

**Mount Gibson Iron Limited (ASX:MGX)**



**NOOSA  
MINING**  
INVESTOR CONFERENCE  
18 July 2024

**MGX**

Australia's Highest Grade Direct Shipping Iron Ore Exporter

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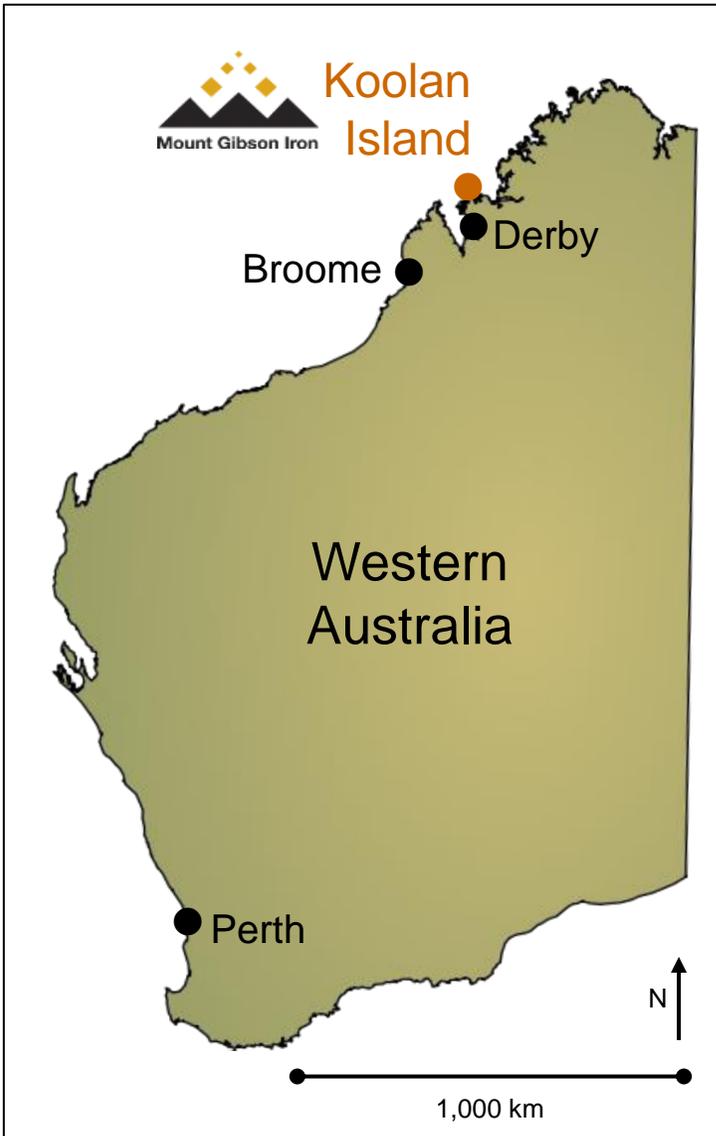
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# Mount Gibson Iron

## Business Overview – A Niche High Grade Iron Ore Producer



### *Koolan Island*

- **Australia's highest grade** hematite Direct Shipping Ore (DSO) with direct port access to market. Approx 38 Mwm<sup>t</sup>\* shipped to date.
- **High grade 65% Fe** iron ore receives a **premium price**.
- **FY24 ore sales of 4.1 Mwm<sup>t</sup>** at an average realised price of US\$110/dmt FOB\*\* and cash operating cost of \$74/wmt FOB (before royalties and capital projects).
- Remaining mine life of circa three years, FY25 sales target of **2.7-3.0 Mwm<sup>t</sup>** and rising in the following year.

### *Corporate*

- **Rapid cashflow generation** over the last 12 months, with total cash and investment reserves of **\$456 million** at 30 June 2024.
- **Large shareholder of Fenix Resources** (8.6% plus option-holding) following 2023 divestment of Mid-West iron ore assets.
- **Targeting resources investment opportunities**, with holdings (excluding Fenix) totalling \$19 million in junior operating and development companies.
- **Regional exploration activity continuing**, focusing on areas prospective for base metals in Western Australia.

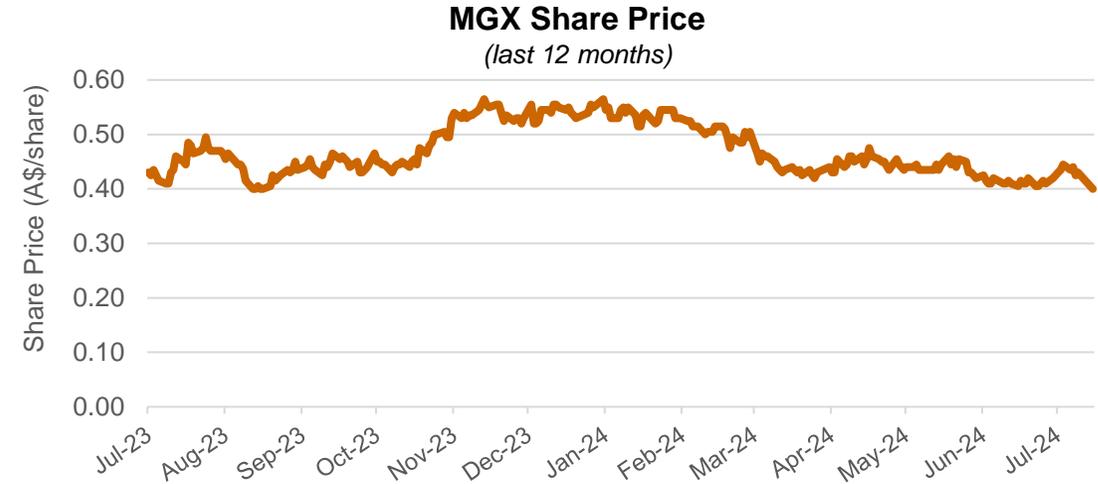
\* Million wet metric tonnes \*\* Dry metric tonne, Free on Board, at Koolan Island.

# Mount Gibson Iron

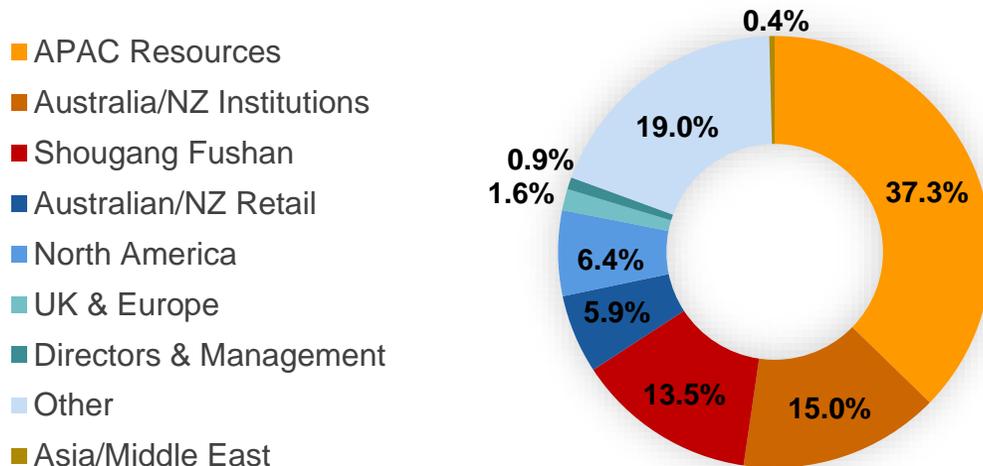
## Corporate Overview



<b>Issued shares</b>	1,218 million shares
<b>Market capitalisation</b>	\$475 million (\$0.39/share)
<b>Cash/investments</b>	\$436 million (excluding Fenix investment)
<b>Bank Borrowings</b>	Nil
<b>Dividends Paid</b>	\$332 million (fully franked) since 2011



### Shareholder Distribution (% issued shares)

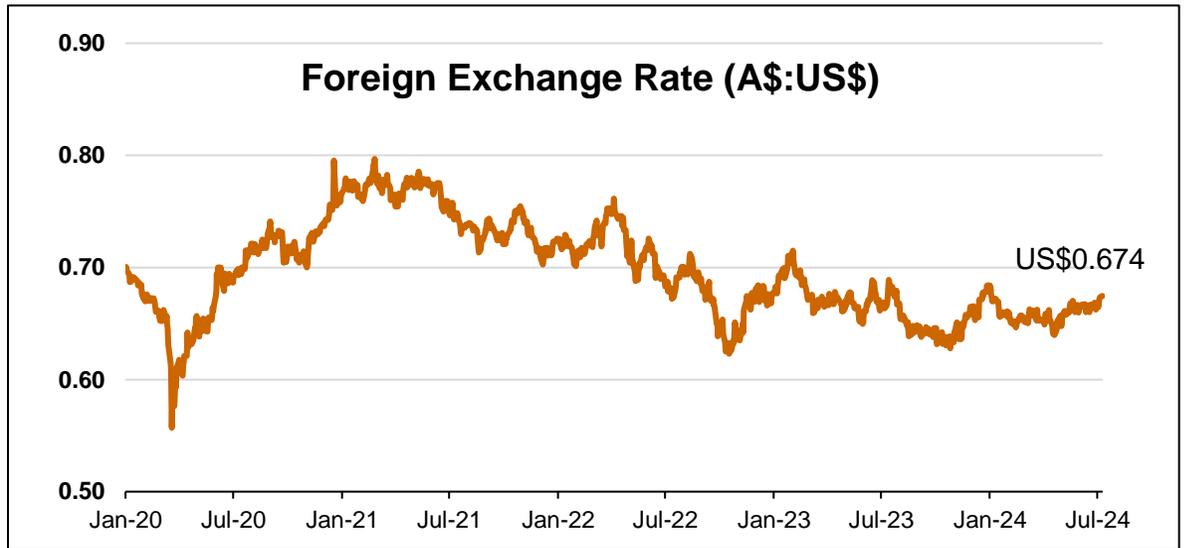
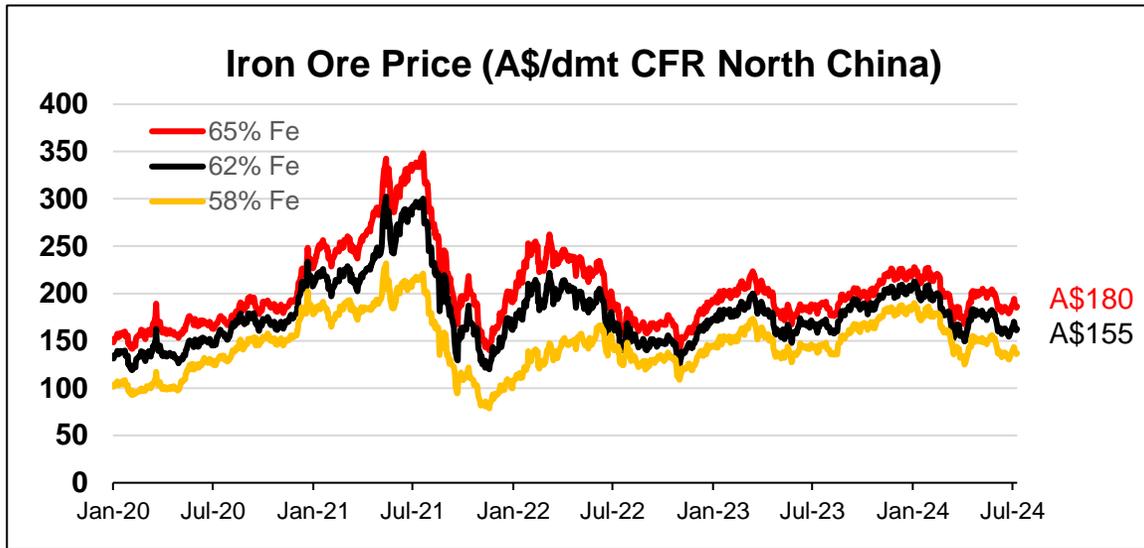
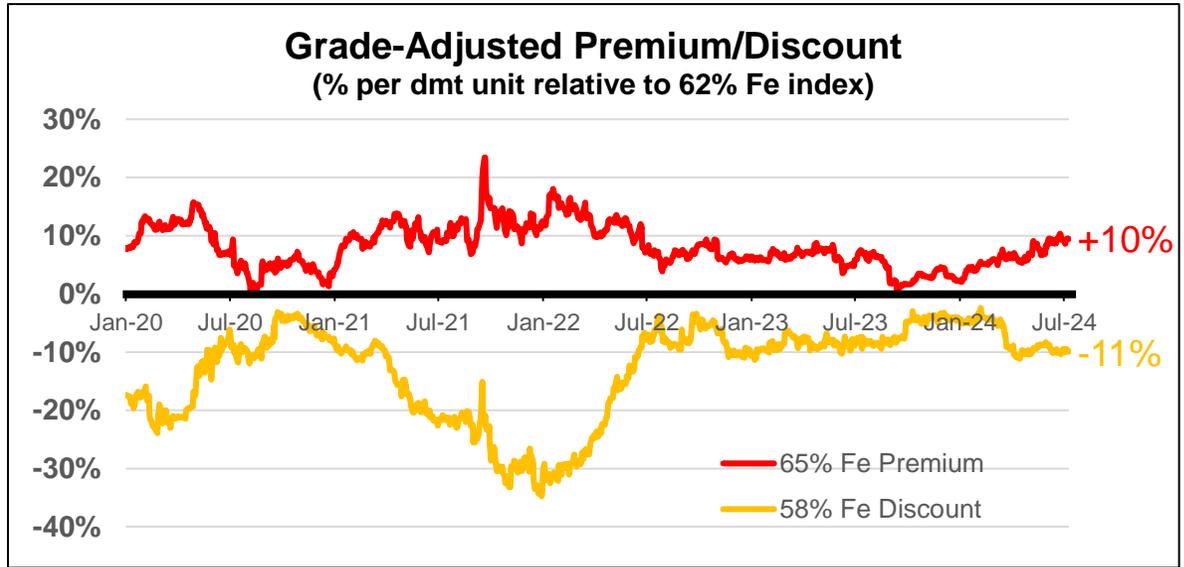
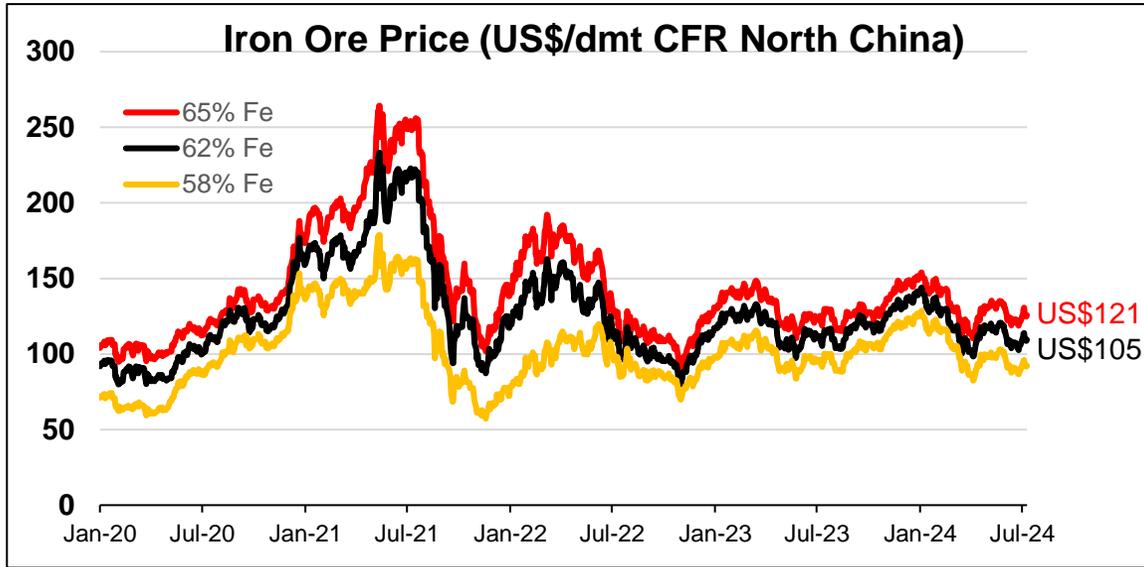


### Board and Management

- Lee Seng Hui – *Non-Executive Chairman*
- Simon Bird – *Lead Independent Non-Executive Director*
- Paul Douglas – *Independent Non-Executive Director*
- Alan Jones – *Independent Non-Executive Director*
- Evian Delfabbro - *Independent Non-Executive Director*
- Ding Rucai – *Non-Executive Director*
- Peter Kerr - *CEO*
- Gillian Dobson - *CFO*
- David Stokes - *Co. Sec. & General Counsel*
- David Rayfield – *GM Koolan Island Operations*

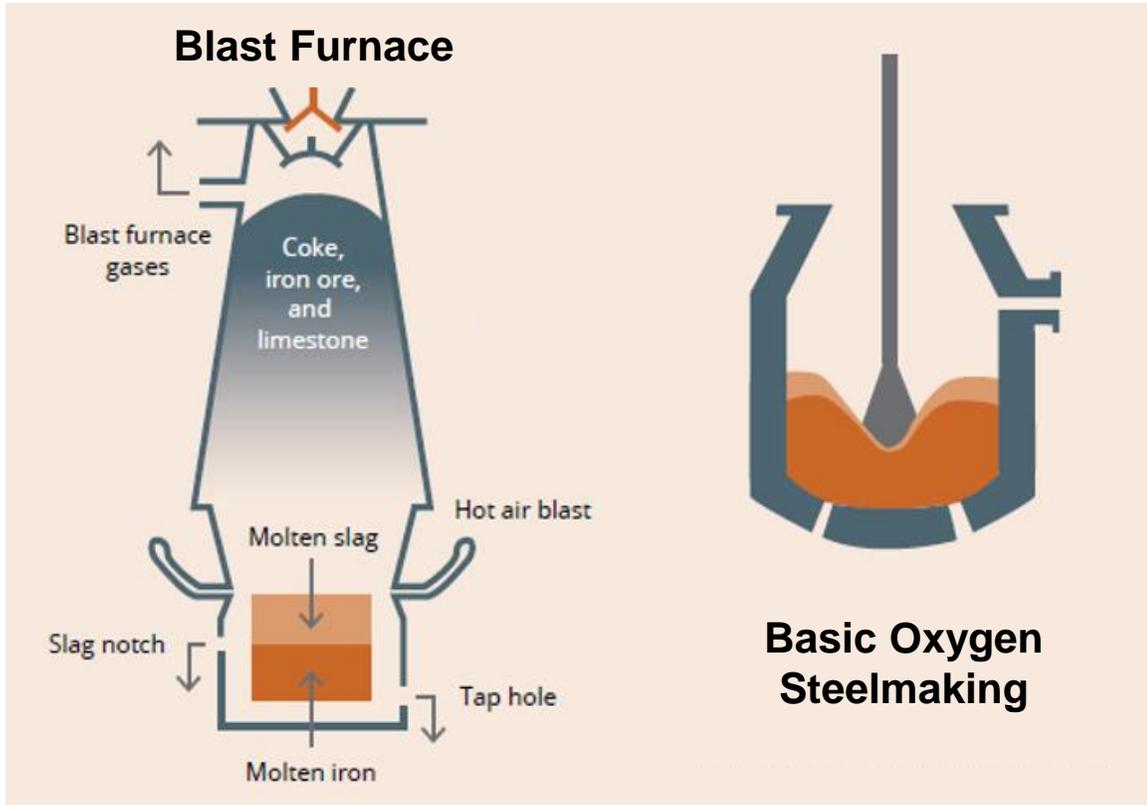
# Market Conditions

## Iron Ore Pricing



# Iron Ore Quality in Steel Production

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



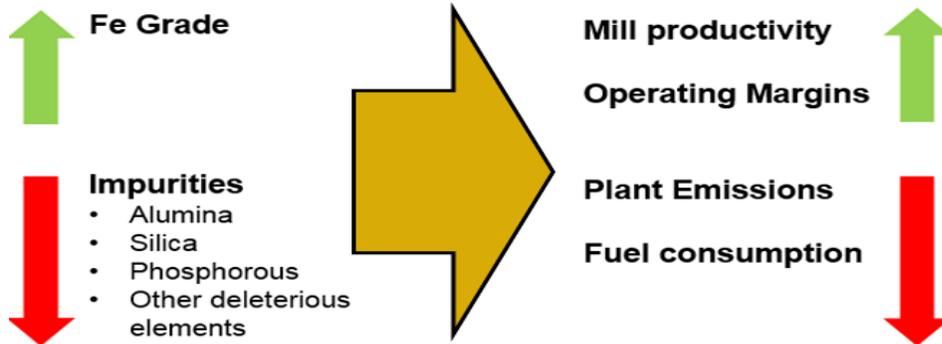
The impurities content of iron ore (predominantly **alumina & silica**) determines Blast Furnace efficiency and productivity.

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 unit cost.**

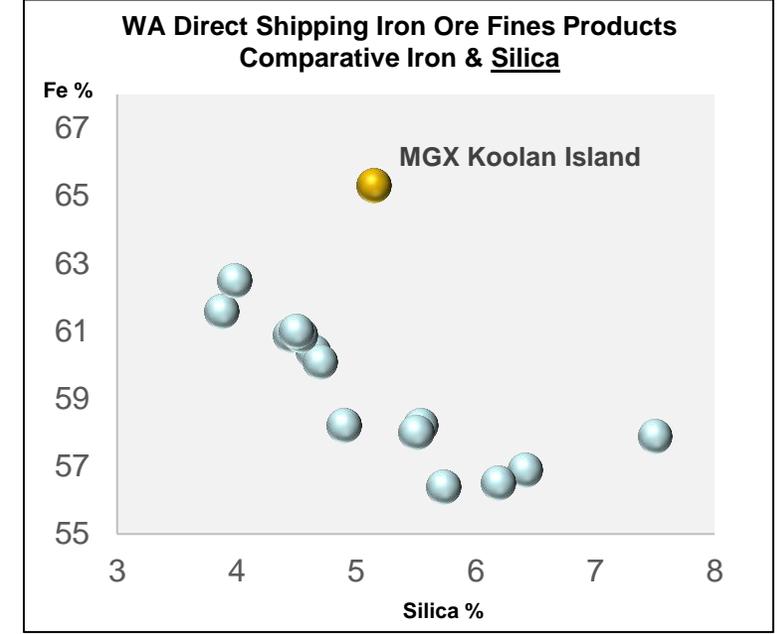
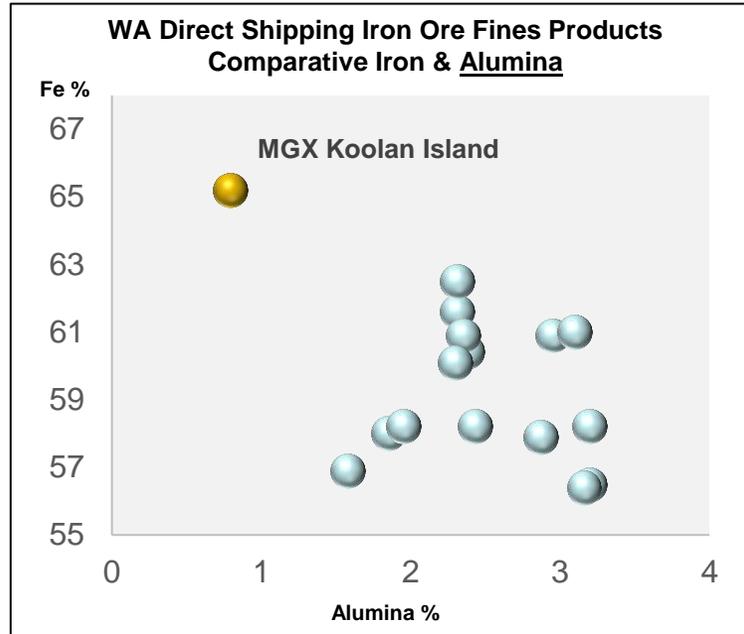
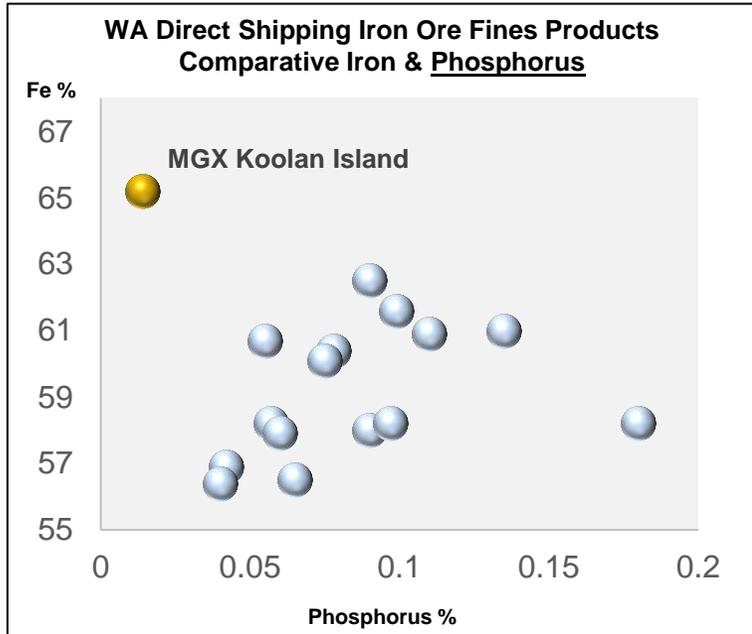
**Phosphorus** is also a key impurity and reports to hot metal rather than slag, requiring removal in the subsequent Basic Oxygen Steelmaking process.

These factors all increase Blast Furnace emission intensity and costs.



# Koolan Island

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



- High grade hematite iron ore (circa 65% Fe).
- Low levels of contaminants, particularly alumina and phosphorus.
- Attractive iron ore product given grade productivity and low impurities.
- Production sold under life-of-mine offtake agreements.

# Koolan Island Operations

A unique site with dedicated village, mining, processing & ship-loading infrastructure

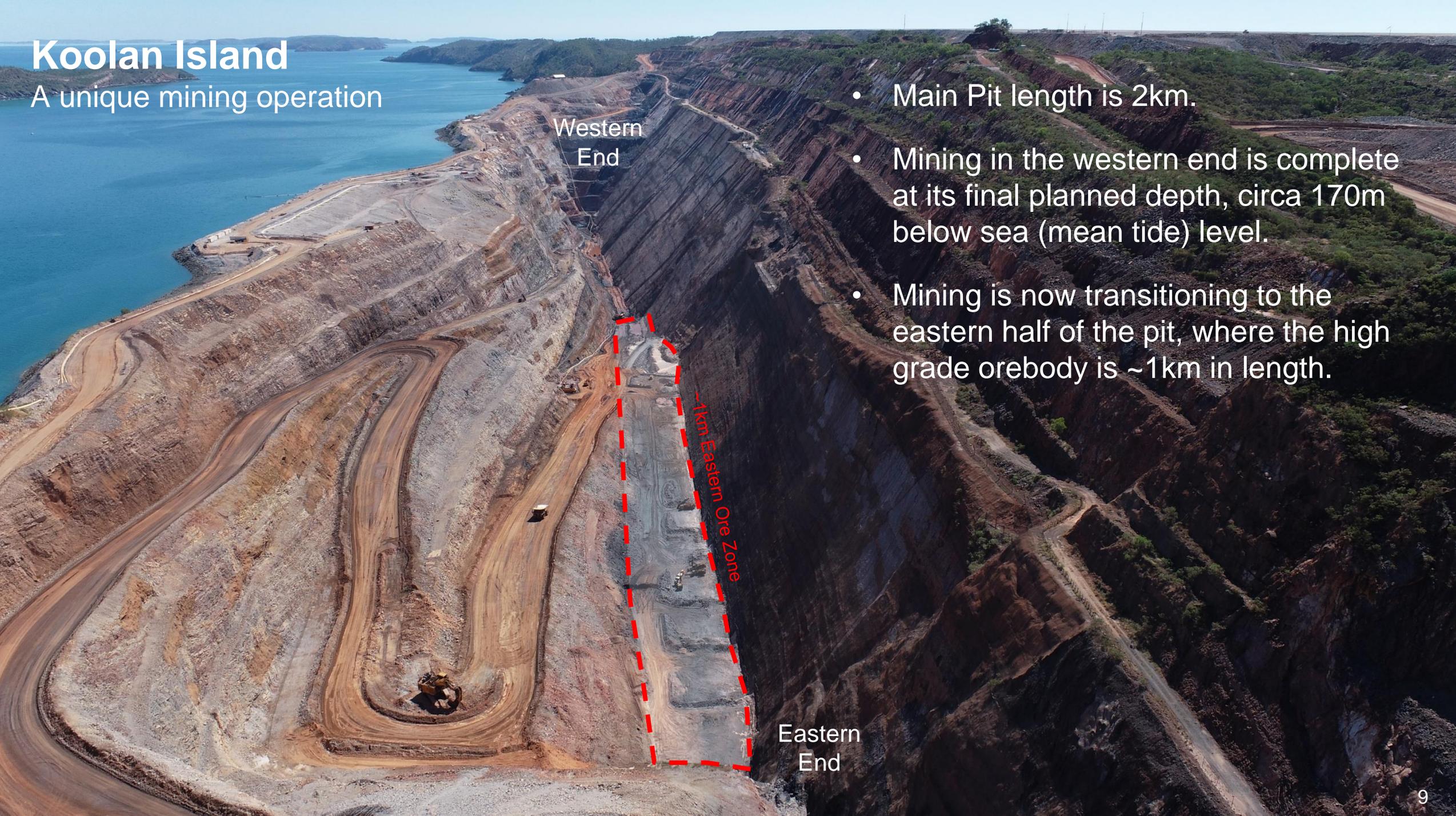


Koolan Island is located in Yampi Sound in the Buccaneer Archipelago off the western Kimberley coast of Western Australia, approximately 130 kilometres north of Derby.

Western Australian Mainland

# Koolan Island

A unique mining operation



Western  
End

1km Eastern Ore Zone

Eastern  
End

- Main Pit length is 2km.
- Mining in the western end is complete at its final planned depth, circa 170m below sea (mean tide) level.
- Mining is now transitioning to the eastern half of the pit, where the high grade orebody is ~1km in length.

# Koolan Island

## Flyover Video



[Link to video:](#)

[www.mtgibsoniron.com.au/investors-and-media/reports-and-presentations/koolan-island-main-pit-flyover-july-2024/](http://www.mtgibsoniron.com.au/investors-and-media/reports-and-presentations/koolan-island-main-pit-flyover-july-2024/)

# Koolan Island

A diverse and highly-skilled workforce



MGX directly employs **over 370 people**, mostly at Koolan Island, plus contractors in specialist and project roles.

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**Women account for 24%** of the Group's employees increasing the overall diversity of the workforce.

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Positive longstanding relationship with the **Dambimangari Traditional Owners**, which includes training, development and employment pathways.

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**Indigenous employment is over 16%** at Koolan Island, including a substantial number of Dambimangari members.

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**Circa 17%** of the Koolan Island workforce resides in the surrounding Kimberley region, mostly in Derby or Broome.

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The remainder of our Koolan Island workforce fly-in/fly-out from Perth via a twice-weekly direct FIFO service.



# Koolan Island

## FY24 performance and FY25 focus



### FY24 Operating Performance

- Main Pit ore mining totalled **3.7 Mwmt**.
- Shipments of **4.1 Mwmt**, including previously stockpiled ore, at an average cash operating cost (before royalties and capital projects) of \$74/wmt FOB.
- Mine cashflow of **\$284 million** on high grade iron ore sales of \$670 million.
- Mining completed in the western end of the Main Pit in June 2024.
- Central footwall ground support remediation project commenced.

### FY25 Operational Focus

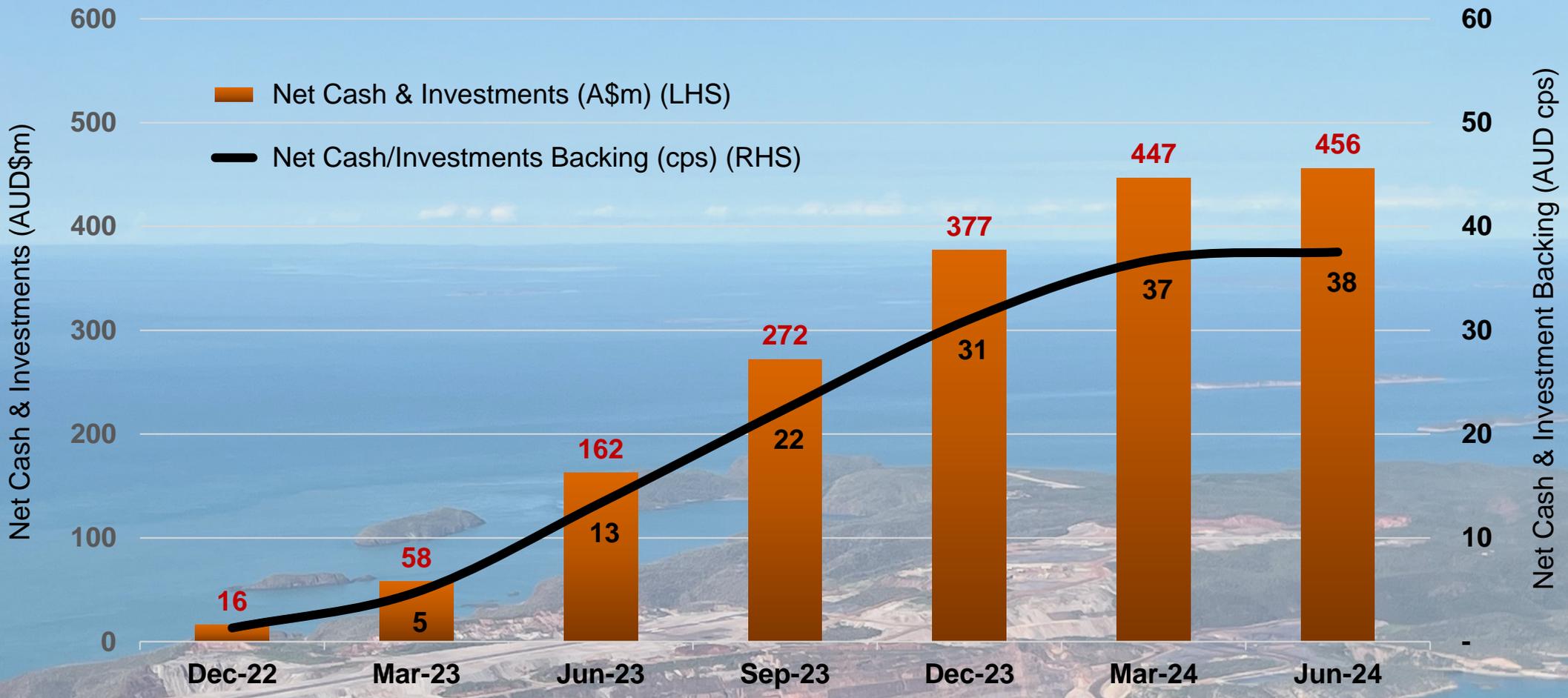
- Transition to the eastern end of the Main Pit in the September 2024 quarter, involving main haul ramp reconfiguration, as planned.
- Commissioning of the tertiary crushing circuit in the September 2024 quarter, enabling more cost-effective and efficient oversize rock processing.
- Substantial completion of central footwall ground support remediation work.
- Targeting FY25 sales of **2.7–3.0 Mwmt**, increasing in FY26.

# Mount Gibson Iron

Cash & Investment backing supports the share price



### Net Cash and Investment Holdings Backing per Share



Note: Cash & investments comprise cash and equity investments, including the share and option positions in Fenix Resources Limited.

### Existing Operations

Maximise (safe) **production and cashflow generation** from the Koolan Island operation.

### Business Expansion

Build on the established capital base to expand the business via resources investments including the opportunistic acquisition of new assets.

#### Location

- Focus in Australia.
- Potentially other stable regulatory jurisdictions.

#### Commodities

- Bulk materials – focus on iron ore, steel-making coal & bauxite.
- Base metals – focus on copper, lead & zinc, precious metals credits.

#### Attributes

- Meaningful scale and mine life.
- Production or near-production.
- Cashflow generative and value accretive.

# Mount Gibson Iron (ASX:MGX)

An established producer of high-grade iron ore products



**An established independent mid-tier iron ore producer** offering investment exposure to high grade (65% Fe) iron ores and robust cashflow generation.

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Clear strategy to **maximise production and cashflow generation from Koolan Island** to build cash reserves and **opportunistically expand the business**, providing meaningful investor returns.

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**Supportive major shareholders** and a **lean, stable and experienced team** with a broad range of mine operating, commercial and corporate skills.

# Mount Gibson Iron Limited (ASX: MGX)



# MGX

Presentation authorised by  
Peter Kerr, Chief Executive Officer  
Mount Gibson Iron Limited  
+61 (0)8 9426 7500  
[www.mtgibsoniron.com.au](http://www.mtgibsoniron.com.au)

# Supplementary Information

## Mineral Resources and Ore Reserves Information as at 30 June 2023\*



### Total Group Mineral Resources and Ore Reserves at 30 June 2023 (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 2023*</b>	<b>41.5</b>	<b>63.3</b>	<b>8.24</b>	<b>0.58</b>	<b>0.013</b>
<b>Total Ore Reserves at 30 June 2023</b>	<b>12.4</b>	<b>65.2</b>	<b>5.14</b>	<b>0.79</b>	<b>0.014</b>
<i>Total Mineral Resources at 30 June 2022</i>	<i>59.8</i>	<i>62.2</i>	<i>8.17</i>	<i>0.80</i>	<i>0.028</i>
<i>Total Ore Reserves at 30 June 2022</i>	<i>16.0</i>	<i>65.4</i>	<i>4.79</i>	<i>0.85</i>	<i>0.013</i>

Discrepancies may appear due to rounding. Mineral Resources are reported inclusive of Ore Reserves. All tonnages have been estimated as dry tonnages. Mineral Resources and Ore Reserves are reported inclusive of mined Ore stockpiles at Koolan Island. \*Shine Mineral Resources were removed due to their being subject to the sale agreement for Mount Gibson's Mid-West iron ore assets announced on 29 June 2023 and completed on 21 July 2023.

### Koolan Island – Mineral Resources & Ore Reserves at 30 June 2023

	Tonnes millions	Fe %	SiO <sub>2</sub> %	Al <sub>2</sub> O <sub>3</sub> %	P %
<b>Mineral Resources, above 50% Fe (includes Mined Ore Stockpiles)</b>					
Measured	4.0	61.1	11.63	0.48	0.009
Indicated	27.8	64.6	5.80	0.64	0.014
Inferred	9.7	60.4	12.31	0.59	0.013
<b>Total at 30 June 2023</b>	<b>41.5</b>	<b>63.3</b>	<b>8.24</b>	<b>0.58</b>	<b>0.013</b>
<i>Total at 30 June 2022</i>	<i>44.7</i>	<i>63.6</i>	<i>7.71</i>	<i>0.61</i>	<i>0.013</i>

### Ore Reserves, above 50% Fe (includes Mined Ore Stockpiles)

Proved	1.2	63.3	7.22	0.93	0.013
Probable	11.2	65.4	4.93	0.78	0.014
<b>Total at 30 June 2023</b>	<b>12.4</b>	<b>65.2</b>	<b>5.15</b>	<b>0.79</b>	<b>0.014</b>
<i>Total at 30 June 2022</i>	<i>16.0</i>	<i>65.4</i>	<i>4.79</i>	<i>0.85</i>	<i>0.013</i>

### Mined ROM Stockpiles available for processing (included in Measured Resources and Proved Reserves)

<b>Total at 30 June 2023</b>	<b>1.2</b>	<b>63.3</b>	<b>7.21</b>	<b>0.93</b>	<b>0.013</b>
<i>Total at 30 June 2022</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. Stockpiles are incorporated in the Measured Resources and Proved Reserves.

### 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 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 December 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 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 now 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 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 2023 Annual Statement of Mineral Resources and Ore Reserve. Mount Gibson will release its 2024 Annual Statement of Mineral Resources and Ore Reserve in the September 2024 quarter