

2017 Annual General Meeting



MGX

CEO Presentation
8 November 2017

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Investments in MGX shares are considered highly speculative.

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FY2017 in Review – Key Outcomes



- Total Recordable Injury Rate reduced for 5th consecutive year – down 22% to 5.3[^]
- Total product sales 3.2 Mwmt* for sales revenue of \$173m.
- Gross profit before tax from continuing operations of \$36.5m, net profit after tax of \$26.3m.
- Cash, term deposits and liquid investments of \$447m at 30 June 2017, up \$47m over the year, before \$64m Koolan Island insurance payment received July 2017.
- \$14.6m paid in State Government royalties.
- All-in group cash costs** of \$52/wmt FOB including net inventory build.
- Iron Hill mine approved and commissioned, first ore sales achieved in June 2017.
- High-grade Koolan Island Mine Restart Project commenced, first ore sales early 2019.
- Fully franked final dividend of 2.0 cents per share. Total dividends paid since 2011 - \$196m

[^]Incidents per million man hours

* Million wet metric tonnes.

**All-in group cash costs are reported FOB and include all operating, capital, royalties and corporate costs, excluding development capital related to the Koolan Island restart project.

All figures are expressed in Australian dollars unless stated otherwise

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Business Objectives FY2018



- **Mid West Operations** - optimise Iron Hill production and costs.
- **Koolan Island** - rebuild the Main Pit seawall, dewater the pit and prepare the site for commercial production to achieve initial ore sales in early 2019.
- **Cost reductions** - continue to drive for sustainable cost improvements across the existing business.
- **Treasury returns** - maintain the increased yield on the Group's cash reserves.
- **Growth projects** - continuation of the search for business development opportunities in the resources sector.

Guidance for 2017/18

Iron ore sales	3.5-3.8 Mwmt
Site cash cost	\$42-46/wmt sold
All-in group cash cost (excl. Koolan capital)	\$47-52/wmt sold
Koolan capital spend	\$80-85 million



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Strong start in September 2017 Quarter

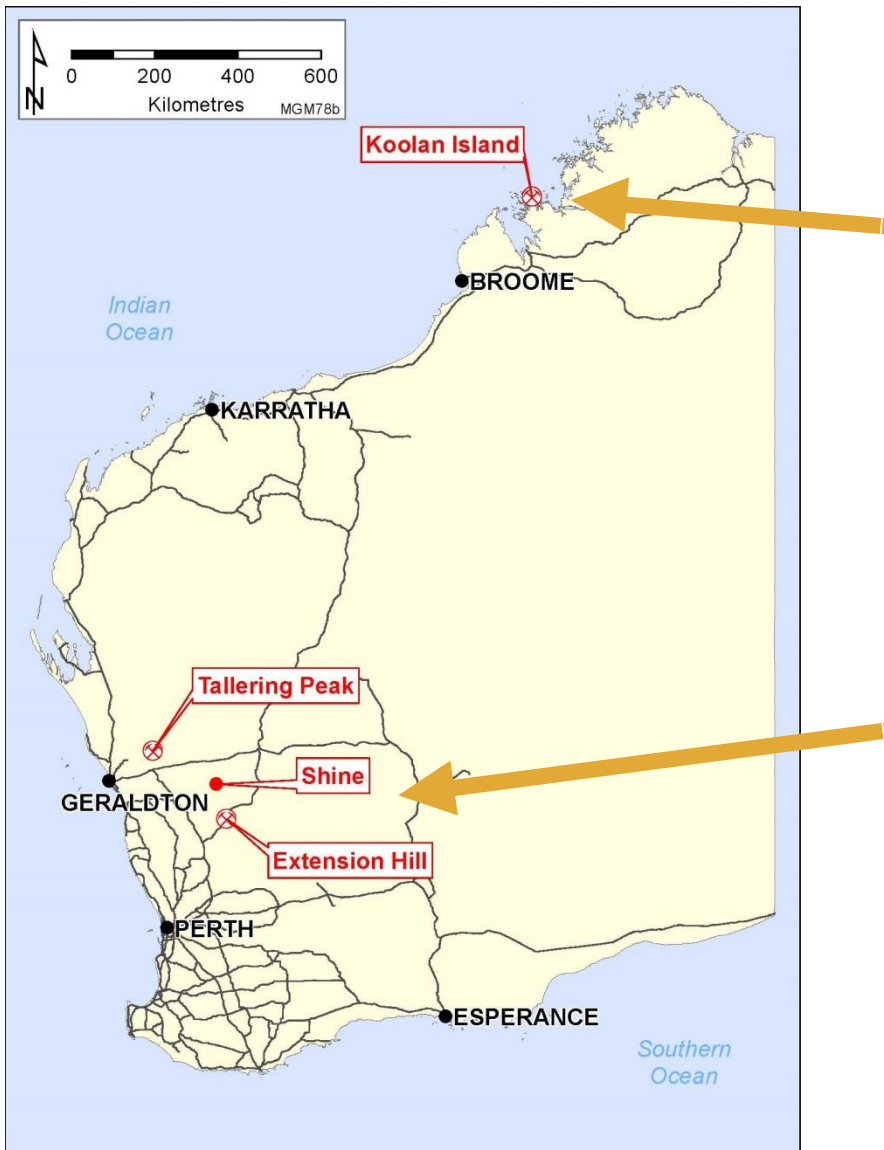


- **Quarterly ore sales increased ~40%** to 0.84 Mwmt including low grade sales of 0.18 Mwmt, for ore sales revenue of \$43m Free on Board (FOB).
- **All-in group cash costs** of \$46/wmt FOB, a reduction of 27%** compared with the June quarter.
- **\$64m** Koolan Island business interruption insurance settlement received July 2017
- **Cash, term deposits and liquid investments increased to \$507m** at 30 September 2017.
- **The high grade Koolan Island restart project continues to progress**, on schedule to achieve first ore sales in early 2019.

**All-in group cash costs are reported FOB and include all operating, capital, royalties and corporate costs, excluding development capital related to the Koolan Island restart project.
All figures are expressed in Australian dollars unless stated otherwise.
Quarterly sales revenue and cost figures are unaudited.
Quarter end cash is before \$21.9m dividend distribution paid on 16 October 2017.

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Business overview



Koolan Island

- Koolan Island Restart Project approved April 2017.
- Development capex \$97m.
- Stage One Ore Reserves 12.8Mt @ 66% Fe*.
- Material site works commenced June 2017.
- Project +20% complete at end October.
- First ore sales targeted for early 2019.

Mid-West Region

Extension Hill and Iron Hill

- Mining completed in the Extension Hill pit in November 2016, stockpile sales continued to October 2017.
- Iron Hill mine developed to extend life of the Mid-West operations to late 2018, sales commenced June 2017.
- Total Iron Hill life-of-mine sales of 5.5-6.0 Mwmmt projected until planned end of production in late 2018.
- Iron Hill total Mineral Resource 8.8Mt @ 58.3% Fe^.

*Refer ASX release dated 27 April 2017.

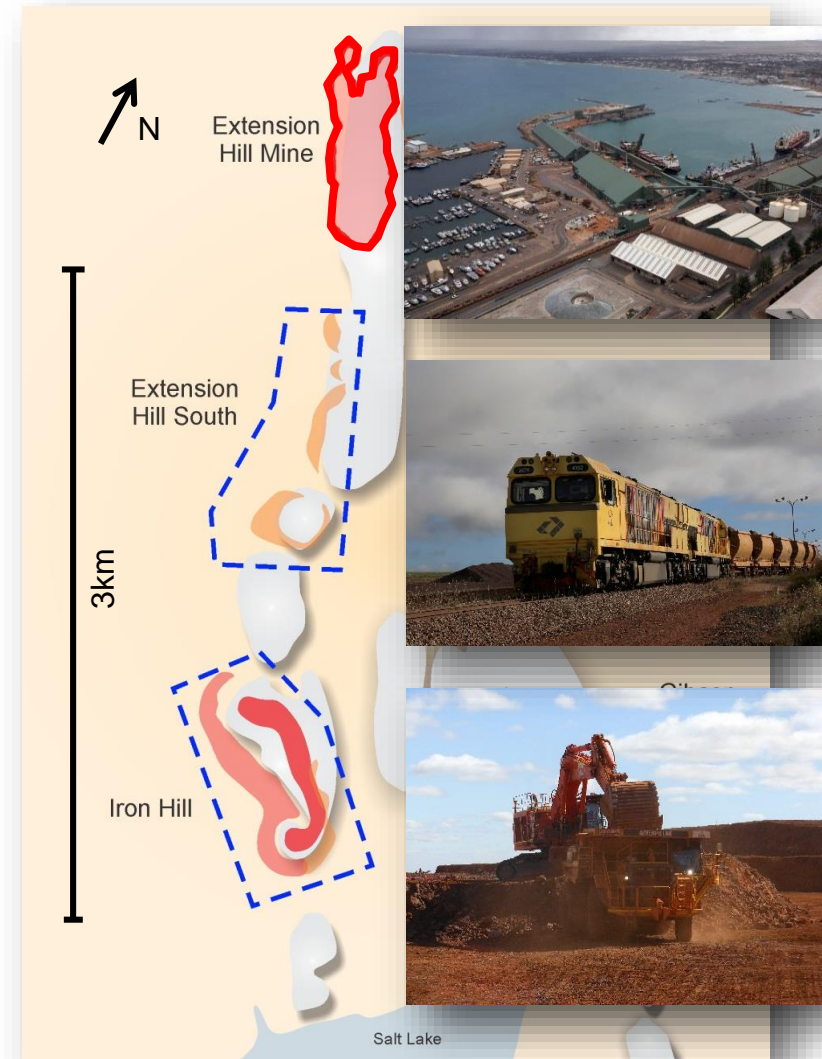
^Refer ASX release dated 31 August 2016.

Mid West Operations

Extension Hill and Iron Hill



- Extension Hill pit completed in November 2016, sales from stockpiles continued into mid 2017.
- Development of Iron Hill Deposit, 3km south of Extension Hill pit, approved in February 2017 and sales commenced June 2017.
- Negligible capital investment, utilises existing Extension Hill workforce, camp, mining, processing and transport infrastructure.
- Total forecast Iron Hill life-of-mine sales of **5.5-6.0 Mwmt** until scheduled end of production in late 2018.
- Site cash costs[^] expected to be **\$42-46/wmt** FOB in 2017/18.
- High lump yield (+55%).
- Lump expected to average +60% Fe, fines typically ~59% Fe.
- Current market conditions realising a discount of 10-15% for higher grade products and 30-40% for lower grade products.



[^]Site cash costs are reported FOB and include royalties and capex but are before corporate costs.

*Refer ASX releases dated 31 August 2016 and 9 February 2017.

Mid West Operations

Extension Hill and Iron Hill



Iron Hill haul road



Production drilling at Iron Hill



Aerial view of Extension Hill crushing plant and ore stockpiles



Ore being loaded at Extension Hill for delivery to Perenjori rail siding.

Koolan Island Mine Restart

A premier high grade iron ore opportunity



- One of the world's premier **high grade hematite** production opportunities.
- Stage 1 Main Pit Ore Reserves of **12.8Mt @ 66.0% Fe*** and initial mine life of 3.5 years.
- Initial capex of \$97m including \$10m contingency.
- Robust economics using conservative Fe prices and FX assumptions*.
- NPV of \$106m, including capex and closure costs, at 62% Fe CFR price of US\$55/dmt and A\$1.00/US\$0.75.
- First ore sales targeted to commence in early 2019.
- Potential Stage 2 Pit extension at east end of Main Pit, subject to further geotechnical work.



Koolan Island location and site layout showing Main Pit relative to existing site infrastructure, including crushing and port facilities, operations centre, accommodation camp and airstrip.


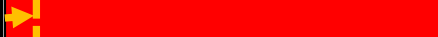



**Refer ASX release dated 27 April 2017 and slides at end of presentation.*



Koolan Island Mine Restart

Project +20% complete at end October



Koolan Island Restart Project Schedule and Progress

Task Name	2017			2018				2019
	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1
Rock Fill Embankment construction	 completed							
Seepage Barrier Construction			 in progress					
Dewatering & Footwall Rehabilitation								
Mining								
First Sales Commencement								

Progress achieved	
31-Oct-17	

- Embankment construction commenced June 2017 and completed September 2017.
- Seawall breach closed early August 2017.
- Drilling for instrumentation installation and excavation of seepage barrier panels underway.
- Dewatering scheduled to commence mid 2018.
- On track to achieve first ore sales in early 2019.

Koolan Island Mine Restart Construction Progress



Starter embankment construction in July 2017.



Starter embankment showing closure of seawall breach, August 2017.

Koolan Island Mine Restart Construction Progress



Overview of seawall construction activity, September 2017.



Grouting holes being drilled (upper) and vertical drains being drilled (lower),
September 2017.

Koolan Island Mine Restart Construction Progress



Seepage barrier construction preparations, showing excavators, bentonite plant and ponds, September 2017.



Drilling vertical drains, August 2017.

Koolan Island Mine Restart Construction Progress



Specialised excavator digging pilot seepage barrier panel, September 2017.



Excavation of pilot seepage barrier panel, September 2017.

Koolan Island Mine Restart Construction Progress



Seepage barrier guide wall construction, October 2017.



Drilling to install seawall monitoring instrumentation, October 2017.

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Summary - our strengths set us apart



- Iron Hill mine extends life of the Mid-West operations to late 2018.
- Koolan Island Restart Project is underway and represents a premier high-grade iron ore production opportunity with excellent financial returns and targeted to commence sales in early 2019.
- Robust balance sheet provides leverage and flexibility – cash reserves, term deposits and liquid investments of \$507m at 30 September 2017*.
- Proven cost reduction and control capability.
- Proven ability to generate positive operating cashflow in a volatile price environment.
- Focused team with a broad range of operating and corporate experience.
- Continued focus on seeking opportunities that leverage our strengths to provide value creation for MGX shareholders.

*Prior to payment of \$21.9m dividend distribution on 16 October 2017

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Additional Information

Group Mineral Resources and Ore Reserves at 30 June 2017*



Koolan Island					
	Tonnes millions	Fe %	SiO ₂ %	Al ₂ O ₃ %	P %
Mineral Resources, above 50% Fe					
Measured	7.69	59.1	13.53	1.16	0.018
Indicated	41.93	64.4	6.36	0.76	0.014
Inferred	10.89	60.2	12.48	0.79	0.015
Total at 30 June 2017	60.51	63.0	8.38	0.82	0.015
Ore Reserves, above 50% Fe					
Proved	0.04	63.49	6.68	1.31	0.014
Probable	12.77	66.03	3.70	0.92	0.009
Total at 30 June 2017	12.82	66.02	3.71	0.93	0.009
Extension Hill					
	Tonnes millions	Fe %	SiO ₂ %	Al ₂ O ₃ %	P %
Mineral Resources, above 50% Fe					
Measured	1.27	55.32	9.16	2.76	0.077
Indicated	0.31	57.29	10.42	1.62	0.076
Inferred	0.20	56.61	10.49	1.66	0.055
Total at 30 June 2017	1.79	55.81	9.53	2.44	0.074
Ore Reserves, above 50% Fe					
Proved	Nil	Nil	Nil	Nil	Nil
Probable	Nil	Nil	Nil	Nil	Nil
Total at 30 June 2017	Nil	Nil	Nil	Nil	Nil
Iron Hill					
	Tonnes millions	Fe %	SiO ₂ %	Al ₂ O ₃ %	P %
Mineral Resources, above 50% Fe					
Measured					
Indicated	1.23	60.6	8.64	0.94	0.050
Inferred	6.84	57.9	8.72	1.74	0.071
Total at 30 June 2017	8.07	58.3	8.71	1.62	0.068
Tallering Peak					
	Tonnes millions	Fe %	SiO ₂ %	Al ₂ O 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 at 30 June 2017	1.65	57.9	11.10	2.15	0.069
Shine					
	Tonnes millions	Fe %	SiO ₂ %	Al ₂ O ₃ %	P %
Mineral Resources, above 50% Fe					
Measured	5.73	58.9	9.04	1.81	0.076
Indicated	6.57	58.0	10.01	1.35	0.070
Inferred	3.59	56.8	9.61	1.18	0.063
Total at 30 June 2017	15.89	58.1	9.57	1.48	0.071

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

Competent Persons Statements

Mount Gibson Iron Mineral Resources:

The information in this report relating to Mineral Resources for the Koolan, Extension Hill, Tallering Peak and Shine deposits 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. 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.

Mount Gibson Iron Mineral Reserves:

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

*Refer ASX release dated 5 October 2017.