



## Mount Gibson Iron Limited

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### ASX ANNOUNCEMENT

**ASX Code : MGX**

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## Koolan Island High Grade Iron Ore Shipments Continue to Increase

Mount Gibson Iron Limited (**Mount Gibson** or the **Company**) is pleased to report that high grade (65% Fe) iron ore shipments from its Koolan Island operation have steadily increased since the start of the current June quarter. As such, the Company is on track to achieve and potentially surpass its recent shipping guidance for the 2022/23 financial year.

Mining performance at Koolan Island has progressed in line with plan following the end of the Kimberley wet season in April. High grade iron ore extraction from the Main Pit during April and May totalled 0.7 million wet metric tonnes (Mwmt), and mined ore stockpiles totalled 1.1 Mwmt at the end of May.

Processing volumes have increased substantially since the start of the quarter following completion of the processing plant repairs in early April. As a result, shipments of high grade 65% Fe fines products have increased in line with the forecast provided in the Company's March quarter activities report.

During the June quarter so far, Mount Gibson has completed 13 shipments totalling over 0.9 Mwmt and is on track to achieve or potentially slightly exceed the Company's guidance of 2.9 Mwmt in the current financial year ended 30 June 2023.

The revolving credit facility of \$25 million has been fully repaid and cash and investment reserves increased to \$111 million as at the end of May.

In the coming 2023/24 financial year, the Company is targeting 5-6 shipments per month during the dry season period (September, December and June quarters) and at least 4 shipments per month in the Kimberley wet season period (March quarter). These shipping rates are sufficient for Mount Gibson to target annual sales of at least 4 Mwmt per year. More detailed guidance will be provided in upcoming releases.

Iron ore prices remain supported with prices for 62% Fe and 65% Fe fines products for delivery in China currently being around US\$113 per dry metric tonne (dmt) and US\$124/dmt respectively. Mount Gibson's sales offtake agreements reflect the 65% Fe high grade price and, based on anticipated shipping volumes, provide the opportunity for Koolan Island to generate significant operating cashflows during the current quarter and in the 2023/24 financial year ahead.

*Authorised by:*

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