

# Annual General Meeting 2022



## CEO Presentation Annual General Meeting 9 November 2022

The logo for Mount Gibson Iron, featuring the letters "MG" in white and "X" in orange, set against a background of a large open-pit mine and a body of water with ships.

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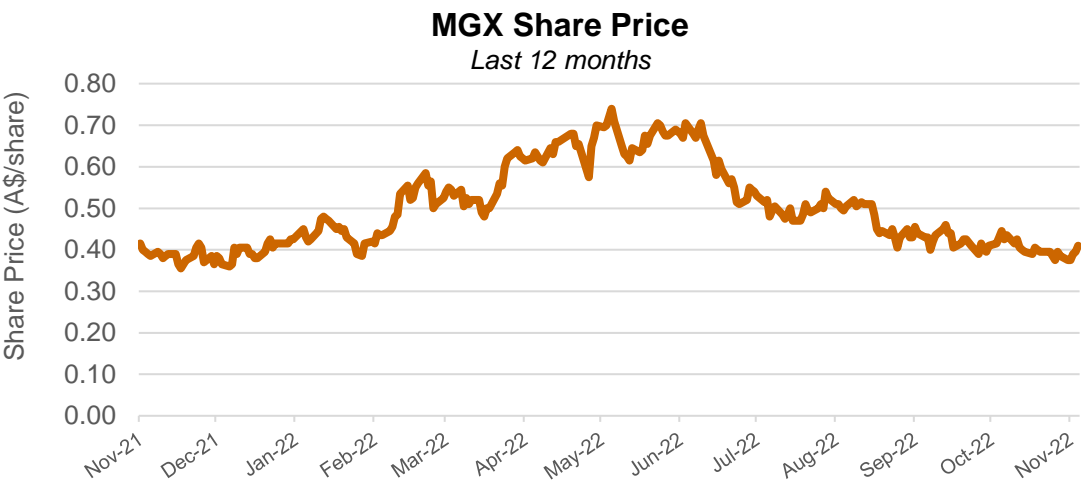
*Investments in shares in MGX are considered highly speculative.*



# Corporate Overview

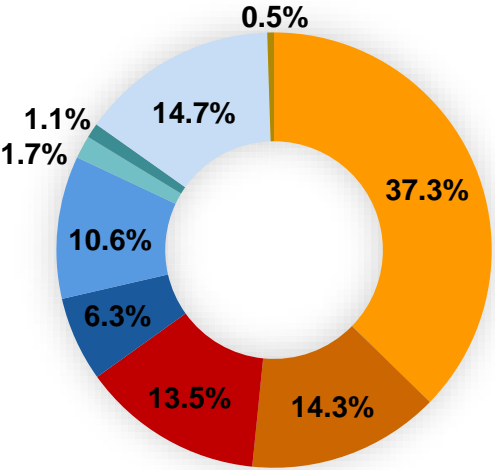


Issued shares	1,214.4 million shares
Market capitalisation	A\$504 million (\$0.415/share)
Cash/investments	A\$60 million (30 September 2022)
Dividends	A\$332 million (fully franked) paid since 2011



## Shareholder Distribution (% issued shares at 30 September 2022)

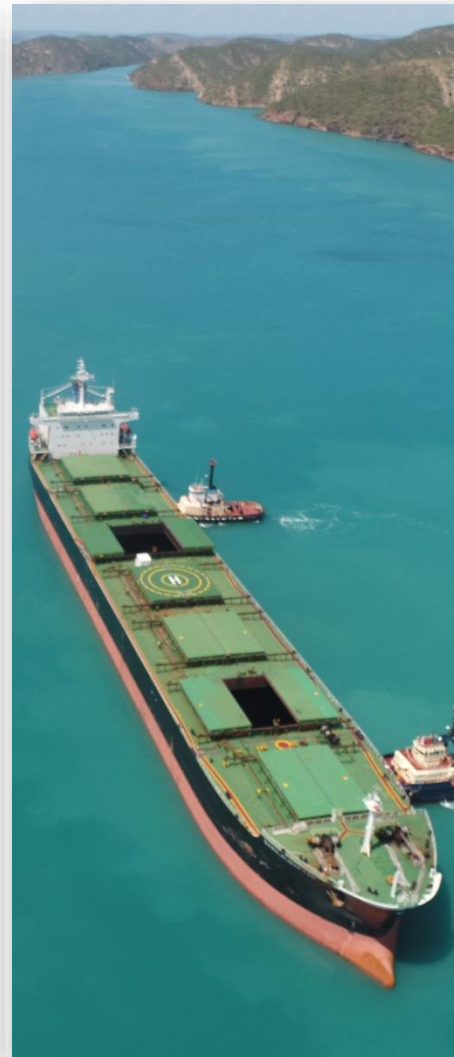
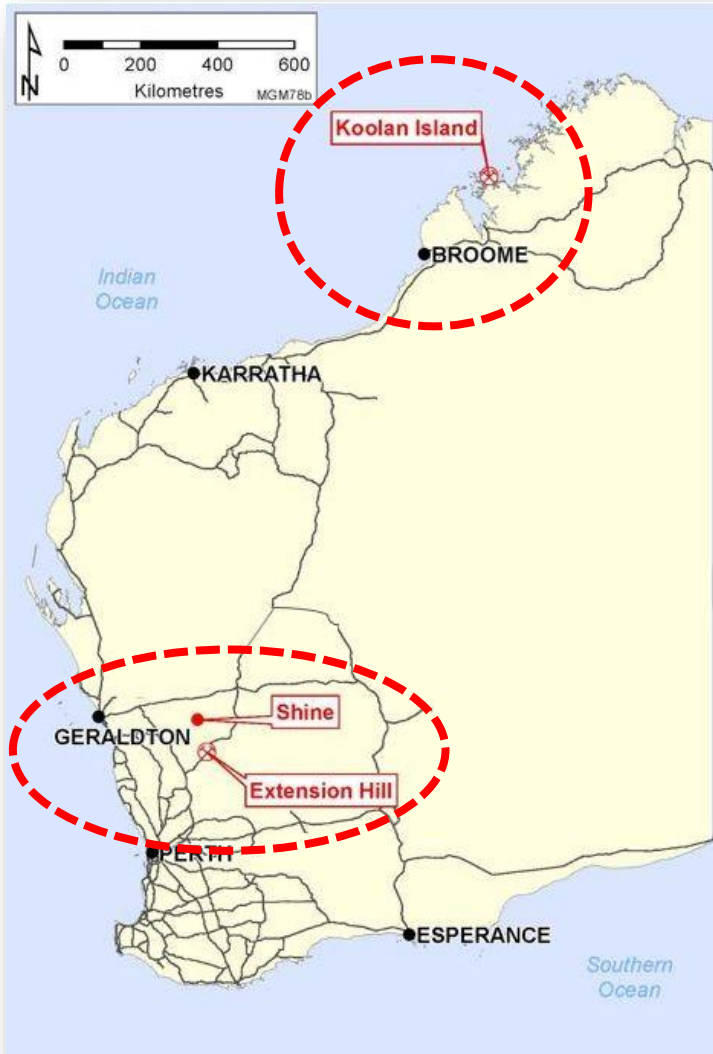
- APAC Resources
- Australia/NZ Institutions
- Shougang Fushan
- Australian/NZ Retail
- North America
- UK & Europe
- Directors & Management
- Other
- Asia/Middle East



## 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*

# Business Overview



## Kimberley Region – Koolan Island

- **Australia's highest grade** hematite Direct Shipping Ore (DSO).
- **Major waste stripping program now complete** and high grade ore production is rising as the waste:ore stripping ratio rapidly reduces.
- **Significantly higher sales planned from 2HFY23** as the processing plant resumes full capacity following the August 2022 fire incident.
- **Ore sales target of 3.2-3.7 Mwmt** for FY23.

## Mid-West Region

*Shine Project, Geraldton Port, Exploration*

- **Exploration activity increasing**, focusing on base metals.
- **Shine Iron Ore Project** suspended but provides optionality.
- **Geraldton Port infrastructure** providing income under short term commercial agreements with third parties.
- **Mid-West rail refund** stream continues to accrue at ~\$2m/quarter.
- **Options for Mid-West assets** under review.

# FY2022 Summary

(all currency in Australian dollars unless stated otherwise):



## Sales of 1.65 Mwmt

Koolan Island 1.35 Mwmt.  
Mid-West 0.30 Mwmt.

Ore sales revenue of  
\$312m FOB.

## NPAT of \$(174.1) million

Reflecting pre-tax impairments of  
\$184.6 million across both  
operations given softer prevailing  
iron ore market conditions.

## Cash and investments of \$125.6 million at FY-end

Cash outflow/investment of  
\$239.1m after investment in waste  
stripping and capital improvements  
at Koolan Island of \$188.2m.

## Koolan Island

Steady lift in high grade (65% Fe)  
iron ore production and shipments  
in 2HFY22.

Further increases to come as plant  
fire repairs are completed, for FY23  
guidance of 3.2-3.7 Mwmt.

## Mid-West

Shine Project provides optionality  
for a prompt restart depending on  
market conditions.

Port infrastructure generating  
additional income.

Regional exploration underway.

## Safety & COVID-19

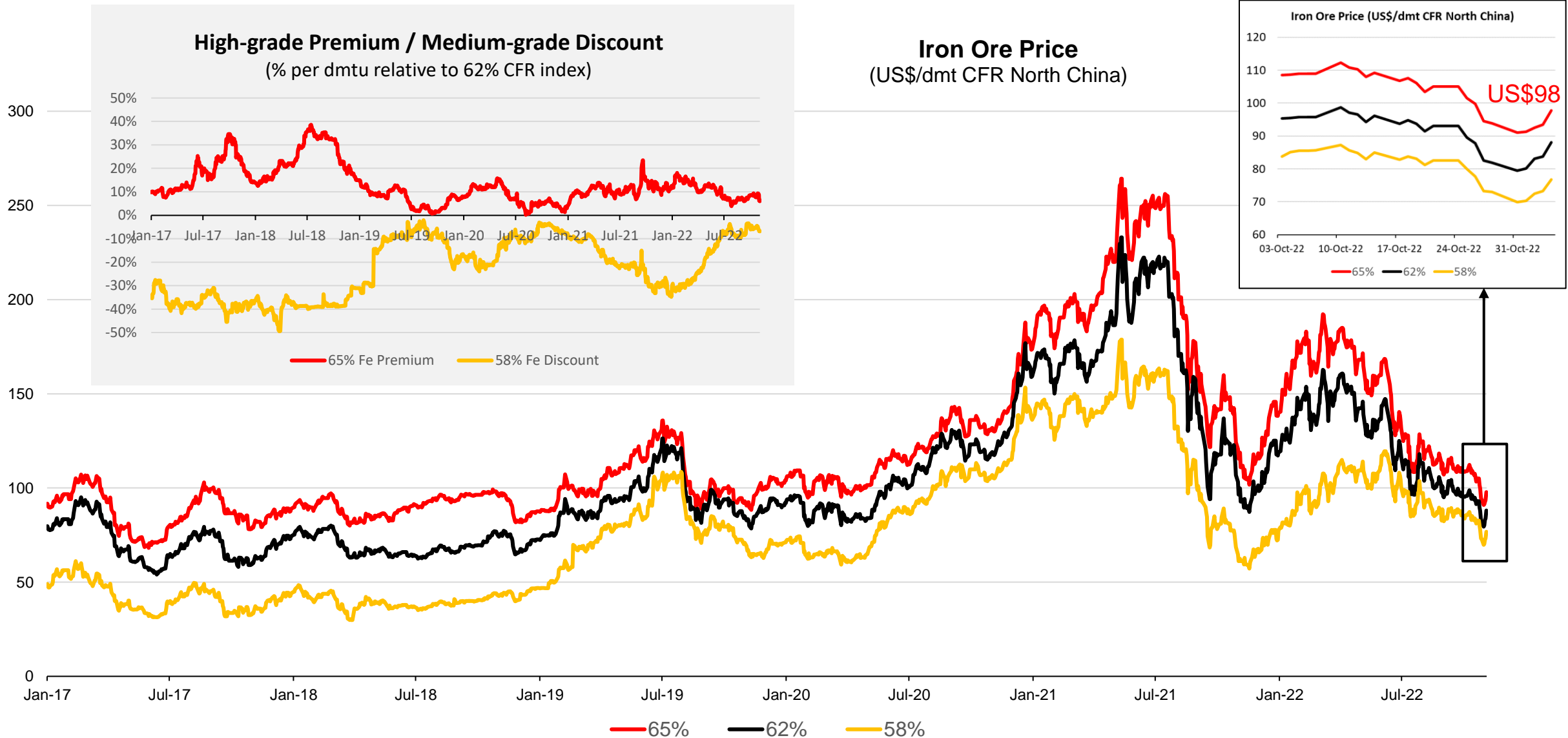
Downward trend in key LTIFR (4.4  
to 1.7) and TRIFR (13.8 to 11.4)  
metrics, continuing the safety  
improvements.

Diligent COVID measures limited  
the impacts of the pandemic.

Mwmt = million wet metric tonnes. \$m = million. FOB = Free on Board. NLAT = net loss after tax. LTI = Lost Time Injury Frequency Rate (incidents per 1 million man-hours worked, rolling 12 month basis). TRIFR = Total Recordable Injury Frequency Rate.

# Market Conditions

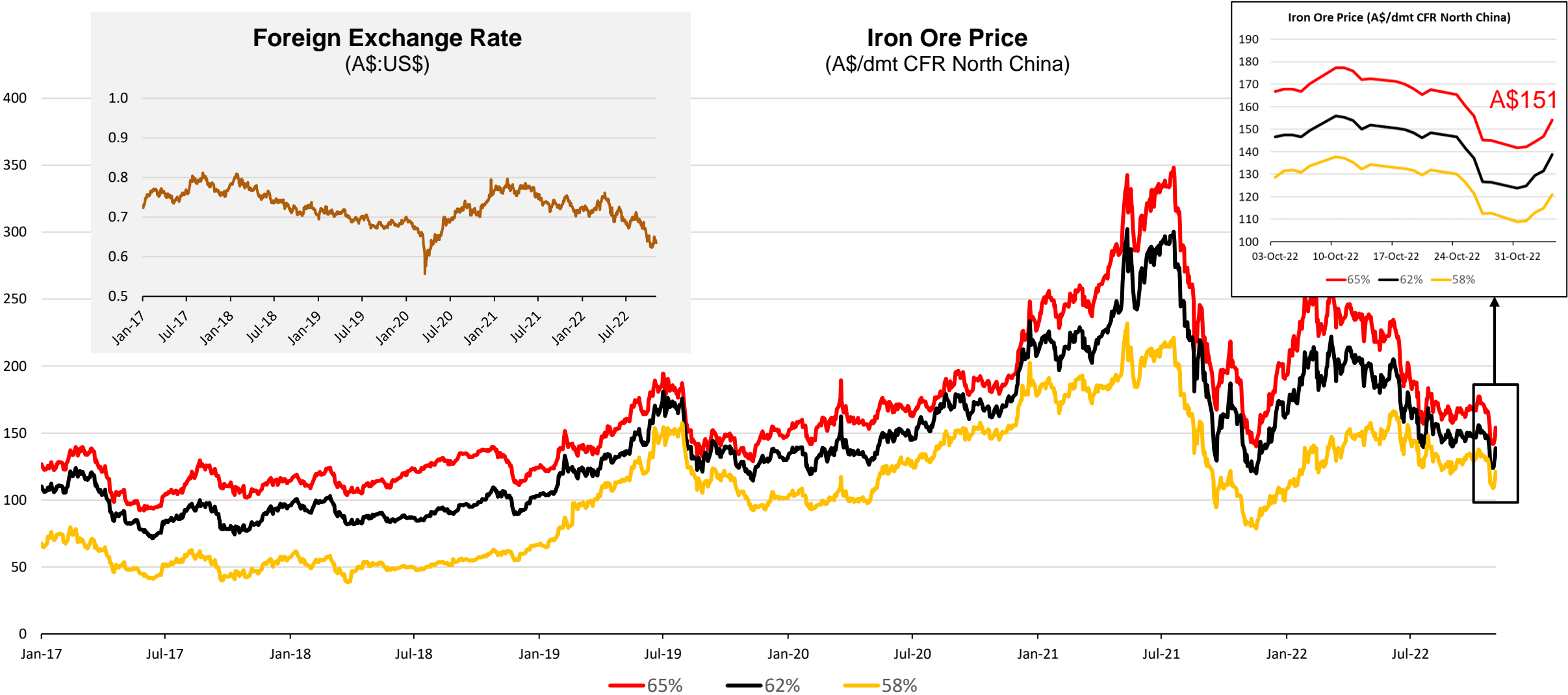
## Iron Ore Pricing and Grade Differentials



Source: Platts

# Iron Ore Pricing

Exchange rate offsetting decline in A\$



# September 2022 Quarter Results



## High grade ore mining up

Ore mining ↑38% to **0.9 Mwmt** in line with mine plan.

Strip ratio reduced and cash operating costs declined to **A\$67/wmt FOB** (before inventory build and royalties).

## Shipments restricted by August plant fire

Quarterly ore sales totalled **0.45 Mwmt** for sales revenue of **A\$62m FOB**.

Substantial ore stocks are being built for processing.

## Fire repairs and interim crushing progressing well

Repairs are ahead of plan, with completion expected in January.

Interim crushing is maintaining the 2-3 shipment rate per month.

## Group Cash Reserves

Group cash reserves of \$60m.

A\$100 million credit facility available during the repair period and to support the build in high grade ore stocks.

## Guidance maintained

Ore sales target remains **3.2-3.7 Mwmt** at an average cash cost of **A\$70-75/wmt FOB** (before royalties) in FY23, with sales weighted to the June half year.

## Continued safety focus

Safety is a critical focus.

TRIFR reduced to 8.5 from 11.4 at end-June. LTIFR of 1.4.

Geraldton port operations team passed 13 years LTI-free.

*FY = financial year ended 30 June.*

*\$m = \$ million*

*Mwmt = million wet metric tonnes.*



# Koolan Island

## Main Pit operations



- Elevated phase of waste stripping effectively complete.
- Upper footwall ground support program complete.
- Consistent mining access to high grade (65% Fe) orebody now available over floor of Main Pit (+1.5 km).
- High grade ore production steadily increasing in line with the mine plan – output rose 38% to 0.9 Mwmt in Sept qtr.
- Significant high grade ore stocks available for crushing as capacity returns.
- Waste to ore (w:o) strip ratio declining rapidly and on track to achieve:
  - 3.5:1 in current half year.
  - 1:1 in June FY23 half year.
  - ~1.3:1 over remaining mine life.
- Mining fleet replacement delivering improved efficiency.



Main Pit, looking east,  
October 2022.



# Koolan Island

## Main Pit operations



High grade ore benches in eastern end of Main Pit, October 2022.





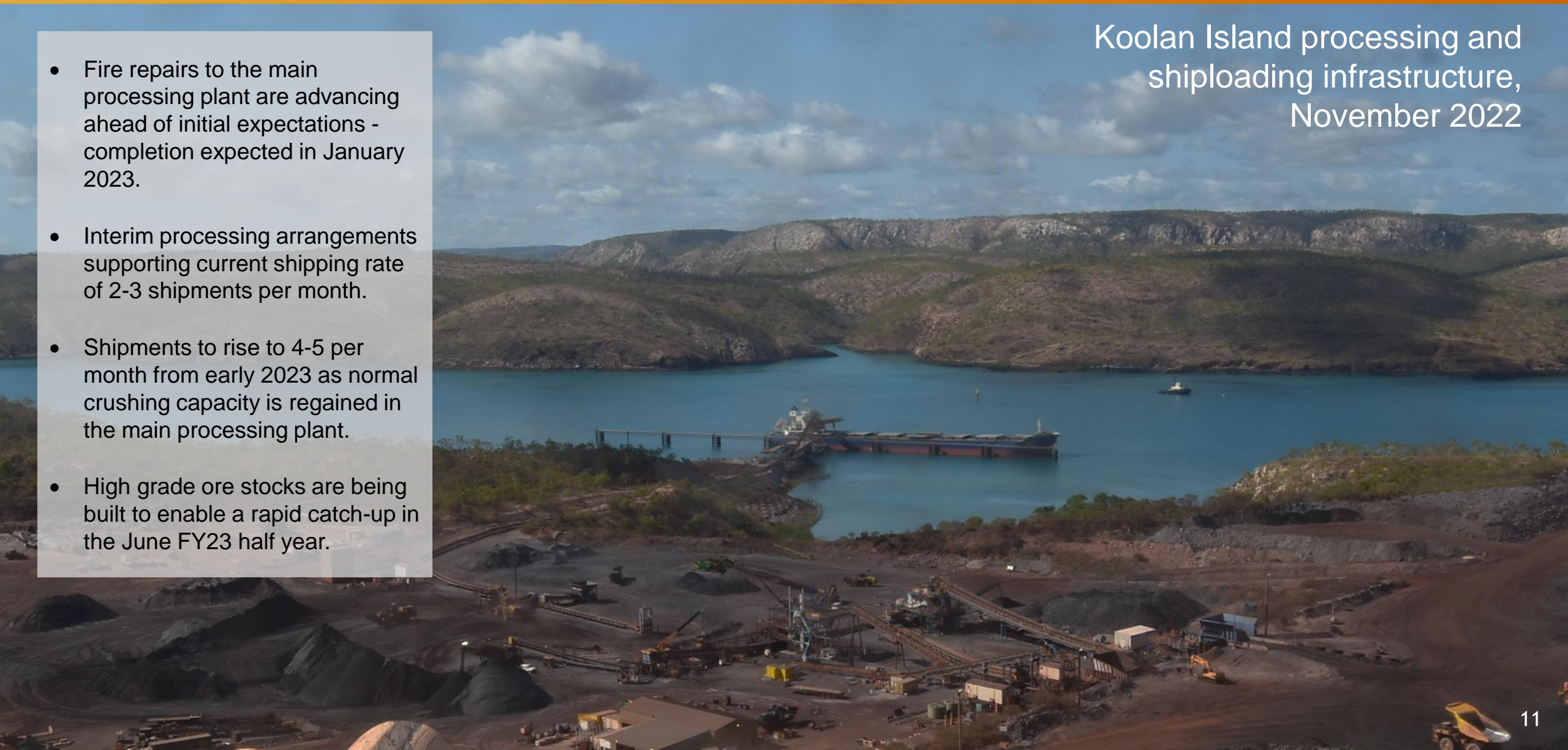
# Koolan Island

## Crushing plant – fire recovery progressing



- Fire repairs to the main processing plant are advancing ahead of initial expectations - completion expected in January 2023.
- Interim processing arrangements supporting current shipping rate of 2-3 shipments per month.
- Shipments to rise to 4-5 per month from early 2023 as normal crushing capacity is regained in the main processing plant.
- High grade ore stocks are being built to enable a rapid catch-up in the June FY23 half year.

Koolan Island processing and shiploading infrastructure, November 2022





# Mid-West Business

## Geraldton Port facilities



MGX  
Shed 4

MGX Shed 5



Geraldton Port services team passed 13 years LTI-Free  
September 2022



# Mid-West Business

## Provides optionality



- **Shine Iron Ore Project** maintained in low-cost care and maintenance state to preserve value and enable restart if conditions improve sufficiently and sustainably.
- **Mid-West rail refund stream** continues to accrue at ~\$2 million/quarter, based on third party rail volumes on the Mid-West network. Circa \$28m received to date. Capped at \$35M (indexed).
- **Geraldton Port** infrastructure generating revenue under short term commercial agreements.
- **Future options** to generate further value from Mid-West assets being assessed.
- **Exploration** progressing for base metals, initially near the former Talling Peak mine-site. Initial drilling in the September quarter confirmed the targeted geological setting, with follow-up drilling being planned.



Core from diamond drilling near  
Talling Peak, July 2022



# Community and Industry Involvement

(Figures as at 30 June 2022)



**Local employment** – over **20%** of our Koolan Island employees from the Kimberley region. We seek to increase this.

**Gender diversity** – at year end women accounted for **18%** of our employees and **27%** of executive and senior management roles. We aim higher.

**Traditional Owners** – we are grateful for positive longstanding relationships with Traditional Owners and we are committed to Indigenous employment. At year end **15%** of all MGX's employees were Indigenous, including **17.9%** of our Koolan Island employees. MGX is actively working with Traditional Owner groups to continue growing this percentage.

**Significant national impact** – MGX directly contributed **\$380 million** to the Australian economy in 2021/22, via supplier payments, wages, royalties, taxes and community investments, contributions and sponsorships.

**Support for local communities** – we have established active and respectful relationships with local communities and we directly partner and support various community organisations and initiatives, with a focus on **youth and education**.



# Carbon Emission Reductions

Seeking to accelerate the trend



**Mount Gibson supports the intent of the Paris Agreement and 2021 Glasgow Climate Pact** to reduce global carbon emissions and limit global warming to less than 1.5°C above pre-industrial levels.

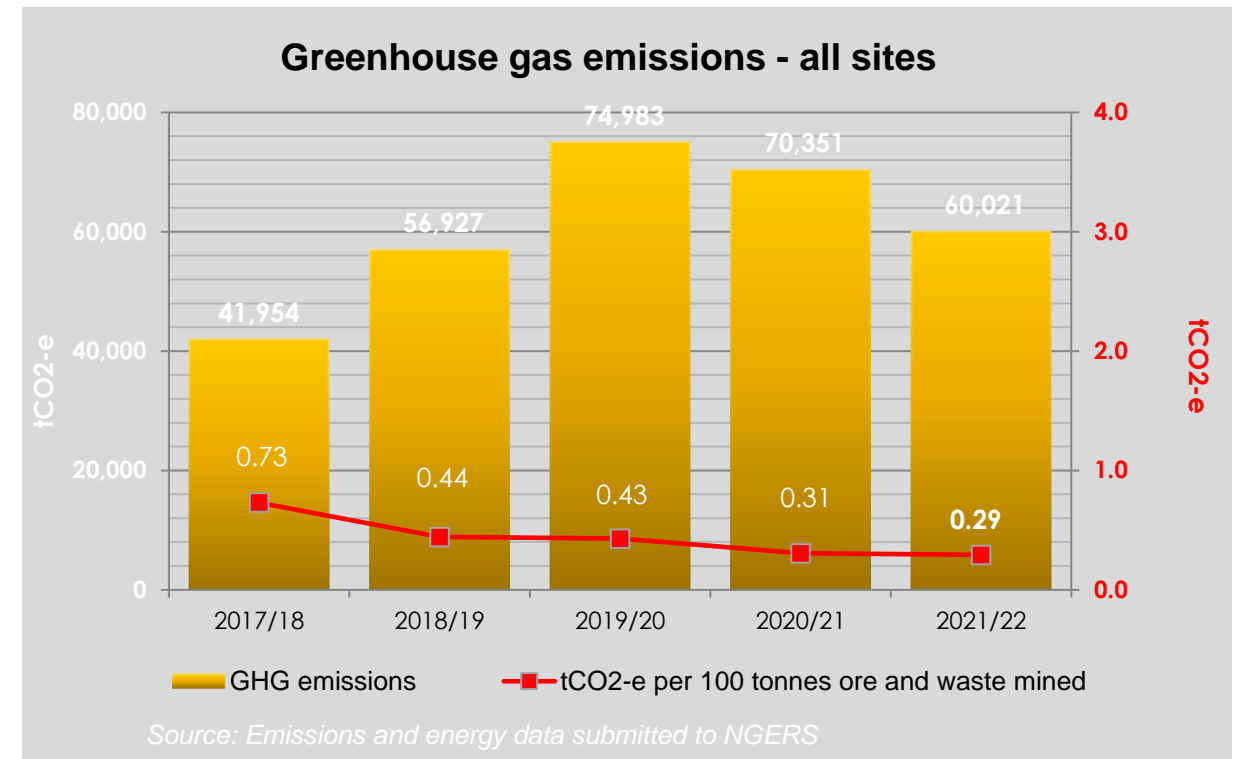
**Iron ore is essential for steel production**, and we seek to **minimise our carbon emissions** from the activities we control.

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

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



Waste dump area rehabilitation, Extension Hill, October 2022



**Energy consumption on Mount Gibson's mine sites is modest**, relating mainly to mining and crushing, with total and unit emissions (greenhouse gases per tonne mined) reducing in recent years.

**Opportunities for renewable power generation and power savings** are under formal review, led by an independent energy advisory group.



# Mount Gibson Iron - Summary



**An established independent mid-tier iron ore producer** offering meaningful exposure to production growth of high grade (65% Fe) hematite iron ores.

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**Imminent pathway to materially higher sales and cashflows** as Koolan's high grade ore sales build.

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**Aiming for growth** in bulk materials and base metals, with a priority focus in Australia.

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

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**Cash/investment reserves** to recover and grow in 2023 with increased Koolan Island high grade sales, providing operational flexibility and growth options.





# Mount Gibson Iron Limited (ASX: MGX)



Presentation authorised by  
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# MGX



# Supplementary Information

## Mineral Resources and Ore Reserves Information at 30 June 2022\*



Koolan Island					
	Tonnes millions	Fe %	SiO <sub>2</sub> %	Al <sub>2</sub> O <sub>3</sub> %	P %
<b>Mineral Resources, above 50% Fe</b>					
Measured	2.8	60.1	13.46	0.29	0.007
Indicated	32.1	64.9	5.80	0.64	0.014
Inferred	9.8	60.5	12.31	0.59	0.013
<b>Total at 30 June 2022</b>	<b>44.7</b>	<b>63.6</b>	<b>7.71</b>	<b>0.61</b>	<b>0.013</b>
<i>Total at 30 June 2021</i>	<i>46.2</i>	<i>63.7</i>	<i>7.59</i>	<i>0.61</i>	<i>0.013</i>
<b>Ore Reserves, above 50% Fe</b>					
Proved	-	-	-	-	-
Probable	16.0	65.4	4.79	0.85	0.013
<b>Total at 30 June 2022</b>	<b>16.0</b>	<b>65.4</b>	<b>4.79</b>	<b>0.85</b>	<b>0.013</b>
<i>Total at 30 June 2021</i>	<i>17.5</i>	<i>65.3</i>	<i>4.80</i>	<i>0.88</i>	<i>0.013</i>
Extension Hill					
	Tonnes millions	Fe %	SiO <sub>2</sub> %	Al <sub>2</sub> O <sub>3</sub> %	P %
<b>Mineral Resources, above 50% Fe</b>					
<b>Total at 30 June 2022</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<i>Total at 30 June 2021</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 <sub>2</sub> %	Al <sub>2</sub> O <sub>3</sub> %	P %
<b>Mineral Resources, above 50% Fe</b>					
<b>Total at 30 June 2022</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<i>Total at 30 June 2021</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 <sub>2</sub> %	Al <sub>2</sub> O <sub>3</sub> %	P %
<b>Mineral Resources, above 50% Fe</b>					
Measured	5.1	59.2	8.98	1.60	0.078
Indicated	6.3	58.1	9.97	1.27	0.070
Inferred	3.6	56.9	9.58	1.18	0.063
<b>Total at 30 June 2022</b>	<b>15.1</b>	<b>58.2</b>	<b>9.54</b>	<b>1.36</b>	<b>0.071</b>
<i>Total at 30 June 2021</i>	<i>15.7</i>	<i>58.1</i>	<i>9.55</i>	<i>1.44</i>	<i>0.071</i>
<b>Ore Reserves, above 55% Fe</b>					
<b>Total at 30 June 2022</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<i>Total at 30 June 2021</i>	<i>2.7</i>	<i>59.5</i>	<i>7.94</i>	<i>2.24</i>	<i>0.079</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 2022 (above 50% Fe)

	Tonnes millions	Fe %	SiO <sub>2</sub> %	Al <sub>2</sub> O <sub>3</sub> %	P %
<b>Total Mineral Resources at 30 June 2022</b>	<b>59.8</b>	<b>62.2</b>	<b>8.17</b>	<b>0.80</b>	<b>0.028</b>
<b>Total Ore Reserves at 30 June 2022</b>	<b>16.0</b>	<b>65.4</b>	<b>4.79</b>	<b>0.85</b>	<b>0.013</b>
<i>Total Mineral Resources at 30 June 2021</i>	<i>67.4</i>	<i>61.7</i>	<i>8.39</i>	<i>0.93</i>	<i>0.032</i>
<i>Total Ore Reserves at 30 June 2021</i>	<i>20.3</i>	<i>64.5</i>	<i>5.23</i>	<i>1.06</i>	<i>0.022</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 30 September 2022.