

Mount Gibson Iron Limited



MGX

Diggers & Dealers Presentation
2 August 2021

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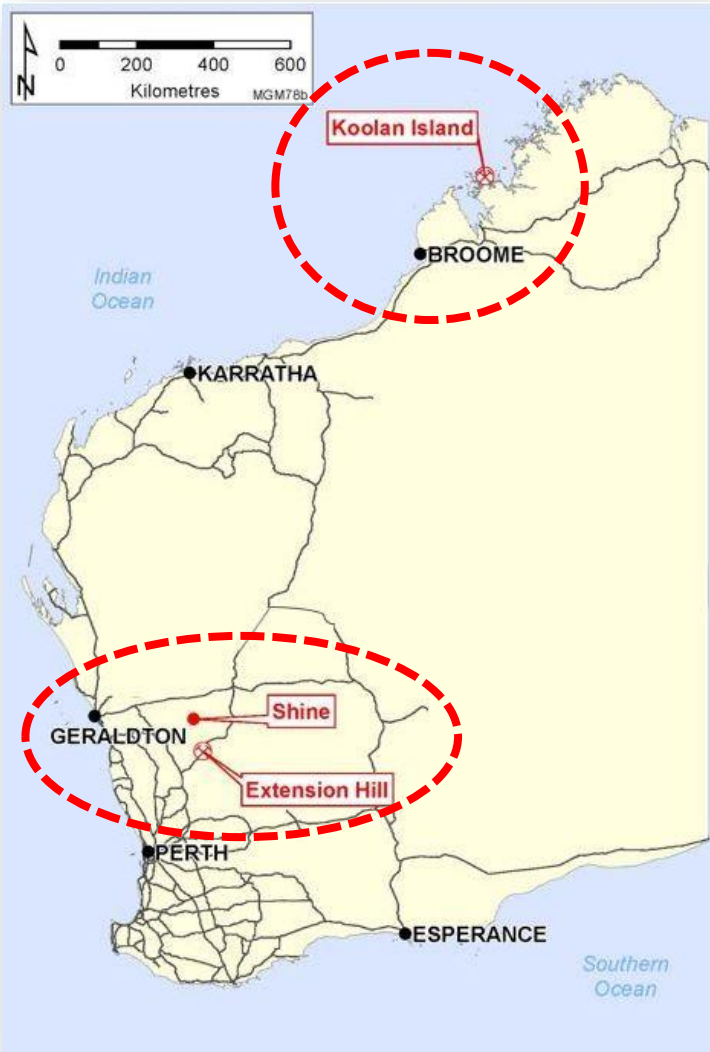
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Investments in shares in MGX are considered highly speculative.

Business Overview



Kimberley Region

Koolan Island

- High grade hematite Direct Shipping Ore (DSO) with a **65.2% Fe** ore reserve grade*.
- Ore sales **1.8 Mwmt** in 2020/21 financial year.
- Elevated waste stripping phase on track for completion in December half 2021.
- Sales and cashflow to rise as stripping phase is completed.

Mid-West Region

Shine Project, Extension Hill, Geraldton Port

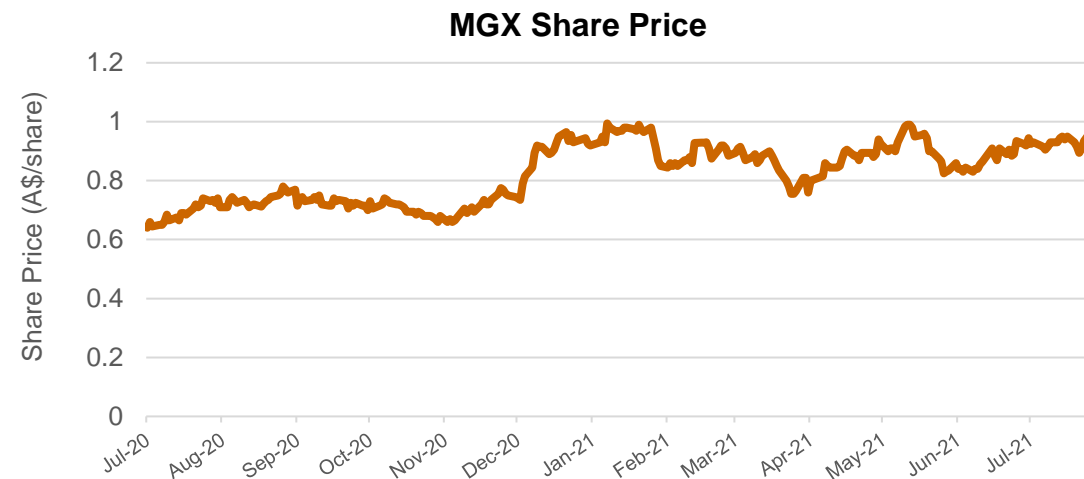
- **Shine Iron Ore Project** in production and on track for first ore sales in August 2021.
- Successful completion of **Extension Hill** low grade sales program, total sales of **1.2 Mwmt** in the half-year.
- **Mid-West rail refund** stream accruing at ~\$2 million/quarter, based on third party rail volumes on segments of the Mid-West network. Capped at \$35M (indexed), circa \$16M earned to date.
- Surplus storage capacity at Geraldton Port being monetised under short term commercial agreements with third parties.

*As at 30 June 2020. Refer Mineral Resources and Ore Reserves slide at the end of this presentation. Annual resource/reserve statement as at 30 June 2021 to be released later in 2021.
Mwmt = million wet metric tonnes.

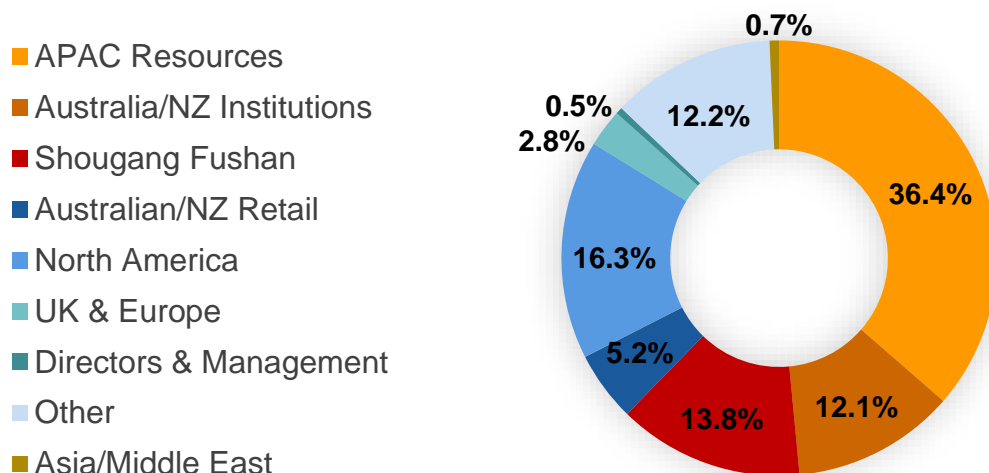
Corporate Overview



Issued shares	1,188 million shares
Market capitalisation	A\$1.0 billion (\$0.85/share)
Cash/investments	A\$365 million (30 June 2021)
Bank Borrowings	Nil
Index	ASX-300
Dividends	A\$309 million (fully franked) paid since 2011



Shareholder Distribution (% issued shares at 30 June 2021)



Board and Management

- Lee Seng Hui – *Non-Executive Chairman*
- Simon Bird – *Lead Independent Non-Executive Director*
- Russell Barwick – *Independent Non-Executive Director*
- Paul Douglas – *Independent Non-Executive Director*
- Alan Jones – *Independent Non-Executive Director*
- Ding Rucai – *Non-Executive Director*
- Peter Kerr - *CEO*
- Mark Mitchell - *COO*
- Gillian Dobson - *CFO*
- David Stokes - *Co. Sec. & General Counsel*

Group Highlights 2020/21

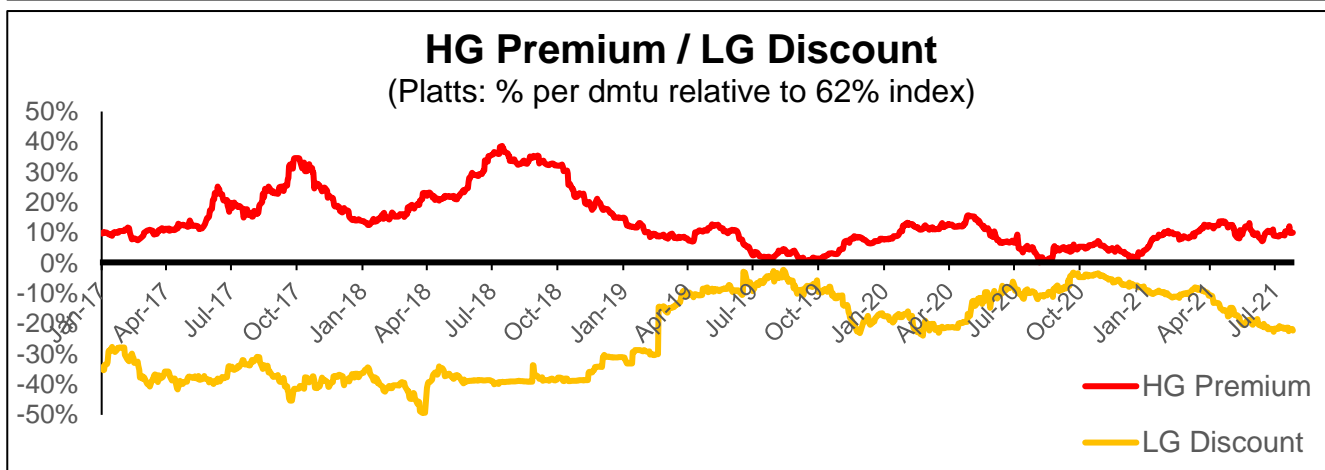
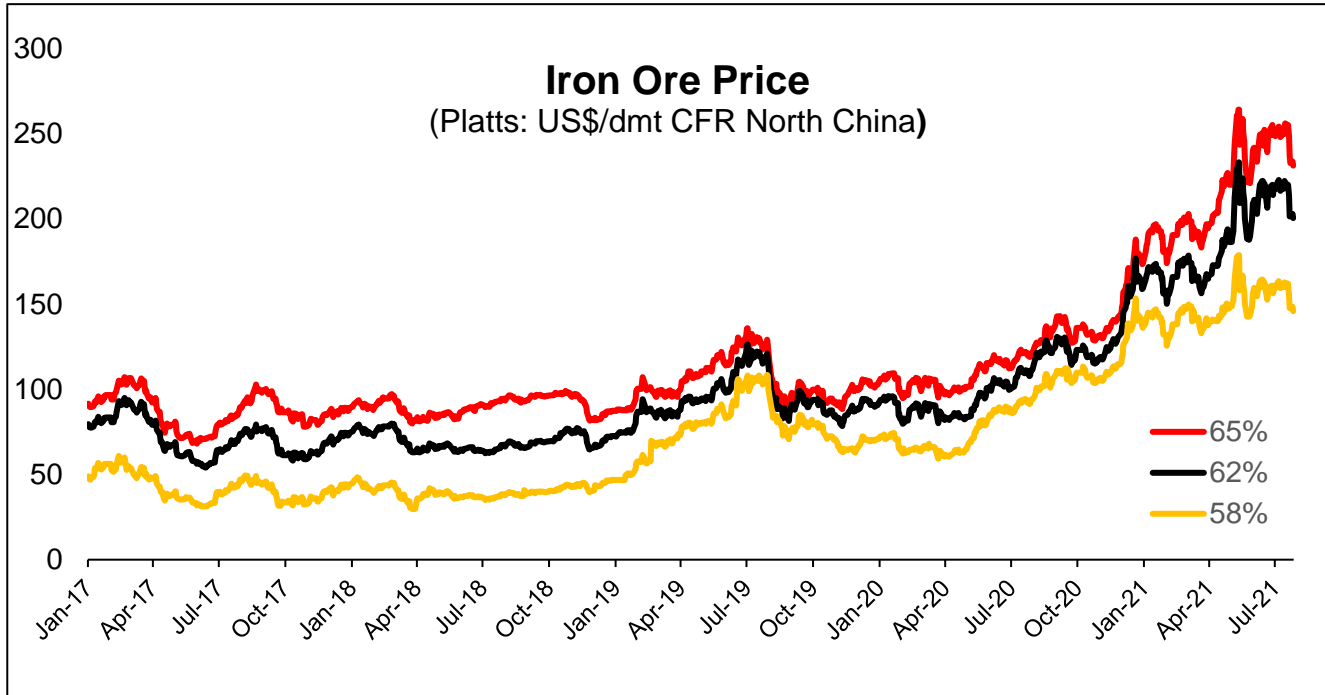
(Australian dollars unless stated otherwise)



- Total iron ore sales of **3.0 million wet metric tonnes** (Mwmt) comprising **1.8 Mwmt** from Koolan Island and **1.2 Mwmt** from Extension Hill in the Mid-West.
- Group unit cash costs of **\$66/wmt FOB**, before capital investment projects, in line with guidance.
- Cash, term deposits and investments of **\$365 million** at 30 June 2021, and no borrowings.
- Significant operating events in 2020/21:
 - **Koolan Island's** advance waste stripping phase is scheduled for completion during the December 2021 half year, after which high grade iron ore sales and cashflows are forecast to materially increase for the following 5 years.
 - **Koolan Island projects underway**, including the processing plant upgrade and Main Pit footwall geotechnical program. The **new jet airstrip was** commissioned, enabling direct FIFO flights from Perth and halving transit times.
 - **New 1.5Mtpa operation commenced at Shine** in the Mid-West, with the first shipment imminent.
 - **Successful completion of the Mid-West low-grade sales program** at Extension Hill, which generated over \$30 million in cashflow from commencement in mid-2019 on total sales of 4.1 Mwmt.
- Group ore sales and guidance for 2021/22 to be provided with annual financial results on 18 August 2021.

Notes: Annual information is unaudited and subject to period-end adjustments. Group cash costs are reported FOB and include all operating, sustaining capital, royalties and corporate costs.

Market Conditions - Iron Ore Pricing



- Chinese-led demand and global supply-side constraints.
- High/low grade pricing differential has widened after compressing in 2020/21, reflecting Chinese steel makers' profitability and environmental constraints.
- MGX's exposure to high grade pricing was temporarily reduced in 2021 while the Koolan Island waste stripping program is undertaken.
- Access to higher grade ore at Koolan is expected to occur from the December 2021 quarter as the waste stripping program nears substantial completion.
- Shipped volumes and grades are expected to progressively increase thereafter.
- Ore sales from Shine will add to annual production and provide exposure to a healthy lump premium.

Koolan Island

Mount Gibson's Flagship Asset



Koolan Island is located in Yampi Sound in the Buccaneer Archipelago off the northern Kimberley coast of Western Australia, approximately 140 kilometres north of Derby.



Koolan Island

Steady progress in a year of major investment



- Ore sales in line with guidance at **1.8 Mwmt** for 2020/21.
- Full year operating cashflow of **\$121 million** before capitalised waste stripping investment of **\$138 million** and capital improvement projects of **\$21 million**.
- Average site unit cash costs of **\$70/wmt FOB** (2019/20: \$99/wmt) for 2020/21 before waste stripping and capital projects (processing upgrade, airstrip and footwall ground support).
- Over **20 Mwmt** of material (waste & ore) was moved, with the stripping program expected to be substantially completed in late 2021.
- Average product grade of **61% Fe** in 2020/21, due to second half lower grade sales from the upper west end of Main Pit.
- Access to higher grade ore to resume in current half-year.



Koolan Island

Main Pit Operations



Main Pit, looking west, July 2021.

Koolan Island

Mining Operations



- Advanced waste stripping program to be substantially completed in the December 2021 quarter to open up high-grade Main Pit ore for increased production and cashflows thereafter.
- Total mining movement increased to **20.1 Mwmt** (waste and ore) in 2020/21, up from 15.2 Mwmt in the prior year.
- Operation poised to reap production and efficiency benefits:
 - Average waste:ore strip ratio set to reduce rapidly over remainder of mine life after peaking in 2020/21.
 - The reduced stripping ratio equates to reduced unit production costs.
 - Annual high grade ore production will materially increase for the next 5 years.
- Key geotechnical programs and processing plant upgrade underway.



Koolan Island

Upper footwall geotechnical program drilling & bolting



Main Pit upper west end footwall,
June 2021.



- Geotechnical controls are key, with focus on various aspects of the seawall, hanging wall and footwall.
- The footwall geotechnical program involves the installation of rock anchors using suspended drilling “wagons”.
- Work will be completed in stages to progressively provide mining access to high grade ore zones from September 2021 onwards.

Koolan Island

Increasing Production - Processing plant upgrade



- An upgrade of the ore crushing plant is being undertaken to ensure it can safely and cost-effectively handle the substantial increase in ore production expected over the remaining mine life.
- The project is being undertaken via two stages:
 1. Reconfiguration of lump and fines conveyors and stacker systems.
 2. Construction of a new ROM wall, installation of new jaw and cone crushers, and upgrade of screening capacity.
- Estimated cost of circa \$20-25 million, with \$11 million incurred to the end of June 2021.
- Work staged to minimise disruption to crushing and ship-loading.
- Stage 1 already completed with Stage 2 currently targeted for completion in the December 2021 quarter.



Koolan Island

Low ore processing, handling and shiploading costs



Koolan Island processing and shiploading infrastructure, June 2021

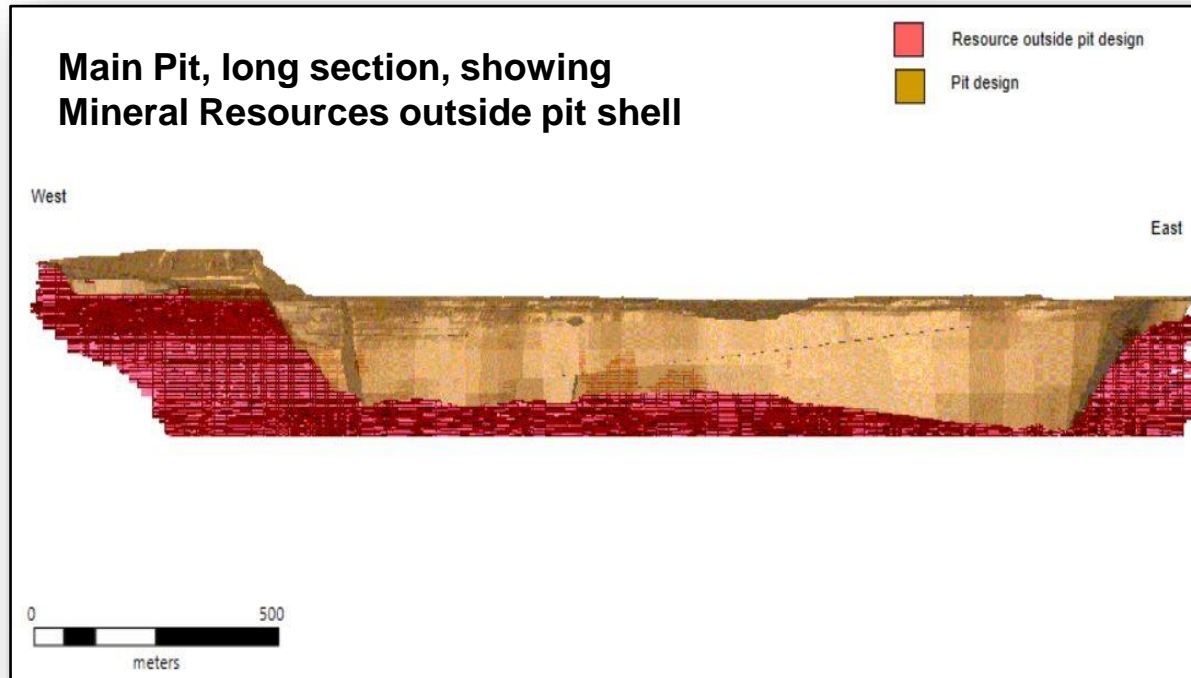


Koolan Island

Mine life extension targets



- Opportunities exist for incremental extensions beyond the current 5 year mine life.
- Main Pit – existing resources and development potential along strike, to the west and east.
- Acacia East satellite pit providing supplementary ore source during footwall support program in Main Pit.
- Mangrove deposit, adjacent to crusher/ROM pad, heritage clearances obtained and drilling now planned.



Koolan Island

New airstrip operational



Official opening of Laawun Airport, 26 November 2020

Mid-West Operations

Shine Iron Ore Project

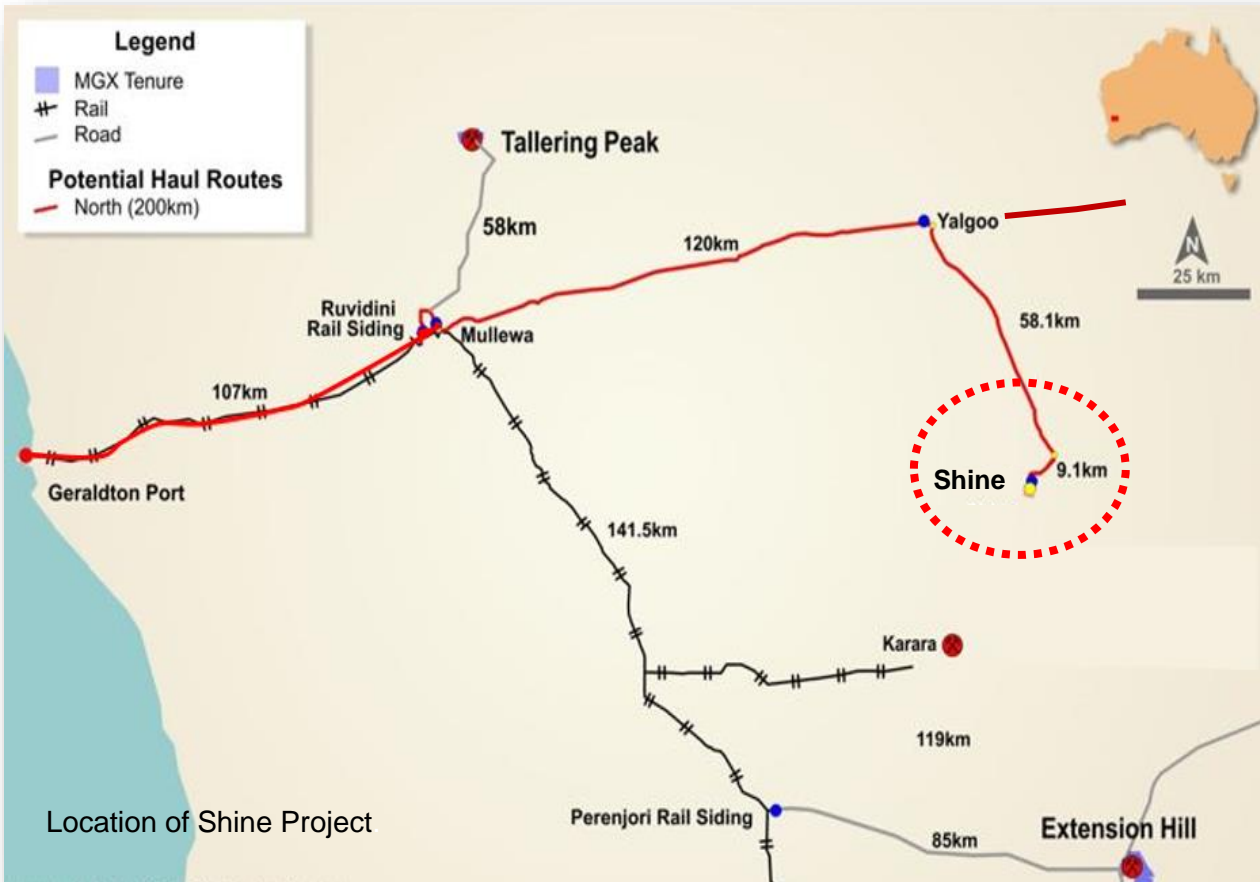


Shine personnel at the commencement of mining, March 2021



Mid-West Operations

Shine Iron Ore Project – Overview



- Initial Ore Reserve of **2.8Mt @ 59.4% Fe*** in **Stage 1** Pit, for initial two-year mine life at circa 1.5 Mtpa.
- Potential to extend life by a further ~2 years, subject to market conditions, sourced from total Mineral Resources of **10.8 Mt grading 58.2% Fe.**
- Lump and fines products.
- Initial development capital and pre-production expenditure of **\$29 million** to the end of June 2021.
- Transport currently via road haulage to Geraldton Port, ahead of planned transition to Ruvidini rail siding during 2021/22.
- First ore shipment is scheduled for **August 2021.**
- Potential to generate significant cashflows at current and anticipated prices.
- Cost guidance to be updated with the release of MGX's annual financial results later this month.

**For more information and Competent Persons attributions refer to slide at the end of this presentation and ASX release dated 9 October 2020.*

Mid West Operations

Shine Iron Ore Project



Waste and low grade dumps

Shine Open Pit

ROM stockpiles

Crushing plant and crushed ore stockpiles

Maintenance workshops

Site administration

Mid West Operations

Shine Iron Ore Project



Mining in Shine Open Pit, looking north,
July 2021.

Mid-West Operations

Shine Iron Ore Project



Mid-West Operations

Geraldton Port assets



Berth 5
Ship Loader

MGX
Berth 5
Shed

Train
Unloader

MGX
Berth 4
Shed

Mid-West Operations

Early Entrant with Strategic Assets



Geraldton Port

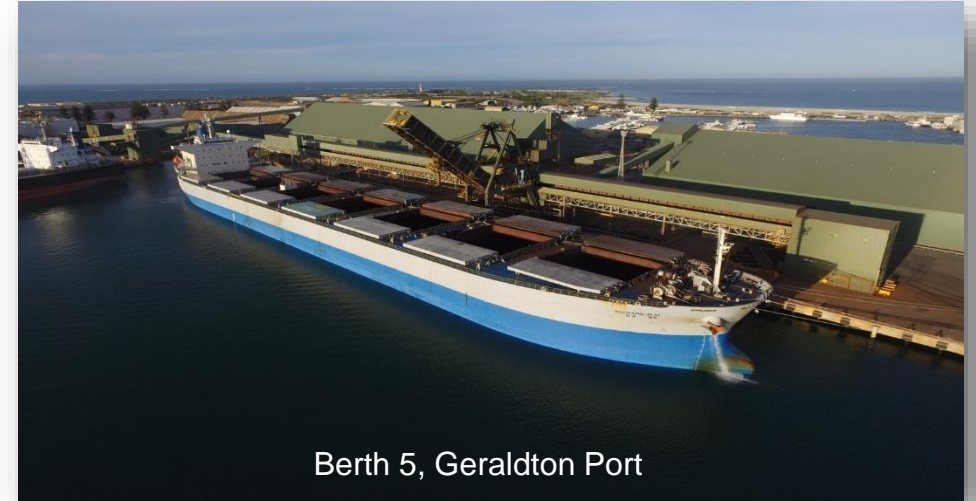
- Strategic port holdings – MGX has 360,000t storage capacity in two sheds, integrated with the Port Authority's train unloader and shiploader.
- Surplus storage capacity not required for Shine is being monetised on commercial terms under short term agreements with third parties.

Extension Hill

- Mid-West rail refund stream accruing at ~\$2 million/quarter, based on third party rail volumes on segments of the Mid-West network. Capped at \$35M (indexed), circa \$16M earned to date.
- Extension Hill mine site closed early 2021 and rehabilitation has progressed. Expressions of interest received from various parties regarding site and infrastructure, including crusher and accommodation camp.

Exploration

- Acceleration of regional exploration ambitions.
- Recent farm-in to tenure in vicinity of the closed Tallering Peak mine, with base metals potential.



Berth 5, Geraldton Port



Waste dump rehabilitation at Extension Hill, July 2021

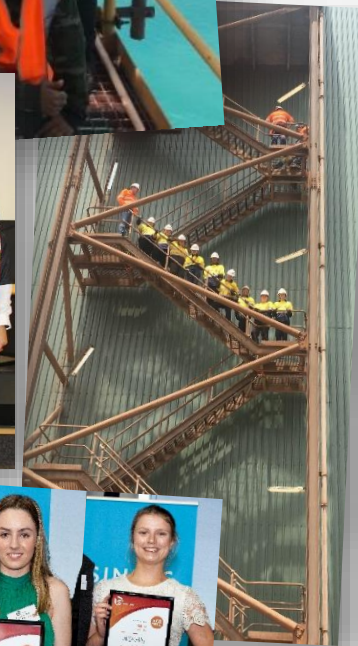
Communities are Critical

(Figures as at 30 June 2021)



- **Local employment** - we seek to increase employment from our local communities. Over **25%** of our Koolan Island employees reside in Derby, Broome and surrounds, while **30%** of our Mid-West team live in that region.
- **Gender diversity** - women account for **17%** of our employees and **22%** of executive and senior management roles. We continue to aim higher.
- **Traditional Owners** – we are grateful for positive longstanding relationships with Traditional Owners and we are committed to Indigenous employment. Over **12%** of MGX’s employees are Indigenous, including **17%** of our Koolan Island employees. MGX is actively working with Traditional Owner groups to grow this percentage.
- **Significant national impact** – MGX directly contributed **\$378 million** to the Australian economy in FY2020, via supplier payments, wages, royalties, taxes and community contributions/sponsorships.
- **Support for local communities** – well established relationships with local shires and we directly partner and support various community organisations and initiatives, with a focus on **youth and education**, including:

Clontarf Foundation	Shooting Stars	Shine Program for Girls
Rotary Science & Engineering Challenge	WASM STEM Scholarships	HeartKids



Mount Gibson Iron (MGX)

Summary



- **MGX is an established independent mid-tier iron ore producer** offering meaningful exposure to production growth and high grade hematite iron ores.
- **Profitable, with a disciplined pathway to materially higher sales and cashflows** at both its Koolan Island and Mid-West operations:
 - (i) **Koolan Island** – sales are forecast to increase significantly during the current 2021/22 financial year as the advanced waste stripping program is substantially completed; and
 - (ii) **Mid-West** – Shine production has commenced and the first shipment is imminent.
- **Desired growth** in bulk materials and base metals, with a priority focus on Australia.
- **Lean, stable and experienced team** with a range of operating, commercial and corporate capabilities.
- **Strong cash and investment reserves with no borrowings**, providing protection, operational flexibility and the ability to pursue internal and external growth opportunities.

MGX

Presentation authorised by Peter Kerr
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Supplementary Information

Mineral Resources and Ore Reserves Information at 30 June 2020*



Koolan Island					
	Tonnes millions	Fe %	SiO ₂ %	Al ₂ O ₃ %	P %
Mineral Resources, above 50% Fe					
Measured	3.4	60.3	13.23	0.30	0.007
Indicated	34.8	64.9	5.76	0.65	0.013
Inferred	9.9	60.5	12.30	0.59	0.013
Total at 30 June 2020	48.0	63.7	7.63	0.61	0.013
<i>Total at 30 June 2019</i>	<i>51.2</i>	<i>63.9</i>	<i>7.33</i>	<i>0.62</i>	<i>0.013</i>
Ore Reserves, above 50% Fe					
Proved	0.2	58.5	15.61	0.45	0.006
Probable	18.5	65.3	4.86	0.88	0.013
Total at 30 June 2020	18.7	65.2	4.96	0.88	0.013
<i>Total at 30 June 2019</i>	<i>20.3</i>	<i>65.5</i>	<i>4.56</i>	<i>0.88</i>	<i>0.012</i>
Extension Hill					
	Tonnes millions	Fe %	SiO ₂ %	Al ₂ O ₃ %	P %
Mineral Resources, above 50% Fe					
Measured	1.3	55.3	9.16	2.76	0.077
Indicated	0.3	57.3	10.42	1.62	0.076
Inferred	0.2	56.6	10.49	1.66	0.055
Total at 30 June 2020	1.8	55.8	9.53	2.44	0.074
<i>Total at 30 June 2019</i>	<i>1.8</i>	<i>55.8</i>	<i>9.53</i>	<i>2.44</i>	<i>0.074</i>
Iron Hill					
	Tonnes millions	Fe %	SiO ₂ %	Al ₂ O ₃ %	P %
Mineral Resources, above 50% Fe					
Indicated	2.6	55.0	13.94	1.74	0.074
Inferred	1.1	55.0	9.86	2.61	0.081
Total at 30 June 2020	3.7	55.0	12.76	1.99	0.076
<i>Total at 30 June 2019</i>	<i>3.7</i>	<i>55.0</i>	<i>12.76</i>	<i>1.99</i>	<i>0.076</i>
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 2020	15.89	58.1	9.57	1.48	0.071
<i>Total at 30 June 2019</i>	<i>15.89</i>	<i>58.1</i>	<i>9.57</i>	<i>1.48</i>	<i>0.071</i>

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

Note: Subsequent to financial year end, on 9 October 2020, the Company declared "Stage 1" Ore Reserves for the Shine Project, as tabulated below:

Shine Hematite Ore Reserves – Stage 1					
	Tonnes millions	Fe %	SiO ₂ %	Al ₂ O ₃ %	P %
Ore Reserves, above 55% Fe					
Proved	2.1	59.8	7.40	2.32	0.086
Probable	0.7	58.4	9.70	2.15	0.057
Total	2.8	59.4	8.01	2.27	0.079

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

Total Group Mineral Resources and Ore Reserves at 30 June (above 50% Fe)					
	Tonnes millions	Fe %	SiO ₂ %	Al ₂ O ₃ %	P %
Total Mineral Resources at 30 June 2020	69.4	61.7	8.40	0.93	0.031
Total Ore Reserves at 30 June 2020	18.7	65.2	4.96	0.88	0.013
<i>Total Mineral Resources at 30 June 2019</i>	<i>74.2</i>	<i>61.8</i>	<i>8.25</i>	<i>0.95</i>	<i>0.031</i>
<i>Total Ore Reserves at 30 June 2019</i>	<i>20.3</i>	<i>65.5</i>	<i>4.56</i>	<i>0.88</i>	<i>0.012</i>

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

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 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 member and Chartered Professional of the Australasian Institute of Mining and Metallurgy and member of the Australian Institute of Geoscientists. Ms Haren was a full-time employee of, and is 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.

*MGX will release its 2021 Annual Statement of Mineral Resources and Ore Reserves later in 2021.