base metals, with a priority focus in Australia.

Lean, stable and experienced team with a broad range of operating, commercial and corporate skills.

Cash/investment reserves (no borrowings) to rise with increased Koolan Island high grade sales, providing operational flexibility and growth options.



Mount Gibson Iron Limited (ASX: MGX)



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MGX



Supplementary Information

Mineral Resources and Ore Reserves Information at 30 June 2021*



Koolan Island					
	Tonnes millions	Fe %	SiO ₂ %	Al ₂ O ₃ %	P %
Mineral Resources, above 50% Fe					
Measured	2.9	60.2	13.36	0.30	0.007
Indicated	32.5	64.9	5.71	0.65	0.013
Inferred	9.9	60.5	12.30	0.59	0.013
Total at 30 June 2021	46.2	63.7	7.59	0.61	0.013
<i>Total at 30 June 2020</i>	<i>48.0</i>	<i>63.7</i>	<i>7.63</i>	<i>0.61</i>	<i>0.013</i>
Ore Reserves, above 50% Fe					
Proved	-	-	-	-	-
Probable	17.5	65.3	4.80	0.88	0.013
Total at 30 June 2021	17.5	65.3	4.81	0.88	0.013
<i>Total at 30 June 2020</i>	<i>18.7</i>	<i>65.2</i>	<i>4.96</i>	<i>0.88</i>	<i>0.013</i>
Extension Hill					
	Tonnes millions	Fe %	SiO ₂ %	Al ₂ O ₃ %	P %
Mineral Resources, above 50% Fe					
Measured	1.3	55.3	9.16	2.76	0.077
Indicated	0.3	57.3	10.42	1.62	0.076
Inferred	0.2	56.6	10.49	1.66	0.055
Total at 30 June 2021	1.8	55.8	9.53	2.44	0.074
<i>Total at 30 June 2020</i>	<i>1.8</i>	<i>55.8</i>	<i>9.53</i>	<i>2.44</i>	<i>0.074</i>
Iron Hill					
	Tonnes millions	Fe %	SiO ₂ %	Al ₂ O ₃ %	P %
Mineral Resources, above 50% Fe					
Indicated	2.6	55.0	13.94	1.74	0.074
Inferred	1.1	55.0	9.86	2.61	0.081
Total at 30 June 2021	3.7	55.0	12.76	1.99	0.076
<i>Total at 30 June 2020</i>	<i>3.7</i>	<i>55.0</i>	<i>12.76</i>	<i>1.99</i>	<i>0.076</i>
Shine					
	Tonnes millions	Fe %	SiO ₂ %	Al ₂ O ₃ %	P %
Mineral Resources, above 50% Fe					
Measured	5.6	59.0	8.98	1.75	0.077
Indicated	6.5	58.0	10.00	1.33	0.070
Inferred	3.6	56.8	9.61	1.18	0.063
Total at 30 June 2021	15.7	58.1	9.55	1.44	0.071
<i>Total at 30 June 2020</i>	<i>15.89</i>	<i>58.1</i>	<i>9.57</i>	<i>1.48</i>	<i>0.071</i>
Ore Reserves, above 55% Fe					
Proved	2.0	59.9	7.32	2.28	0.087
Probable	0.7	58.4	9.72	2.12	0.057
Total at 30 June 2021	2.7	59.5	7.94	2.24	0.079
<i>Total at 30 June 2020</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>
<i>Discrepancies may appear due to rounding. Mineral Resources are reported inclusive of Ore Reserves. All tonnages have been estimated as dry tonnages.</i>					

Total Group Mineral Resources and Ore Reserves at 30 June 2021 (above 50% Fe)					
	Tonnes millions	Fe %	SiO ₂ %	Al ₂ O ₃ %	P %
Total Mineral Resources at 30 June 2021	67.4	61.7	8.39	0.93	0.032
Total Ore Reserves at 30 June 2021	20.3	64.5	5.23	1.06	0.022
<i>Total Mineral Resources at 30 June 2020</i>	<i>69.4</i>	<i>61.7</i>	<i>8.40</i>	<i>0.93</i>	<i>0.031</i>
<i>Total Ore Reserves at 30 June 2020</i>	<i>18.7</i>	<i>65.2</i>	<i>4.96</i>	<i>0.88</i>	<i>0.013</i>
<i>Discrepancies may appear due to rounding. Mineral Resources are reported inclusive of Ore Reserves. All tonnages have been estimated as dry tonnages.</i>					

Competent Persons Statements

Exploration Results:

The information in this report that relates to Exploration Results including sampling techniques and data management is based on information compiled by Mr Brett Morey, a Competent Person who is a member of the Australasian Institute of Mining and Metallurgy. Mr Morey is a full-time employee of Mount Gibson Iron Limited and has sufficient experience relevant to the style of mineralisation and type of deposits 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". Mr Morey consents to the inclusion in this report of the matters based on his information in the form and context in which it appears.

Mineral Resources:

The information in this report relating to Mineral Resources is based on information compiled by Ms Elizabeth Haren, a Competent Person who is a member and Chartered Professional of the Australasian Institute of Mining and Metallurgy and member of the Australian Institute of Geoscientists. Ms Haren was a full-time employee of, and is a consultant to, Mount Gibson Iron Limited. Ms 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'. Ms Haren consents to the inclusion in this report of the matters based on her information in the form and context in which it appears.

Ore Reserves:

The information in this report relating to Ore Reserves is based on information compiled by Mr Brett Morey, a member of the Australasian Institute of Mining and Metallurgy. Mr Morey is a full-time employee of Mount Gibson Iron Limited 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'. Mr Morey consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

*For more information refer to the Company's 2021 Annual Statement of Mineral Resources and Ore Reserves released 8 October 2021.