



# Mount Gibson Iron Limited

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## ASX ANNOUNCEMENT

ASX Code : **MGX**

19 June 2017

### Mount Gibson terminates offtake agreement with Iron Hill customer

Mount Gibson Iron Limited ("**Mount Gibson**") advises that it has formally terminated an offtake agreement entered into with Xinyu Iron and Steel Group Limited ("**Xinyu**") on 25 November 2016 relating to production from the Company's Iron Hill mine in Western Australia. The termination follows Xinyu's failure to comply with a fundamental term under the offtake agreement.

Consistent with Mount Gibson's rights, the Company is now free to place all production previously committed to Xinyu under this agreement with alternative customers. Mount Gibson has reserved its rights to pursue Xinyu for any resulting losses.

Mount Gibson has already successfully sold Iron Hill material into the spot market, and fully expects to continue to place all production from Iron Hill with customers as it becomes available.

As previously announced<sup>1</sup>, Xinyu committed to purchase approximately one quarter of the first year's planned production from Iron Hill under its offtake agreement with Mount Gibson.

For further information:

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<sup>1</sup> Refer ASX release dated 25 November 2016