

# Mount Gibson Iron Limited (ASX:MGX)



CEO Presentation  
Annual General Meeting  
20 November 2024

MGX



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*Investments in shares in MGX are considered highly speculative.*

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# MGX's 20<sup>th</sup> Year as an Iron Ore Producer



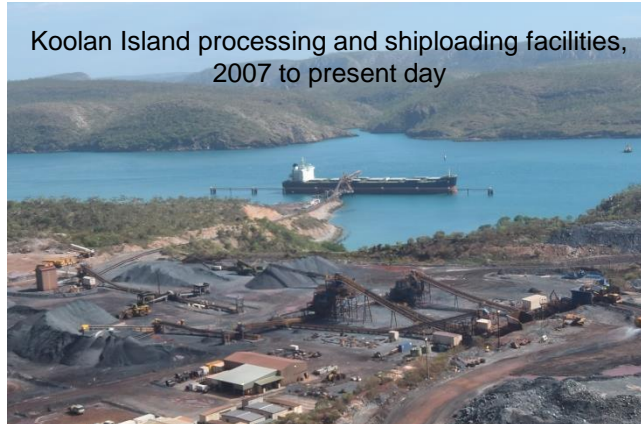
Tallering Peak mine 2004-2014



Extension Hill & Iron Hill mines 2011-2021



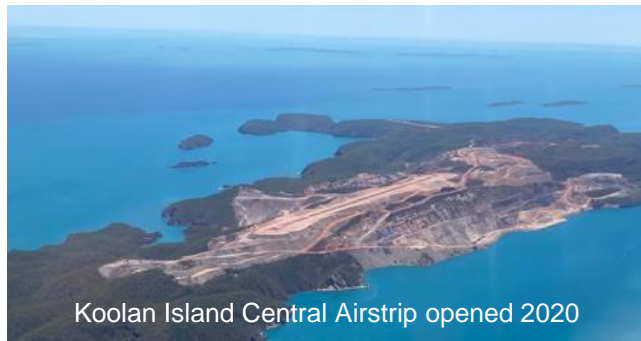
Geraldton Port Export Facilities 2004 -2023



Koolan Island processing and shiploading facilities,  
2007 to present day



Koolan Island mine, 2007 to present day



Koolan Island Central Airstrip opened 2020

**Mount Gibson Iron (MGX)** listed on the ASX in **2002** with iron ore projects in the Mid-West region of WA.

**Sales commenced in 2004**, with +50 Mt being shipped from three Mid-West mines before divestment in 2023.

MGX acquired the **high-grade Koolan Island mine** in late 2006, with sales commencing in 2007.

**Group ore sales to date of +87 Mt**, including +37 Mt from Koolan Island.

Koolan Island is the **highest-grade DSO hematite iron ore mine in Australia**, with an average grade of **65% Fe**. Remaining mine life is approximately two years.

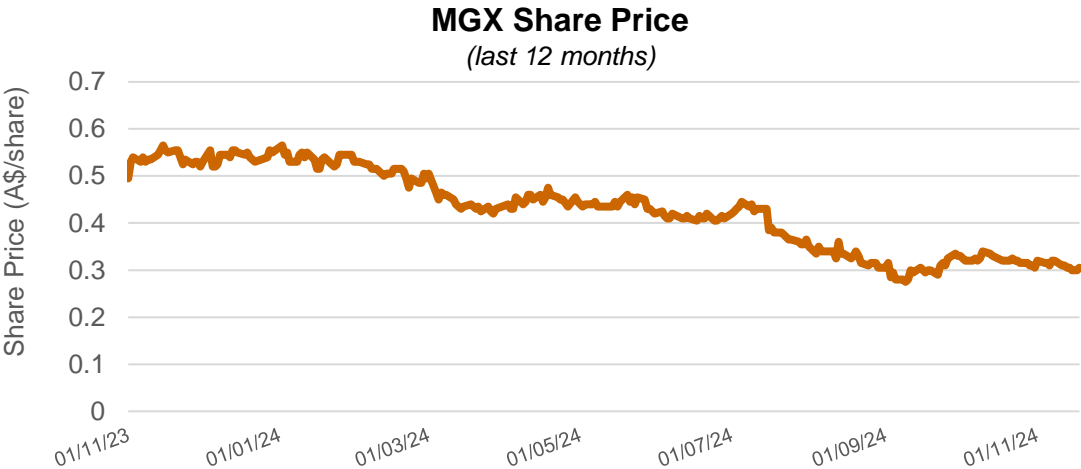
Positive and valued long-standing relationship with the **Dambimangari** Traditional Owners of Koolan Island.

A range of potential **post-mining opportunities** are being evaluated in collaboration with the Dambimangari People.

# Corporate Overview

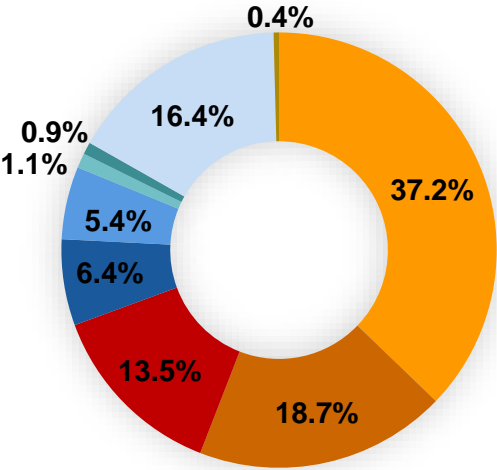


Issued shares	1,215 million shares
Market capitalisation	A\$370 million (\$0.305/share)
Cash/investments	A\$434 million (30 September 2024)* *including FEX holding
Bank Borrowings	Nil
Dividends	A\$332 million (fully franked) since 2011



Shareholder Distribution (% issued shares @ 30 September 2024)

- APAC Resources
- Australia/NZ Institutions
- Shougang Fushan
- Australian/NZ Retail
- North America
- UK & Europe
- Directors & Management
- Other
- Asia/Middle East



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*

# Strong underlying performance in FY24



## Strong Operating Performance

- Iron ore mined of **3.7 Mwmt**.
- Average waste-to-ore strip ratio of **0.6:1**.
- Total ore sales of **4.1 Mwmt @ 65.3% Fe**.
- Total ore sales revenue of **\$667.7 million FOB**.
- Average cash cost **\$74/wmt shipped FOB**.
- Average realised price of **US\$110/dmt FOB**

## Other Business

- **Fenix shareholding** (8.6%) valued at **\$20 million** at period end, increasing to just over 10% in September quarter.
- Significant **increased investments** in junior resources companies to **\$17 million** (excluding FEX).
- Regional **exploration progressing** in Mid-West and Murchison.
- Acquisition **search has intensified**.

## Solid Underlying Financial Performance

- KI operating cashflow of **\$284 million**.
- Group cashflow of **\$290 million**.
- Cash/investment reserves of **\$442 million** (plus shares & options in FEX) at year-end.
- Profit before tax and impairments\* of **\$211.6 million**.
- Net profit after tax and impairments\* **\$6.4 million**.  
(\*Non-cash accounting impairments totalled \$159.1 million)

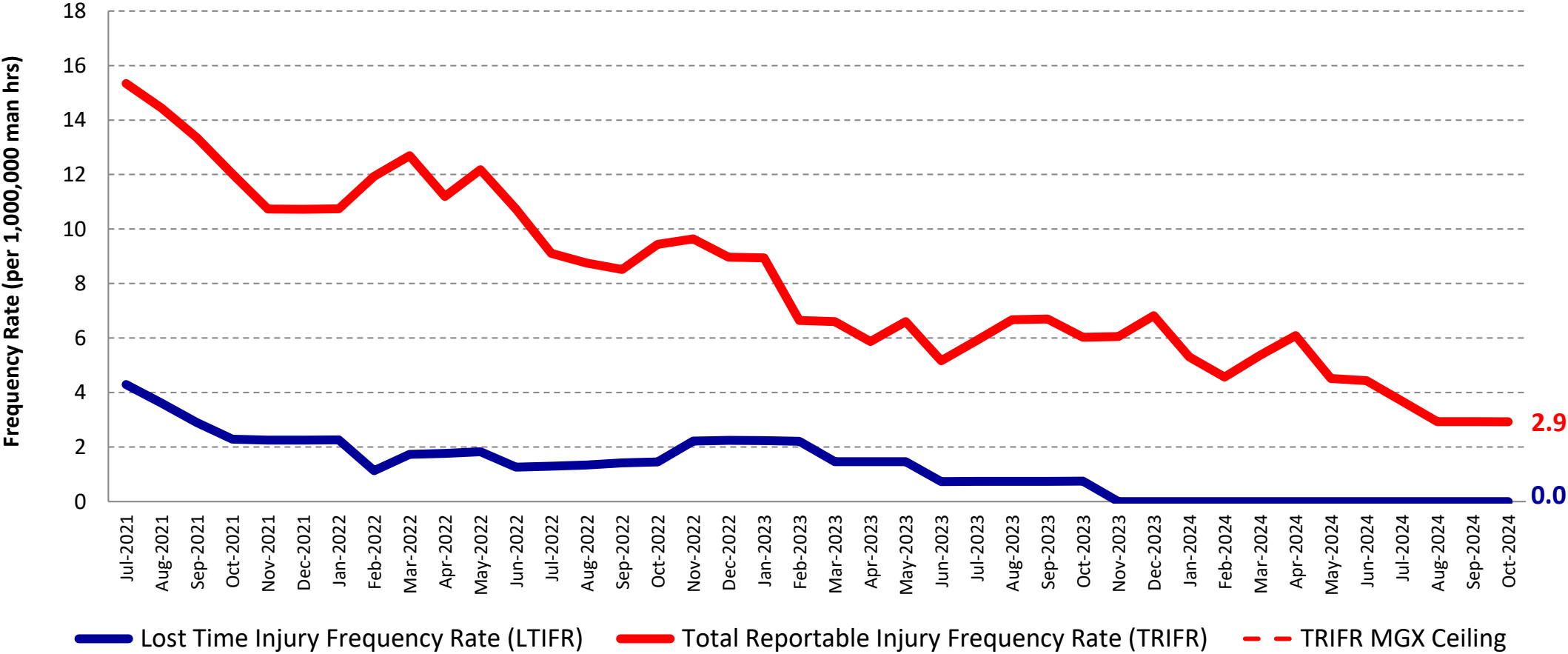
## FY25 Operating Outlook

- Targeting **2.7–3.0 Mwmt** at cash cost of **\$95-100/mt FOB**.
- Increasing sales rate in 2HFY25 and following 1-2 years.
- Key focus on maximizing Koolan's cashflow generation through **efficiencies and cost reductions**.
- Remaining Ore Reserves of **7.2 Mdmt @ 65.1% Fe** and Mineral Resources of **19.1 Mdmt @ 62.8% Fe**, all at Koolan Island (at 30 June 2024).

# Safety is our priority – essential for good business

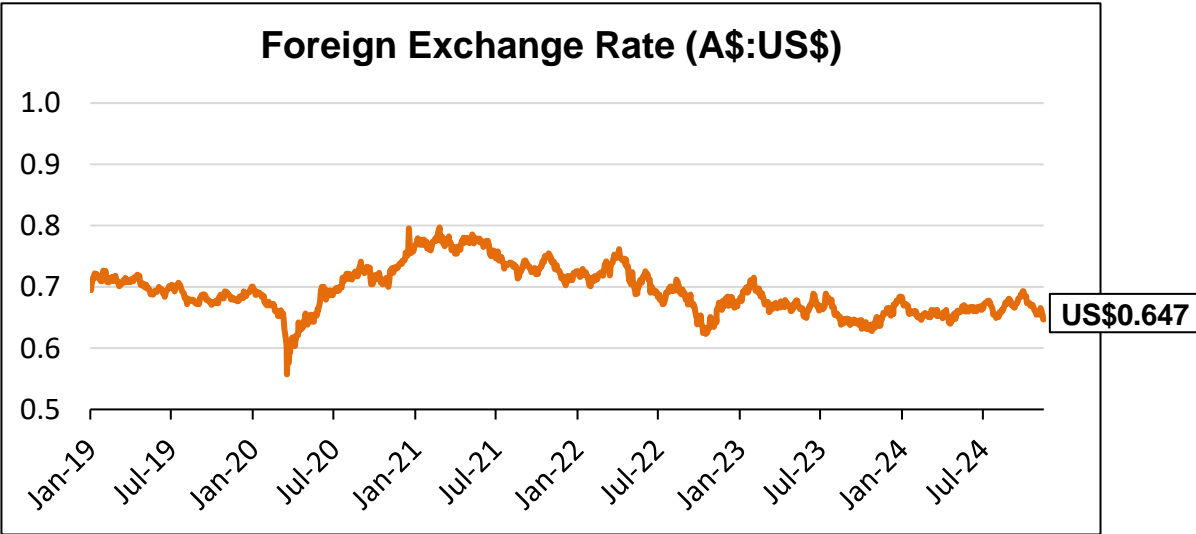
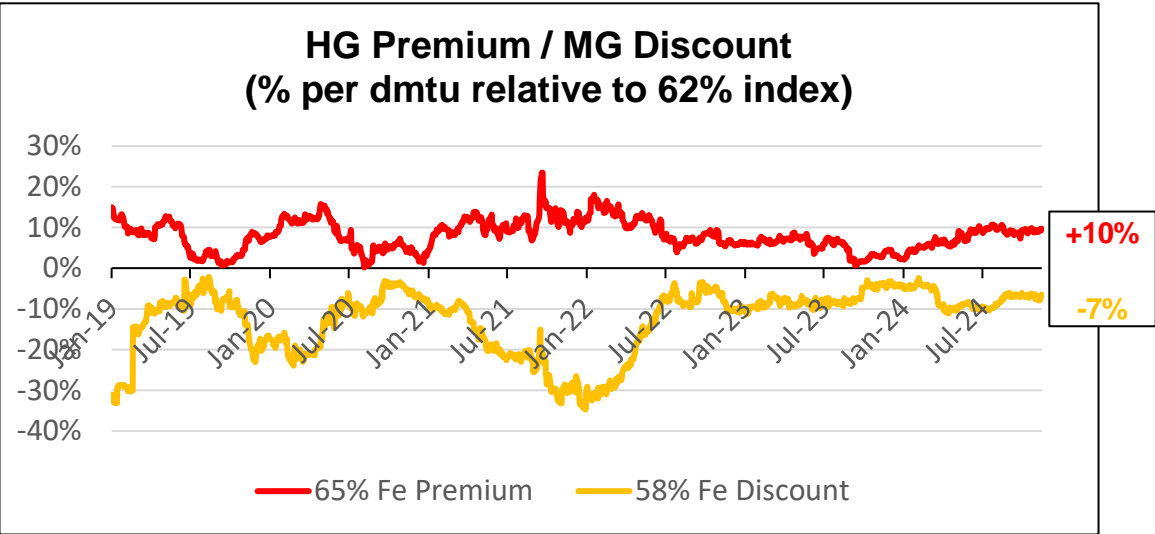
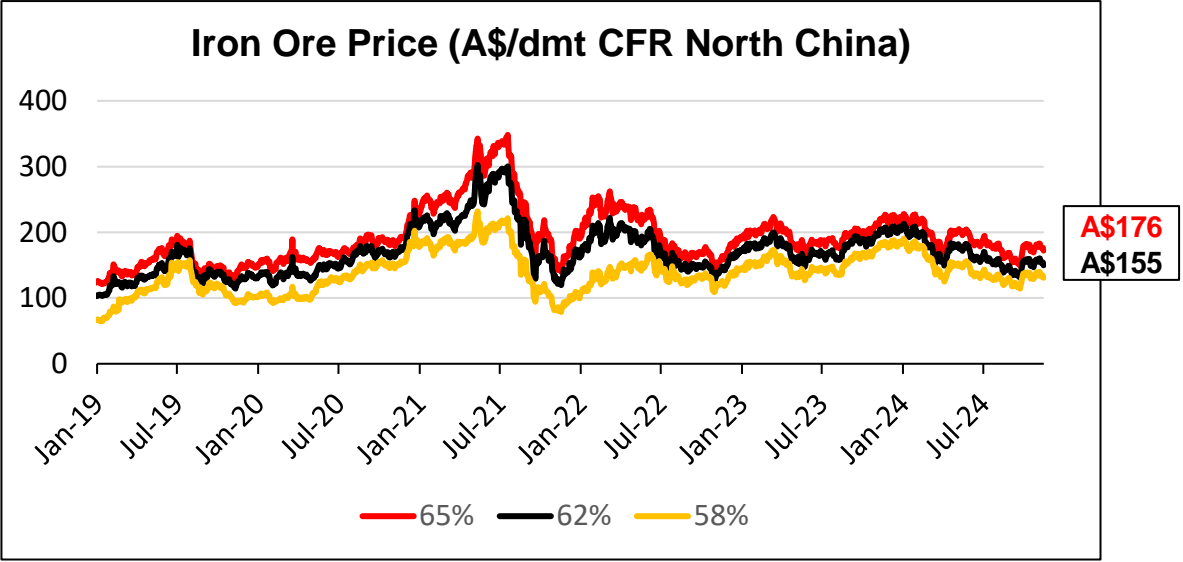
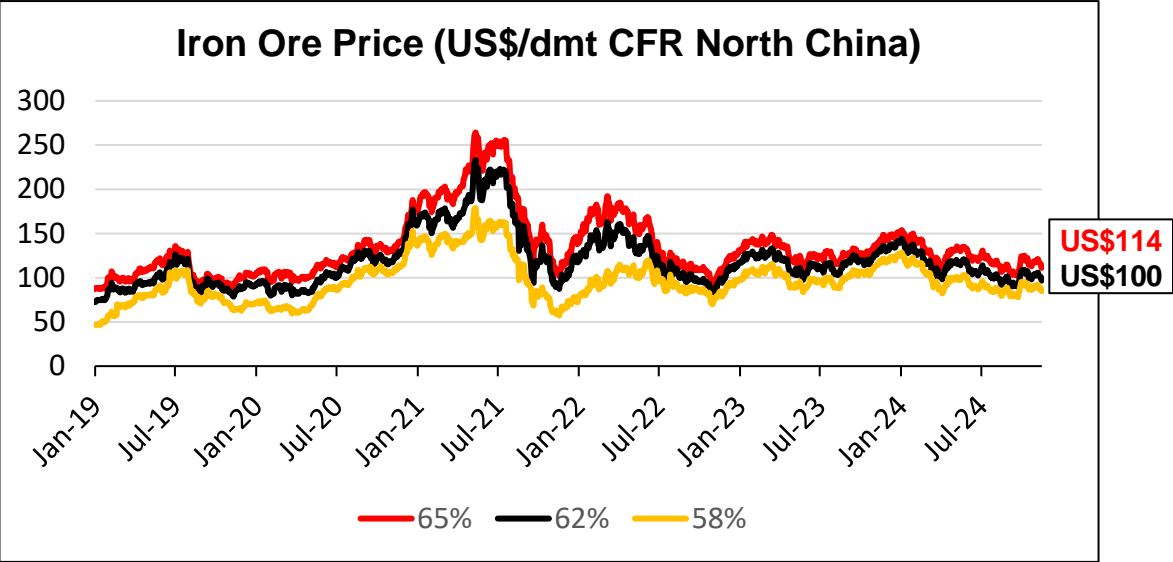


Mount Gibson Iron  
Injury Frequency Rates (Rolling 12 Month Basis)

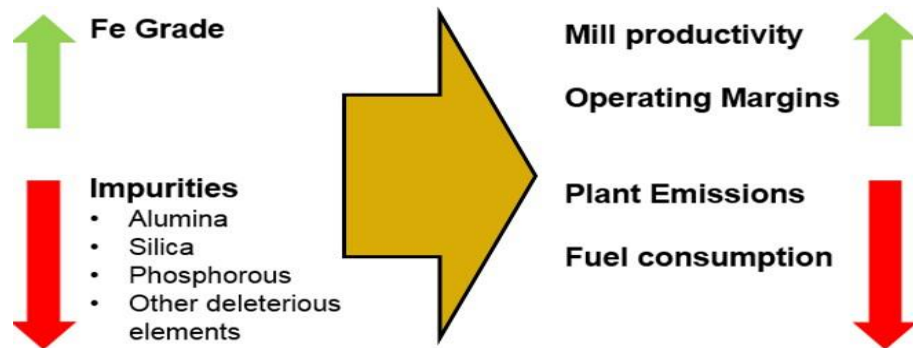
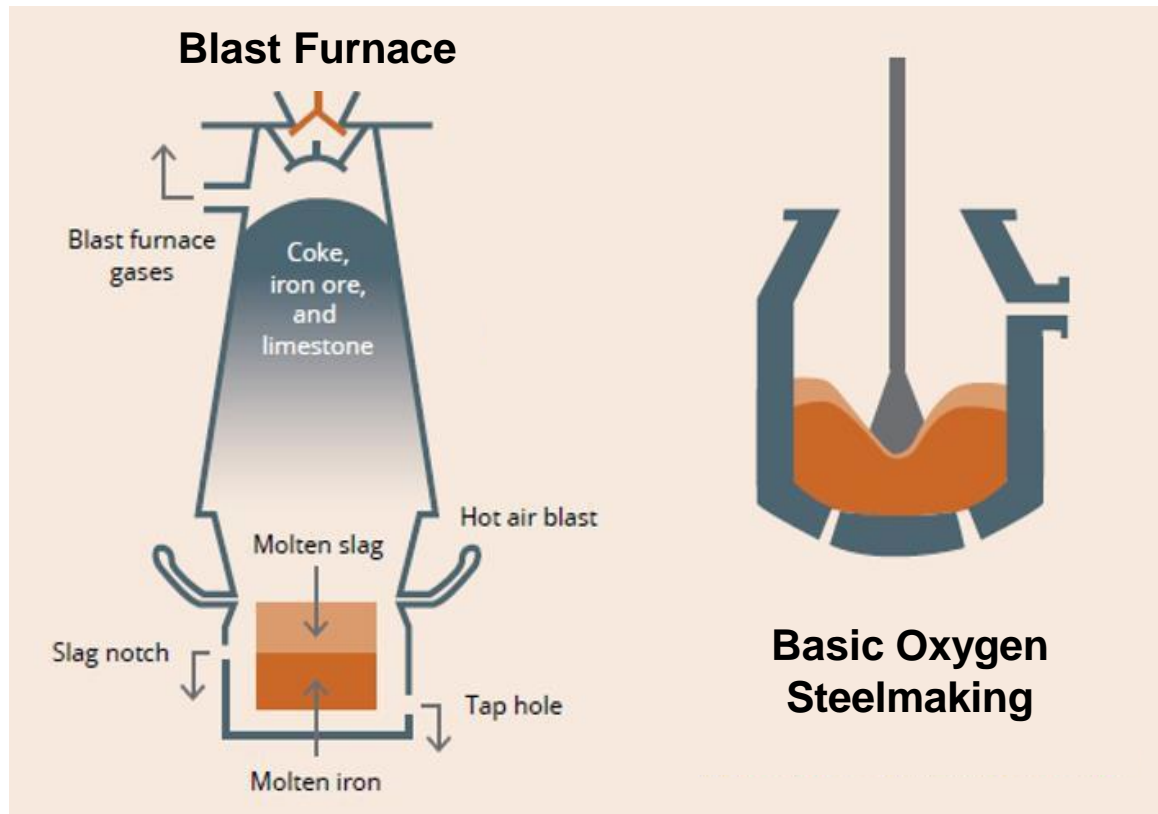




# Iron Ore Market



# The Pricing Impacts of Iron Ore Quality



## Grade and Impurities Matter

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.

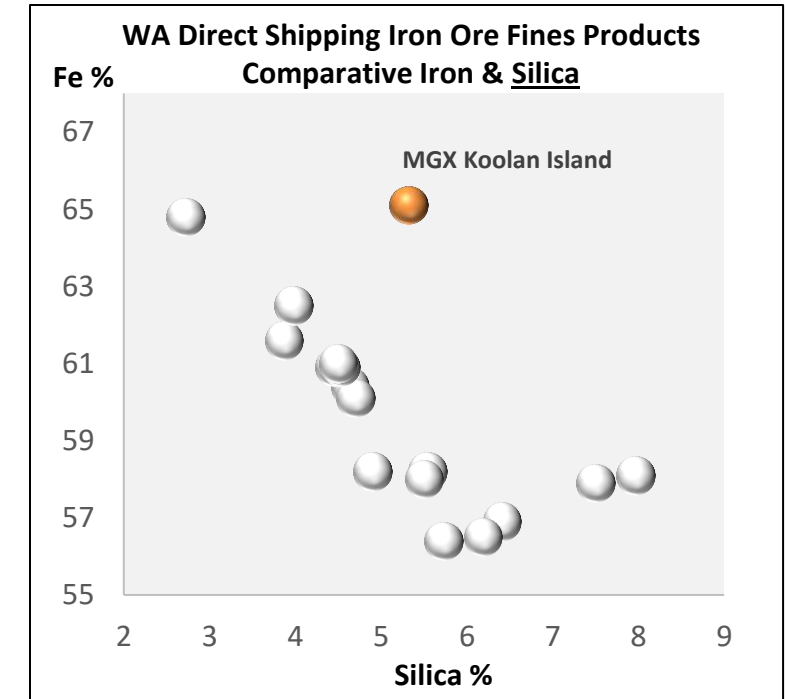
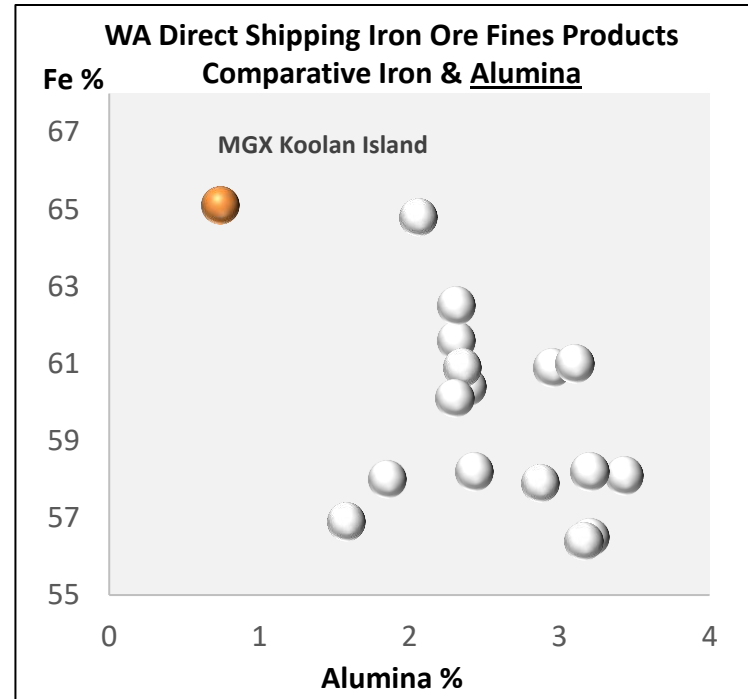
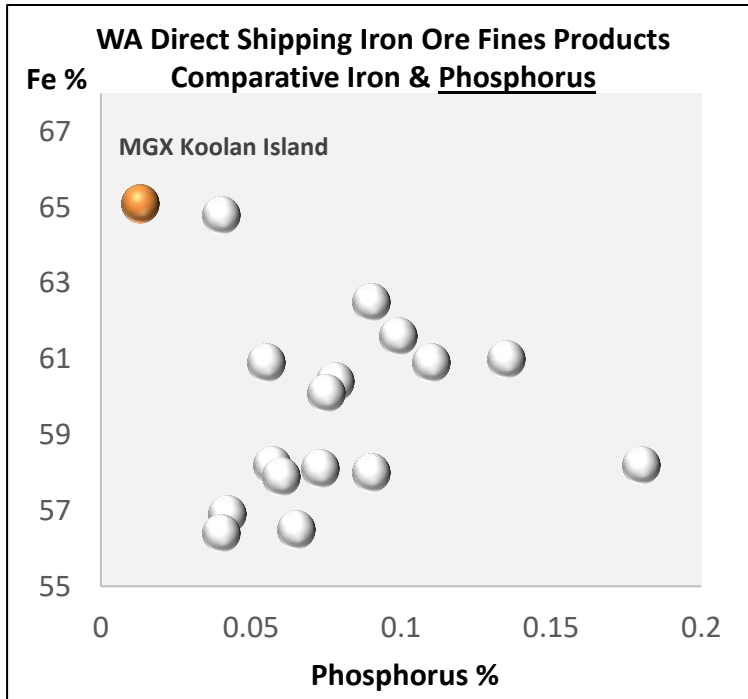
As Blast Furnaces are generally liquid volume constrained, increases in slag volume cause commensurate **decreases in hot metal production, lowering productivity and increasing unit cost.**

**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 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.

## Mining Operations – Main Pit transition from west to east

- Ore mining of **0.5 Mwmt** and sales of **0.6 Mwmt @ 63.7% Fe**.
- Average waste-to-ore **strip ratio of 4.7:1** reflecting reconfiguration of the primary in-pit haul ramp and transition of activities to the eastern half of the Main Pit. Strip ratio is now reducing and will average **<2:1 over the remaining mine life**.
- Mining now focused on high grade ore extraction from eastern benches, ground support and removal of the former eastern haul ramp.
- **Ore production rising and grades back to 65% Fe** by quarter end, tertiary crushing circuit fully operational.

## Financial Performance

- Sales revenue of **\$61 million FOB** after negative provisional pricing adjustments of \$6 million, reflecting weaker prices.
- Average cash cost **\$99/wmt FOB\*** plus \$18 million capitalised waste mining.
- **Cashflow of \$5 million**, incl. \$27.3 million insurance proceeds, reflecting temporarily reduced volumes/grades and weaker prices.
- **Cash/investment reserves of \$412 million** (excluding FEX shares & options worth \$22 million).

## Other Business

- Fenix shareholding increased to 10.06% after the first tranche of 25c options exercised for \$3.1 million.
- Other investments of \$17 million.
- **Reviews of acquisition opportunities** well underway.
- Regional **exploration applications and farm-in opportunities progressing**.
- **On-market share buyback** (up to 5%) commenced, with 8.7 million shares purchased to date at an average price of \$0.314/share.



# Koolan Island Main Pit

- Main Pit length is 2km.
- Mining in the western end completed in June 2024 at planned final depth ~170m below sea (mean tide) level.
- Construction of the central switchback is now complete and mining has transitioned to the eastern half of the pit.
- Removal of the former eastern (M6) haul ramp is progressing to enable full access to the underlying high-grade ore zones.
- Final planned depth in east end of Main Pit is ~215m below sea level (mean tide).

Eastern  
End

Central  
switchback

Western  
End



# Koolan Island Main Pit



Central Footwall Rockfall Remediation Work now +60% complete



# Koolan Island Main Pit



Western  
End

Former  
eastern  
haul  
ramp

~1km Eastern Ore Zone

Eastern  
End



# Koolan Island Main Pit



Extraction of former eastern haul ramp, Main Pit.



# Koolan Island Main Pit



High grade eastern ore zone, Main Pit.



An aerial photograph of a massive open-pit mine. The mine's walls are terraced into several levels, showing the layered structure of the rock. A wide, light-colored dirt road or path runs through the center of the pit. In the foreground, a large yellow excavator is positioned on the ground. Further back, several other pieces of heavy machinery, including trucks and smaller excavators, are visible on the road. The surrounding landscape is hilly and appears to be a natural environment, contrasting with the industrial mining site.

# Koolan Island

Main Pit fly-through November 2024

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



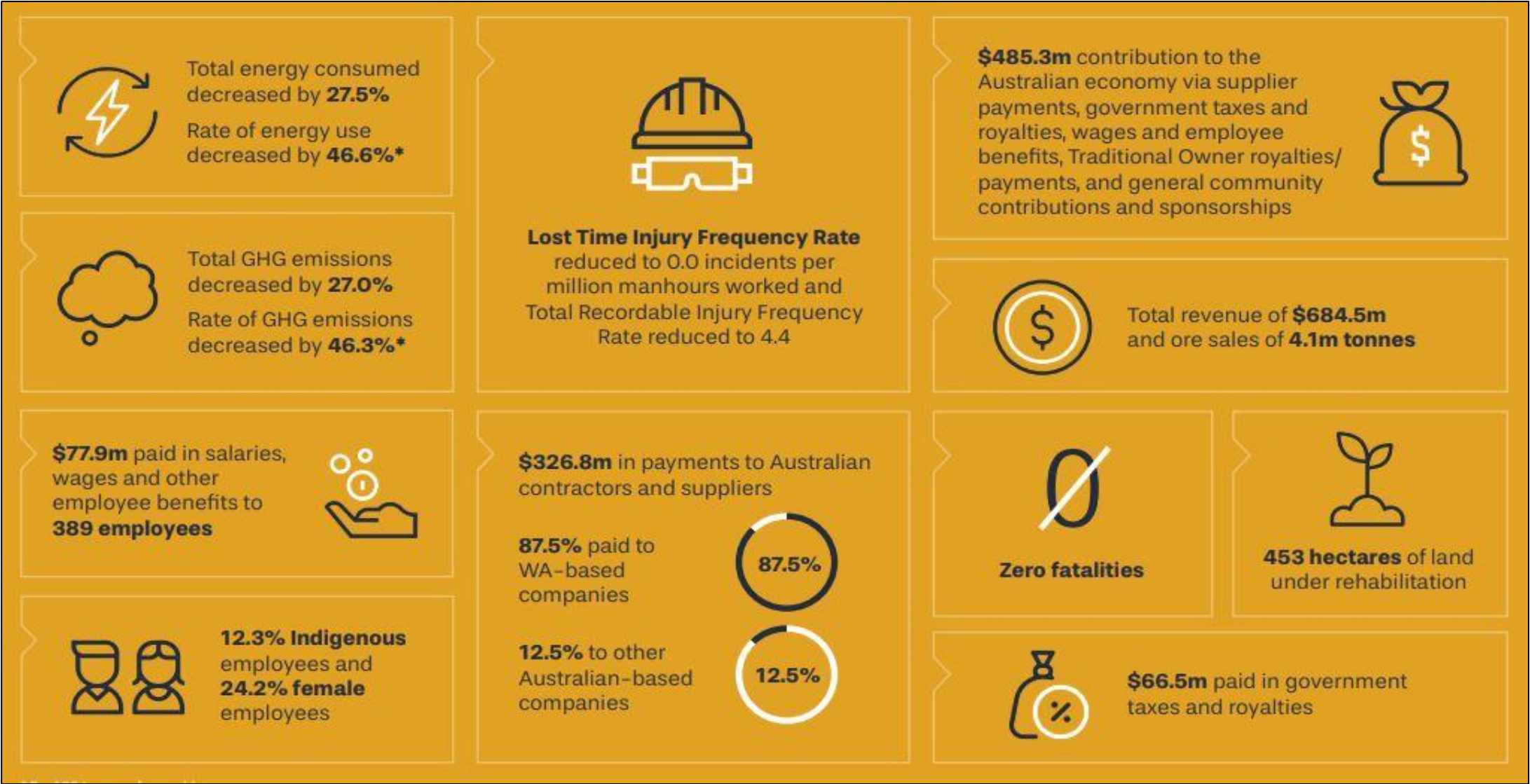
# Koolan Island

## Processing and Shiploading Facilities





# Sustainability highlights FY24

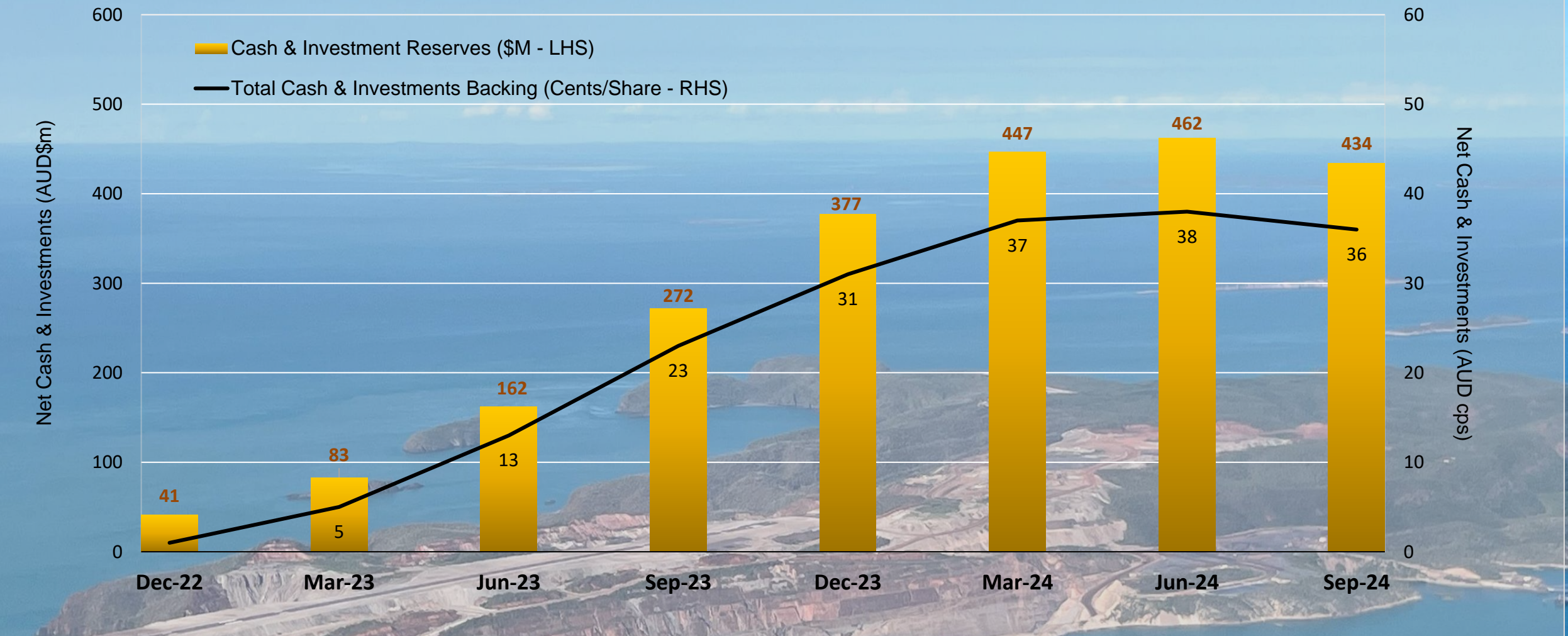


\*per 100 tonnes of iron ore sold.

# Balance Sheet Strength



## Cash and Investment Holdings



\*Cash & Investment Reserves totals are depicted inclusive of Fenix share/option holdings.

## Existing Operations

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

## Business Growth

Build on the established capital base to **re-set and expand** the business via resources investments, including the opportunistic acquisition of operating and/or development 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 and well capitalised 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 re-set and expand the business** to provide **capital growth and 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.

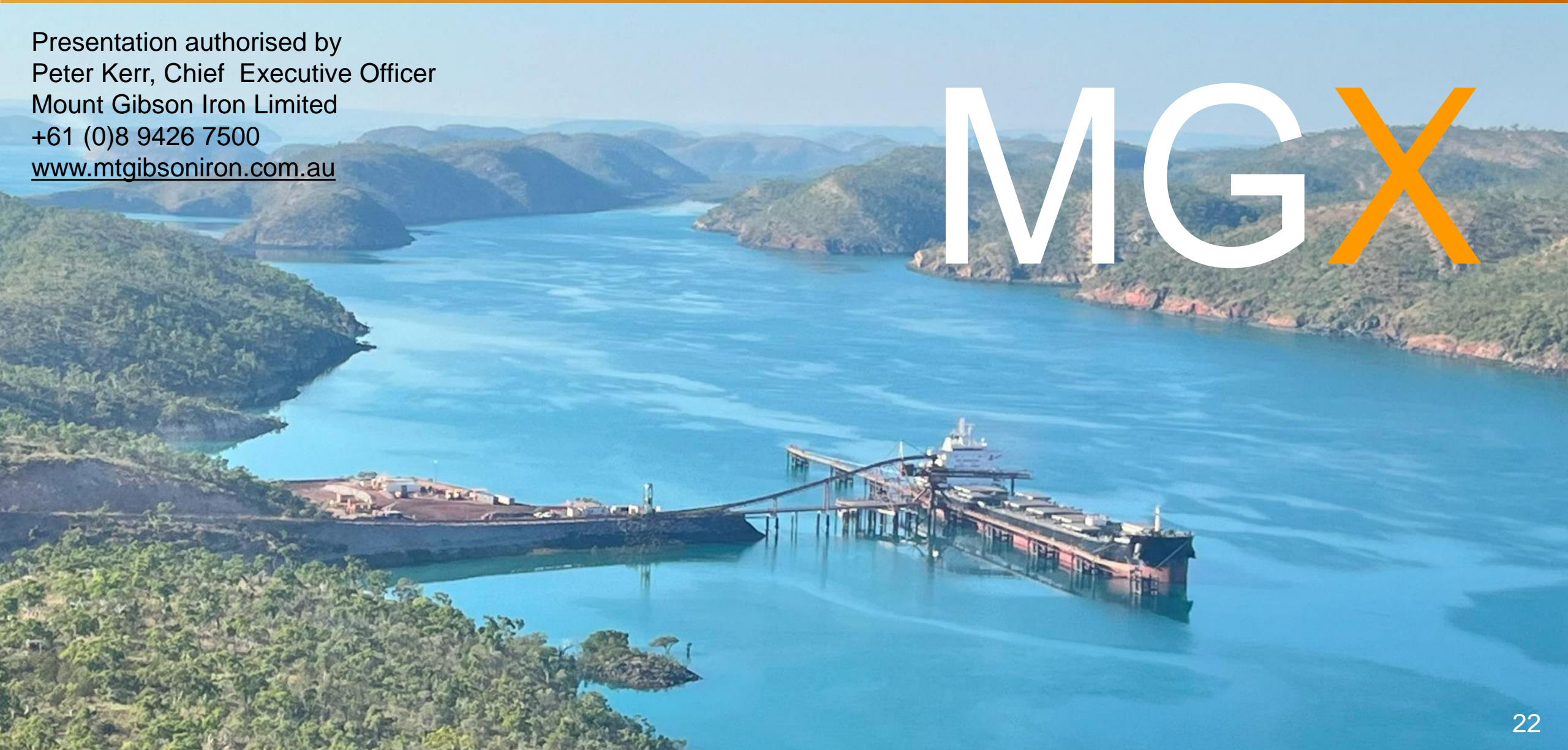


# Mount Gibson Iron Limited (ASX: MGX)



Presentation authorised by  
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# MGX





# Supplementary Information



## Total Group Mineral Resources and Ore Reserves at 30 June 2024

*All Mineral Resources and Ore Reserves are located at Koolan Island*

	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	2.2	60.6	12.53	0.40	0.009
Indicated	12.2	64.4	6.58	0.52	0.017
Inferred	4.7	59.6	13.54	0.40	0.017
<b>Total at 30 June 2024</b>	<b>19.1</b>	<b>62.8</b>	<b>8.96</b>	<b>0.48</b>	<b>0.016</b>
<i>Total at 30 June 2023</i>	<i>41.5</i>	<i>63.3</i>	<i>8.24</i>	<i>0.58</i>	<i>0.013</i>
<b>Ore Reserves, above 50% Fe (includes Mined Ore Stockpiles)</b>					
Proved	0.6	59.7	12.64	0.83	0.011
Probable	6.7	65.6	4.71	0.74	0.014
<b>Total at 30 June 2024</b>	<b>7.2</b>	<b>65.1</b>	<b>5.32</b>	<b>0.74</b>	<b>0.013</b>
<i>Total at 30 June 2023</i>	<i>12.4</i>	<i>65.2</i>	<i>5.15</i>	<i>0.79</i>	<i>0.014</i>

*Discrepancies may appear due to rounding. Mineral Resources are reported inclusive of Ore Reserves. All tonnages have been estimated as dry metric tonnages. Mineral Resources and Ore Reserves are reported inclusive of mined Ore stockpiles at Koolan Island.*

## 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 Mr 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 Ms Elizabeth Haren, a Competent Person who is a Fellow and Chartered Professional of the Australasian Institute of Mining and Metallurgy and member of the Australian Institute of Geoscientists. Ms Haren is employed by Haren Consulting and 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 Mr 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 2024 Annual Statement of Mineral Resources and Ore Reserve, as published on 9 September 2024.*