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ASX ANNOUNCEMENT

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Koolan Island High Grade Iron Ore Shipments to Accelerate

Mount Gibson Iron Limited (**Mount Gibson**) provides the following update for its Koolan Island operation in the Kimberley region of Western Australia where the shipping rate of high grade (65% Fe) iron ore cargoes is scheduled to accelerate from the end of this month as crushing capacity expands.

Mining operations have performed to plan during the Kimberley wet season despite the emergency flooding events on the mainland, with over 1.1 million wet metric tonnes (**Mwmt**) of high grade iron ore now stockpiled for processing as crushing capacity increases. This material, once crushed, has a current market value in excess of \$150 million.

Repairs to the crushing plant are proceeding well, with all key materials on site and completion scheduled to occur within approximately two weeks. In the meantime, crushing has successfully continued through the unaffected plant areas, sufficient to support the interim shipping plan. In addition, a mobile crushing contractor is now established on site to assist with the increased crushing and shipping output targets.

Mining production for the 2022/23 financial year (**FY23**) remains on target with the waste-to-ore stripping ratio reducing to an average of 1:1 in the current half-year as planned. However, the adverse impacts of the recent Kimberley floods on mainland transport routes resulted in Mount Gibson supporting its barging contractor being diverted by State Government emergency authorities for community supply purposes, which is expected to result in some shipments being unavoidably delayed from the current half-year period into next financial year.

Accordingly, Mount Gibson expects to ship around 0.6 Mwmt of high grade iron ore in the March quarter and is targeting 1.0 Mwmt in the June quarter, for a total shipped tonnage of around 2.9 Mwmt in FY23. Going forward, iron ore grades are anticipated to average 65% Fe with Mount Gibson expecting to ship at a rate of approximately 4 Mwmt per year, with more detailed guidance to be provided in due course.

Iron ore prices remain well supported with prices for 62% Fe and 65% Fe fines products for delivery in China currently being around US\$125 per dry metric tonne (**dmT**) and US\$141/dmT respectively. Mount Gibson's offtake agreements reflect the 65% Fe high grade price and, based on the anticipated increase in shipping volumes, provide the opportunity for Koolan Island to generate significant near-term operating cashflows.

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