

# Annual General Meeting



# MGX

CEO - Jim Beyer  
11 November 2015

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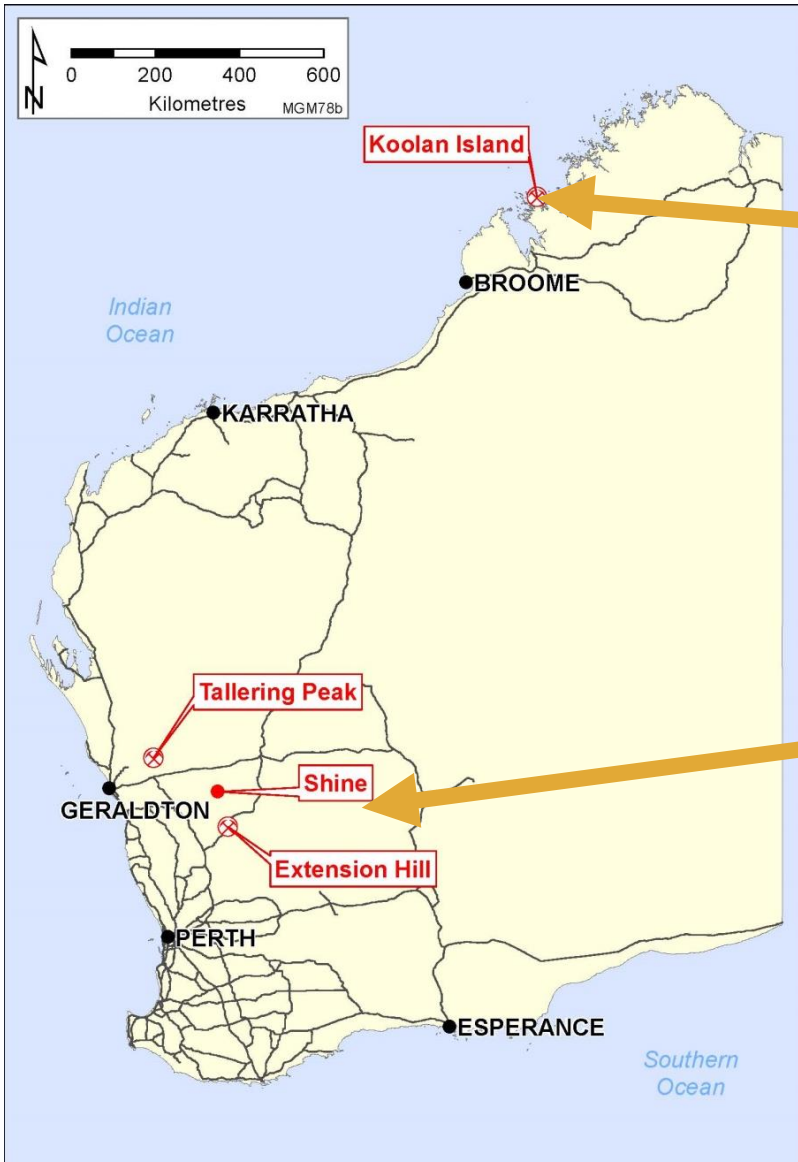
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### Koolan Island

- Acacia East Pit Stage 2 & 3 to extend mining and sales into March Quarter 2016
- Transition to care and maintenance mid-2016
- Evaluation of Main Pit seawall rebuild options ongoing
- Main Pit seawall insurance claim progressing
- Koolan Island Logistics Base (KILB) proposal

### Extension Hill

- Simple, low cost operation
- Ramping up to 3.5 - 4.0 Mtpa
- Permitting progressing for Iron Hill to extend mine life beyond end 2016
- Iron Hill Resource 8.8Mt @ 58.5% Fe delineated\*

### Regional

- Increased Shine Resource provides future optionality\*

*\*Refer ASX releases dated 17 August 2015 and slides at end of presentation.*

# FY2015

A challenging year



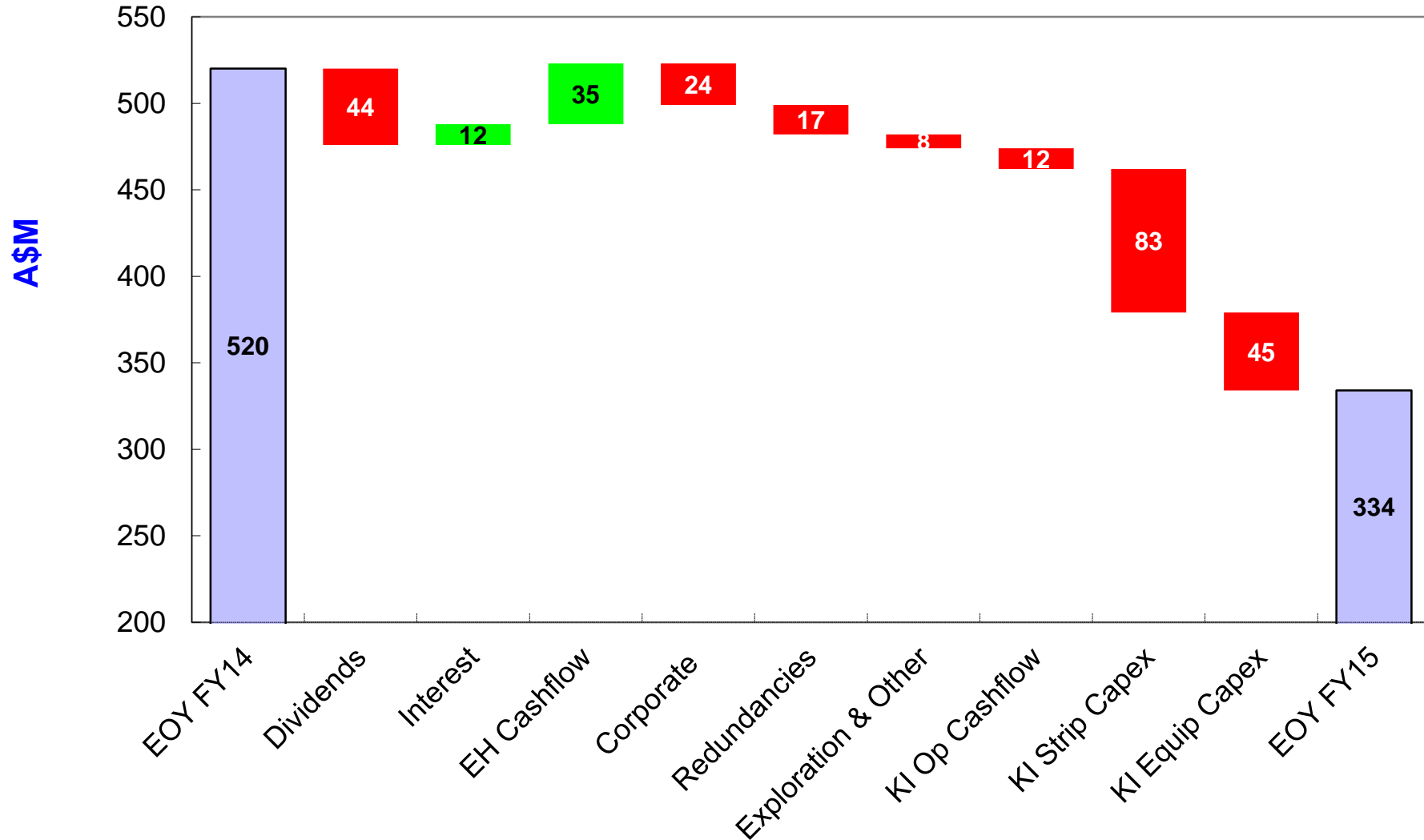
- Average Platts 62% Fe price 41% lower at US\$72/dmt CFR for FY2015
- Koolan Island Main Pit operations suspended after seawall failure in November 2014
- Total group ore sales of 5.8 Mwmt, down 40%
- Total ore sales revenue down 64% to A\$325 million

<b>Sales Volume &amp; Earnings</b> (including discontinued operations in FY2015 and FY2014, see Note)		<b>FY2015</b>	<i>FY2014</i>	<i>FY2013</i>
Sales Volume	Mwmt	<b>5.8</b>	9.7	8.8
Sales Revenue	A\$m	<b>325</b>	898	853
Underlying profit/(loss) after tax, excluding impairments	A\$m	<b>(13.9)</b>	117.7	157.3
Statutory profit/(loss) after tax, including impairments	A\$m	<b>(911.4)</b>	96.4	157.3
<b>Unit Prices &amp; Costs</b> (excluding discontinued operations in FY2015 and FY2014, see Note)		<b>FY2015</b>	<i>FY2014</i>	<i>FY2013</i>
Realised FOB Price (includes penalties & FX hedging)	A\$/wmt sold	<b>57</b>	98	97
Total Cost of Goods Sold (includes site cash and non-cash costs, & royalties)	A\$/wmt sold	<b>62</b>	75	80

Note: Total sales volumes, revenues and earnings results are shown across all years inclusive of the Talling Peak operation which was classified as discontinued in FY2015. However, the unit sales price and cost information for FY2015 and FY2014 excludes the Talling Peak operation in order to provide a more useful comparison with current mining operations. All costs are reported on a Free on Board (FOB) basis. The underlying basis is a non-IFRS measure that in the opinion of the Directors provides useful information to assess the Company's financial performance.

# FY2015

## Cash movements





# FY2015

A challenging year, but still significant positives



- Lost time injury frequency rate reduced to **ZERO** from 3.43
- TRIFR reduced **29%** to **9.4**
- Cost of Goods Sold reduced **17%** and falling
- Total workforce reduced **68%**
- Corporate costs reduced **50%** and falling
- Significant value generated through Acacia East satellite mining campaign
- Significant efficiency improvements gained from Extension Hill ramp-up
- Substantial Resource confirmed at Iron Hill
- Successful closure and rehabilitation of Talling Peak mine site
- Koolan Island Logistics Base (KILB) proposal launched

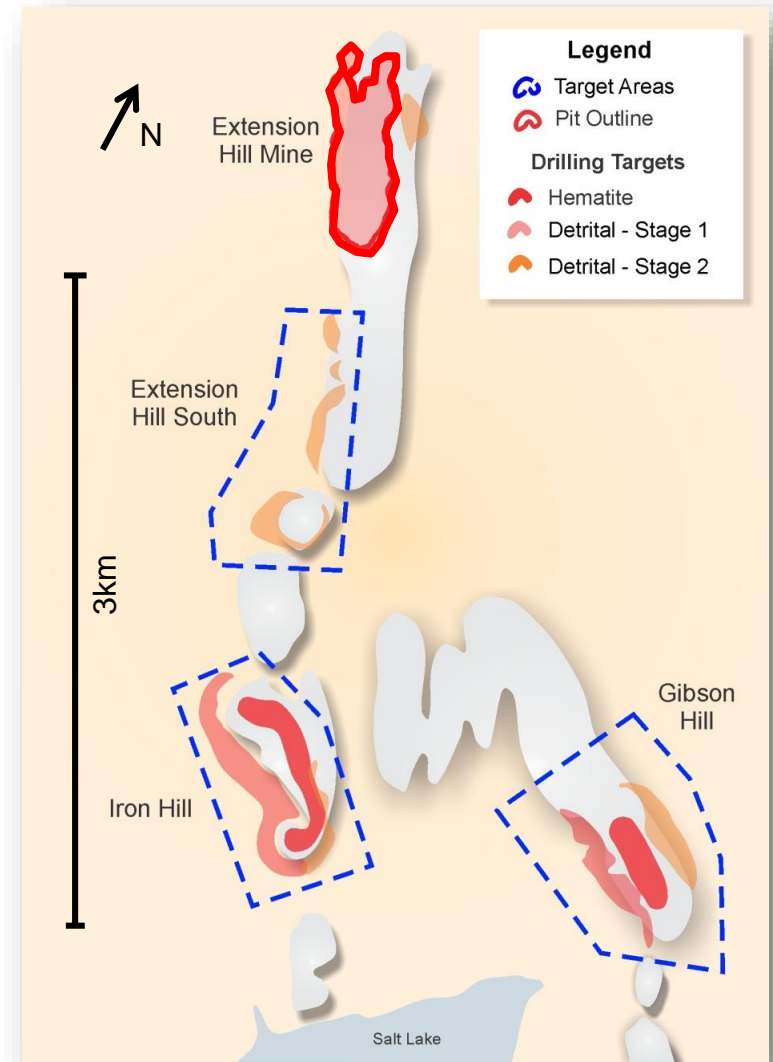


# Extension Hill

## Low-capital growth platform



- Established road, rail and port solutions
- ~0.6:1 remaining LOM strip ratio
- Production ramping up to 3.5 – 4.0 Mtpa
- Extension Hill pit scheduled for completion in late 2016
- Iron Hill Deposit, 3km south of current pit, offers significant potential to extend mine life beyond 2016
- Iron Hill Mineral Resource of 8.8 Mt @ 58.5% Fe\*
- Minimal expected capital costs – haul road
- Development permitting progressing
- Other high potential targets adjacent to Iron Hill within the Extension Hill South project area



\*Refer ASX release dated 17 August 2015, and slides at end of presentation for Mineral Resource and Ore Reserve information.

# Koolan Island

Continuing to extract value



- Main Pit inundated after seawall failure in December quarter 2014
- Most of workforce demobilised in late 2014
- Acacia East Stage 1 satellite mining campaign commenced in early 2015
- Acacia East Stages 2 and 3 to extend sales into March Quarter 2016
- Sales weighted to Dec & Mar Quarters
- Total Acacia East sales of ~1.2 Mt expected for FY2016
- Cash generative at current Fe prices and FX\*
- Koolan Island to transition to care and maintenance after Acacia East complete

*\*Refer September Quarter Activities Report, dated 26 October 2015. See slides at end of presentation for Mineral Resource and Ore Reserve information.*





# Koolan Island

## Future Potential



- Technical investigation into seawall failure completed
- Insurance claim progressing:
  - Property damage and business interruption cover
  - Conditional confirmation that policies will respond with initial partial progress payment of \$1.85m received in July 2015
  - Total claim being finalised for submission in current quarter
- The high grade Main Pit still provides significant future production potential
- Revised Main Pit concept identified based on approx. 5 - 7 years at ~3Mtpa and ~25% reduction in average strip ratio
- Technical evaluation of rebuild options expected to be complete in mid 2016
- Geotechnical drilling to be completed by end 2015



*Note: Refer slides at end of presentation for Mineral Resource and Ore Reserve information.*

# FY2016 Outlook

September quarter provides a solid start



Strong  
operating  
performance in  
September Qtr

- Group ore sales **1.1 Mt**
- Ore sales revenue of **A\$54 million** FOB
- All in group cash costs of **A\$52/wmt** FOB\*
- Extension Hill ramp up on track to attain 3.5 - 4.0 million tonnes per annum rate
- Extension Hill site cash costs of A\$48/wmt FOB\*\*
- Acacia East Stage 3 to extend Koolan Island sales to March Quarter 2016
- Acacia East sales weighted to Dec & Mar Quarters



\* All in group cash costs include all operating, capital, royalties, closure and head office costs

\*\* Extension Hill site cash costs include royalties and capex but are before corporate cost allocations.

# FY2016 Outlook

Continued focus on cash margins and cost reductions



## Sales

Group Ore Sales Guidance increased to **4.5 – 5.0 Mwmt** for FY2016:

- Extension Hill production ramping up to **3.5 - 4.0 Mtpa** in FY2016.
- Stages 2 and 3 of Acacia East mining campaign at Koolan Island to recover combined **~1.2 Mt** in FY2016, subject to the iron ore price over the period.

## Costs

Average all in cash cost target of **A\$50-54/wmt FOB\***:

- Extension Hill all-in site cash costs\*\* targeted to average **A\$44 – 47/wmt**
- Koolan Island all-in site cash costs targeted of **A\$38 – 40/wmt**, before royalties
- Acacia East pit expected to generate cash at current prices and FX^
- Organisational restructuring ongoing, with head office cash costs reduced to A\$1.0 million/month in September Quarter and further reduction targeted.

\* including all operating, capital, royalties, closure and head office costs:

\*\* Extension Hill site cash costs are reported FOB and include royalties and capex but are before corporate cost allocations.

^ Refer September Quarter Activities Report dated 26 October 2015

# The Future

MGX has real upside potential on multiple fronts



- Extension Hill production plan accelerates cashflow and lowers unit costs
- Iron Hill Resource confirms mine life extension potential
- Koolan Island seawall rebuild evaluation offers significant future production potential and premium quality product mix
- Seawall Insurance claim progressing satisfactorily
- Complimentary new business opportunity created with KILB
- Robust balance sheet provides maximum flexibility
- Actively evaluating broad range of resources opportunities outside iron ore



# Thank You



# MGX

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# Supplementary information

## Mineral Resources and Ore Reserves at 30 June 2015

Koolan Island					
	Tonnes millions	Fe %	SiO <sub>2</sub> %	Al <sub>2</sub> O <sub>3</sub> %	P %
Mineral Resources above 50% Fe					
Measured	8.14	59.1	13.55	1.11	0.017
Indicated	42.60	64.3	6.42	0.76	0.014
Inferred	10.89	60.2	12.48	0.79	0.015
Total	61.62	62.9	8.43	0.81	0.014
Ore Reserves, above 50% Fe					
Proved	0.38	59.1	14.86	0.28	0.009
Probable	0.49	60.6	12.05	0.58	0.011
Total	0.87	60.0	13.27	0.45	0.010
Extension Hill					
	Tonnes millions	Fe %	SiO <sub>2</sub> %	Al <sub>2</sub> O <sub>3</sub> %	P %
Mineral Resources above 50% Fe					
Measured	6.28	58.2	6.47	2.25	0.077
Indicated	1.96	59.8	8.73	1.13	0.053
Inferred	7.54	57.8	8.70	1.74	0.069
Total	15.77	58.2	7.81	1.87	0.070
Ore Reserves, above 50% Fe					
Proved	5.88	58.2	6.55	2.22	0.077
Probable	0.31	57.3	10.92	1.26	0.071
Total	6.19	58.2	6.77	2.17	0.076
Tallering Peak					
	Tonnes millions	Fe %	SiO <sub>2</sub> %	Al <sub>2</sub> O <sub>3</sub> %	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	1.65	57.9	11.10	2.15	0.069
Shine					
	Tonnes millions	Fe %	SiO <sub>2</sub> %	Al <sub>2</sub> O <sub>3</sub> %	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	15.89	58.1	9.57	1.48	0.071
NOTE: Discrepancies may appear due to rounding. Mineral Resources are reported inclusive of Ore Reserves.					

Total Group Mineral Resources and Ore Reserves at 30 June 2015					
(above 50% Fe)	Tonnes millions	Fe %	SiO <sub>2</sub> %	Al <sub>2</sub> O <sub>3</sub> %	P %
Mineral Resources	94.93	61.2	8.57	1.12	0.034
Ore Reserves	7.06	58.4	7.57	1.96	0.068
NOTE: Discrepancies may appear due to rounding. Mineral Resources are reported inclusive of Ore Reserves.					

### Attributions

The information in this report that relates to Exploration Results including sampling techniques and data management is based on information compiled by Gregory Hudson, a Competent Person who is a member of the Australian Institute of Geoscientists. Gregory Hudson was a full-time employee of, and is a consultant to, Mount Gibson Iron Limited, and he 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". Gregory Hudson consents to the inclusion in this report of the matters based on his information in the form and context in which it appears.

The information in this report relating to Mineral Resources for the Shine, Extension Hill (excluding Iron Hill), and Tallering Peak deposits as well as the Acacia East, Mullet Acacia, Barramundi West, Eastern Barramundi and Mangrove Mineral Resources at Koolan Island, 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. 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. The Mineral Resource estimates comply with recommendations in the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (2012) by the Joint Ore Reserves Committee (JORC). Therefore they are suitable for public reporting.

The information in this report relating to the Mineral Resources of Main Deposit at Koolan Island and the Iron Hill deposit at Extension Hill South is based on information compiled by Jani Kalla, a Competent Person who is a member and Chartered Professional of the Australasian Institute of Mining and Metallurgy. Jani Kalla was a full-time employee of Mount Gibson Iron Limited and is now a full time employee of First Quantum Minerals Limited. Jani Kalla has sufficient experience that is 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'. Jani Kalla consents to the inclusion in this report of the matters based on his information in the form and context in which it appears. The Mineral Resource estimates comply with recommendations in the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (2012) by the Joint Ore Reserves Committee (JORC). Therefore they are suitable for public reporting.

The information in this report relating to Ore Reserves at Koolan Island, Extension Hill and Shine is based on information compiled by Paul Salmon, a Competent Person who is a member and a Chartered Professional of the Australasian Institute of Mining and Metallurgy. Paul Salmon is a full-time employee of Mount Gibson Iron Limited. Paul Salmon 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'. Paul Salmon consents to the inclusion in the report of the matters based on his information in the form and context in which it appears. The Ore Reserve estimates comply with recommendations in the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (2012) by the Joint Ore Reserves Committee (JORC). Therefore they are suitable for public reporting.

Refer ASX releases dated 17 August 2015 for full details of the Iron Hill and Shine Mineral Resources, and statement of Group Mineral Resources and Ore Reserves as at 30 June 2015.