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Mount Gibson Iron

2024 **Annual Report**

Mount Gibson Iron

Mount Gibson Iron Limited is an established Australian producer and exporter of iron ore. The Company was incorporated in 1996 and was listed on the Australian Securities Exchange in 2002.

The Company seeks to provide sustainable long-term returns to shareholders by optimising its existing operations and growing long-term profitability through the discovery, development, participation in and acquisition of mineral resources.

Headquartered in Perth, Western Australia, Mount Gibson's primary operating asset is the Koolan Island mine off the Kimberley coast in the remote north-west of the State. It also holds prospective mining and exploration tenure in the Mid-West region of WA.

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Our MGX Values provide us with a behavioural guide on how to sustainably deliver shareholder value. Our values include always putting the health and safety of our people first, working together with the communities in which we operate, and undertaking our activities in an environmentally responsible and sustainable manner.

MGX Values

COURAGE	INTEGRITY	SAFETY	AGILITY	RESPECT
Taking and giving feedback	Do what you say you will do	Genuine care for self and others	Make timely decisions	Be approachable and open to other points of view
Be prepared to admit being wrong	Do the right thing, even when no one is looking	Constant concern (hazard identification)	Be dynamic and embrace change	Treat others as you would expect to be treated
Challenge the norm constructively	"walk the talk"	Actively intervene to improve	Grab the opportunity	Encourage and develop people
Make the hard calls				

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2023/24 Performance Summary

- No Lost Time Injuries were recorded in the year, reducing the Lost Time Injury Frequency Rate (LTIFR) to 0.0 incidents per million manhours at year end from 0.7 previously, while the Total Recordable Injury Frequency Rate (TRIFR) reduced to 4.4 from 5.2 previously.
- Iron ore sales increased 33% to 4.1 million wet metric tonnes (Mwmt) grading 65.3% Fe, and total revenue increased 51% to $684.4 million.
- Profit before tax and impairments doubled to $211.6 million, for a net profit after tax of $6.4 million after non-cash pre-tax impairments totalling $159.1 million and derecognition of deferred tax assets totalling $30.2 million.
- Operating cashflow from Koolan Island trebled to $284.3 million, reflecting increased sales including the monetisation of high grade ore stockpiles.
- Cash and investment reserves increased by $279.9 million to $442.3 million at 30 June 2024, excluding the Company's period-end 8.6% interest in Fenix Resources Ltd, valued at $20.7 million.
- Fenix holding subsequently increased to 10.06% after period-end through the exercise of 12.5 million 25 cent options.
- Total Net Assets of $546.2 million at 30 June 2024.

Chairman's Report

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I am pleased to present Mount Gibson Iron's Annual Report for the 2023/24 financial year.

The year was one in which the Company's flagship Koolan Island mining operation in the Kimberley region of Western Australia generated significant cashflow from increased exports of high grade iron ore.

Group sales revenue totalled $667.7 million Free on Board (FOB) from total high-grade ore sales of 4.1 million wet metric tonnes (Mwmt) grading 65.3% Fe, near the top end of the Company's guidance for the year. This compared with revenue of $452.6 million on sales of 3.0 Mwmt in the preceding year.

The Company recorded a modest net profit after tax of $6.4 million, compared with $5.2 million in the prior year, after pre-tax accounting impairments totalling $159.1 million and the derecognition of deferred tax assets totalling $30.2 million. These non-cash expenses primarily reflected the impact of lower iron ore prices on the accounting carrying values of the Koolan Island operation and effectively brought forward depreciation and amortisation expenses that would otherwise be incurred in future years.

Importantly, gross profit before tax and impairments doubled to $211.6 million, compared with $105.9 million in the prior year, and total cash and investment reserves increased by $279.9 million to $442.3 million at period end, compared with $162.4 million previously. This excluded the value of the Company's 8.6% shareholding in Fenix Resources Limited which had a market value of approximately $20 million at the end of the financial year. Mount Gibson has subsequently increased this equity interest to just over 10% by exercising one tranche of equity options it received in part consideration for the sale of its Mid-West iron ore mining and infrastructure assets to Fenix in July 2023.

Mount Gibson's operational and financial improvement during the year reflected consistent ore production from the Koolan Island Main Pit and the processing and sale of previously assembled high-grade ore stockpiles. These stockpiles were monetised by late December 2023, after which sales became more closely aligned with mining extraction rates.

As Koolan Island moves closer to its scheduled closure in the next few years, and with iron ore markets and global economic conditions demonstrating increased volatility, Mount Gibson is focused on safely maximising cashflow over Koolan Island's remaining life, while continuing the search for meaningful resources investment opportunities.

Your Directors are focused on maximising value for all shareholders and are being cautious to preserve capital so that Mount Gibson is well positioned and has the flexibility to act decisively when an appropriate acquisition and growth opportunity arises.

While a dividend for the 2023/24 financial year was not declared, the Board is constantly reviewing all options for capital management, including dividends. An on-market share buyback was recently commenced as a value-accretive measure.

In closing, I would like to thank my fellow Directors and the employees and contractors of Mount Gibson for their commitment and efforts over the last year. I would also like to thank our loyal shareholders for their continued support. We look forward to maximising the value from our existing assets and to growing our business for the long term benefit of all shareholders.

Lee Seng Hui
Chairman

Chief Executive Officer's Report

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Mount Gibson delivered a solid operating and financial performance during the 2023/24 financial year, particularly in the first half given the benefit of previous investments made at Koolan Island in overburden removal, plant improvements and the build-up of high grade stockpiles which were monetised during the period. The second half was more challenging as iron ore prices weakened and mining was completed in the western part of the Main Pit at Koolan Island, after which the Company commenced the planned transition to the eastern half of the pit which will be the primary ore source over the mine's remaining 2-3 year life.

The safety of our people remained a priority, with continuous improvement in safety performance being a critical focus. It is therefore particularly satisfying to report further substantial improvement in safety performance over the course of 2023/24 with Mount Gibson's rolling 12 month Total Recordable Injury Frequency Rate (TRIFR) reducing to 4.4 incidents per one million manhours worked as at 30 June 2024, down from 5.2 at the end of the prior year. Similarly, the Lost Time Injury Frequency Rate (LTIFR) reduced to zero from 0.7 incidents per one million manhours worked at the end of the prior year. This represents the fifth consecutive year of improvement on both these key measures which is a significant credit to the MGX Team's focus on safety leadership, culture and performance. We will continue to seek further improvement in the year ahead.

In relation to operating performance, group iron ore sales increased substantially, rising to 4.1 Mwmt of high grade iron ore from Koolan Island at a consistent average sales grade of 65.3% Fe, and sales revenue rose by over 47% to $667.7 million Free on Board (FOB).

Unit cash costs declined to $74 per wmt FOB before royalties and capital projects, compared with $77/wmt FOB in the prior year, but were 5% above our targeted range given inflationary cost pressures and the high proportion of fixed costs at the remote Koolan Island operation.

Notwithstanding this, Koolan Island generated strong operating cashflow of $284.3 million – three times more than in the prior financial year - and underpinned the $279.9 million increase in the Company's cash and investment reserves achieved over the year. This increase reflected the stronger sales, including the high grade stockpiles monetised in the first half of the year, and significantly reduced waste stripping requirements in the Main Pit. The waste-to-ore stripping ratio is a major driver of costs at Koolan Island and declined substantially as expected, averaging 0.6:1 for the year, compared with 2.2:1 in the prior year. The stripping ratio will temporarily increase in the coming financial year as mining extraction transitions from west to east in the Main Pit, and is expected to average less than 2:1 over the remaining mine life.

By year end, mining was completed in the western half of the Main Pit as planned, and subsequent to period end, reconfiguration of the haul ramp was also completed, thereby providing mining access to the eastern half of the high grade Main Pit orebody. Geotechnical activities in the Main Pit are frequently challenging and by year end the remedial ground support program on the central footwall rockfall area was underway. This work is scheduled to be substantially completed in the 2024/25 financial year, facilitating the safe recommencement of high grade ore extraction in the underlying area. The Company has also completed construction and commissioning of the tertiary crushing circuit at the Koolan Island processing plant, enabling more efficient and lower-cost crushing of harder high-grade material anticipated in the eastern end of the Main Pit.

In the 2024/25 financial year, Mount Gibson is targeting iron ore sales of 2.7–3.0 Mwmt at an average unit cash cost of $95-100/wmt FOB sold, before royalites and capital projects.

With Koolan Island approaching its scheduled closure in the next few years and iron ore markets showing increased volatility, Mount Gibson is focusing on opportunities to safely reduce costs wherever possible to maximise cashflow over the operation's remaining years.

Searches for quality new investment and acquisition opportunities able to generate longer term shareholder value are well underway. During the financial year, the Company added new investments in a number of operating and development companies, increasing the value of its equity positions from approximately $5 million to $18.5 million at year end. This position is in addition to the Company's shareholding in Fenix Resources Limited (Fenix), acquired through the divestment of the Company's Mid-West iron ore and infrastructure assets in mid-2023. At period end, Mount Gibson's initial 8.6% interest in Fenix had a market value of approximately $20 million, which the Company subsequently increased after balance date to just above 10% through the exercise of 12.5 million 25-cent options. A further 12.5 million options may be exercised at 30 cents each any time over the next four years at the Company's discretion.

In parallel with these activities, the Company has continued to actively evaluate material investment opportunities in Australia focused primarily on bulk materials (iron ore, coking coal and bauxite) and conventional base metals projects (copper, zinc, lead). Mount Gibson also continues assess earlier stage regional exploration opportunities for base metals deposits, particularly in Western Australia and Queensland.

Recent market volatility, the lack of funding readily available for many projects, and the Company's healthy cash reserves puts Mount Gibson in an advantageous position for a patient mid-tier mining organisation seeking to act decisively on meaningful acquisition opportunities.

We enter the new financial year with optimism about the opportunities ahead, and I thank the Mount Gibson Board members for their ongoing support and guidance as we seek to maximise outcomes for our shareholders.

Finally and most importantly, I thank all of Mount Gibson's hardworking employees and contractors for their commitment and efforts throughout the last year.

Peter Kerr
Chief Executive Officer

Health and Safety

Mount Gibson is committed to maintaining a safe work environment and safety oriented culture in which all personnel consider both their own wellbeing and that of their colleagues. Continuous improvement in safety performance is a critical focus of the Company.

Performance during the 2023/24 financial year improved very substantially compared with the preceding two years and further improvements continue to be targeted with respect to safety leadership, culture and performance. The rolling 12 month Total Recordable Injury Frequency Rate (TRIFR) reduced by over 15% to 4.4 incidents per one million manhours worked as at 30 June 2024, down from 5.2 at the end of the prior year and 11.4 in the year before that.

Significantly, no Lost Time Injuries (LTI) were recorded in the business during the 12 month period, thereby reducing the Lost Time Injury Frequency Rate (LTIFR) to 0.0 incidents per one million manhours worked, compared with 0.7 at the end of the prior year, and 1.7 in the year before that.

Overall safety performance is subject to continuous assessment by executive and site management. This has resulted in an ongoing program of improvement initiatives, including enhanced safety management protocols and systems, safety awareness training and task-specific safety protocols. The benefits of these initiatives are evident in the significant reduction in incidents over the year.

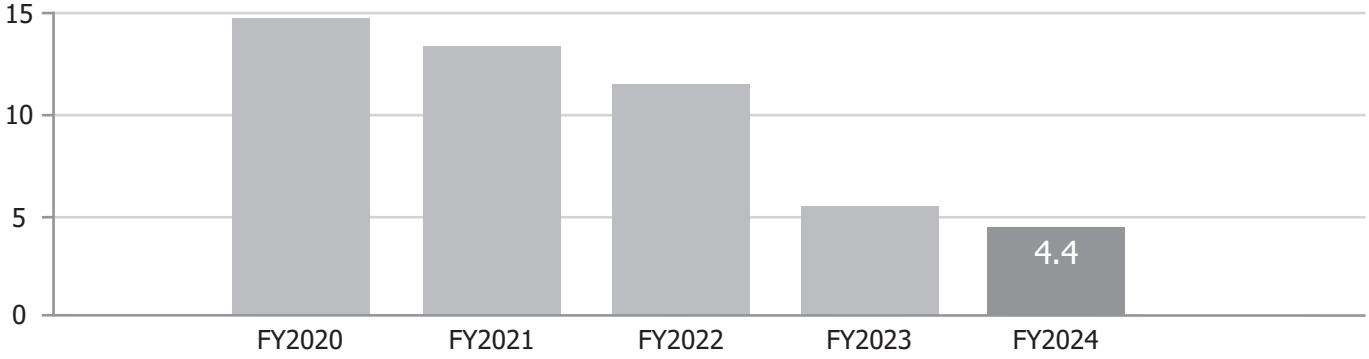
The Company will be actively working to achieve continuing improvements in the coming year.

Mount Gibson's definition of TRIFR includes Lost Time Injuries, Restricted Work Injuries and Medically Treated Injuries. Using TRIFR provides a useful tool for safety conversations and active communication with the entire workforce to help ensure Mount Gibson's people are not injured in their workplaces.

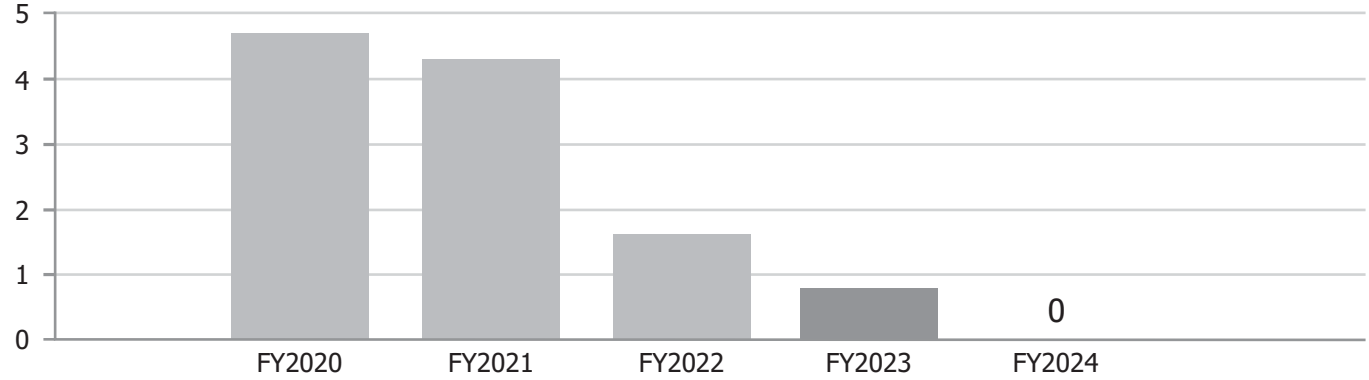
For details of the Company's safety performance, including site statistics, please refer to Mount Gibson Iron's 2024 Sustainability Report, as published on the Mount Gibson website.

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TRIFR



LTIFR



**LTIFR and TRIFR each represent incidents per one million manhours worked, on a rolling 12 month basis.*

Operational Review

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During 2023/24, Mount Gibson achieved total ore sales of 4.1 million wet metric tonnes (Mwmt), with the operational focus on increasing high-grade ore production and sales to maximise cashflow over the remainder of the mine life at Koolan Island.

Koolan Island

Koolan Island is located approximately 140km north of Derby in the Kimberley region of Western Australia. Significant operational progress continued to be achieved at Koolan Island during the year as the benefits of previously completed bulk waste stripping, upper footwall ground support programs and processing plant repairs were realised.

Mine performance in 2023/24 reflected a reduction in the waste-to-ore stripping ratio in the Main Pit and the planned completion of mining in the Western end of the pit. Total ore and waste moved was 5.9 Mwmt, including 3.7 Mwmt of ore, compared with total movement of 12.9 Mwmt, including 4.0 Mwmt of ore, in the prior year. This reflected a reduced average stripping ratio of 0.6 tonnes of waste for every tonne of ore mined in 2023/24 compared with 2.2:1 in 2022/23. The stripping ratio is a key driver of operating costs at Koolan Island and although it will rise in the coming year in line with haul ramp repositioning and waste extraction cycles, it was anticipated to average approximately 1.8:1 over the remaining 2-3 year mine life of the Koolan Island operation.

Ore production in the period primarily came from the western end of the Main Pit, and some upper benches in the upper eastern end of the pit where production was re-sequenced and brought forward following the August 2023 rockfall on the central footwall (island-side). Following detailed geotechnical assessment, ground support remediation activities commenced in the June 2024 quarter. This work comprises a sequenced program of on-wall drilling and rock-bolting, plus the installation of protective mesh and a safety barrier fence to enable the high-grade ore zones directly beneath this area to be safely extracted.

Mining in the western end of the Main Pit was completed in June 2024, at a planned final depth of approximately 170 metres below sea (mean tide) level. A water collection sump was then established in the western end to assist in efficient water management and discharge from the Main Pit. Mining operations then began transitioning to the central and eastern parts of the Main Pit as planned, involving a reconfiguration of the primary haul ramp. Shipping rates and cargo grades will be temporarily reduced during the September 2024 quarter while the transition work was undertaken.

Processing volumes increased by 12% over the year to 4.0 Mwmt, compared with 3.6 Mwmt the prior year, weighted to the December 2023 half year in which the Company processed the substantial high grade ore stockpiles generated in the preceding financial year. The ore stockpiles were depleted by late December 2023 with processing through the plant being supplemented by a mobile crushing contractor. Processing thereafter was more closely aligned with ex-pit ore production and will remain so over the remaining mine life. In order to more efficiently and cost-effectively process the harder oversized material expected to be mined from the central and eastern areas of the Main Pit, the Company committed to the installation of a tertiary crushing circuit. At the end of the financial year, work was nearing completion and commissioning was completed in the September 2024 quarter.

Koolan Island ore sales totalled 4.1 Mwmt, near the upper end of the Company's sales guidance of 3.8-4.2 Mwmt, including a record 2.5 Mwmt in the December half year. Sales from Koolan Island are made under long term offtake agreements on FOB terms, with pricing referencing high grade (65% Fe) market indices and Panamax shipping freight rates, specification adjustments and penalties for impurities. Provisional prices are recorded following shipment departure and the final pricing ultimately reflects monthly iron ore price averages up to two months after the month of shipment. Accordingly, the Company is subject to provisional pricing adjustments in current and subsequent periods.

Operating cashflow generated from Koolan Island for the year totalled $284.3 million compared with $95.3 million in the previous year on the back higher sales volumes and prices, reduced unit cash costs and the sale of previously mined high-grade ore stockpiles in the December 2023 half year. Revenues for the year totalled $667.7 million with the cash outflow items being cash operating and capital costs ($319.3 million) and royalties ($64.1 million).

Koolan Island generated a profit before interest, tax and impairments of $181.3 million in 2023/24, compared with $118.4 million in the prior year. After impairment expenses totalling $159.1 million (2022/23: $74.3 million), the operation generated a profit before interest and tax of $22.2 million (2022/23: $44.1 million).

In relation to the August 2022 processing plant fire at Koolan Island, the Company's property damage and business interruption insurance cover responded to the incident. The property damage claim totalled $10.4 million, of which the majority was received in the prior financial year and the balance of $2.7 million was received in 2023/24. The business interruption claim was in the process of being finalised with insurers at year end and settlement of the claim was subsequently agreed for a total of $27.3 million, with proceeds due to be received in full by the end of the September 2024 quarter.

Mid-West Operations

The Company ceased to operate the Mid-West as a separate segment following completion of the divestment of most of its former Mid-West iron ore mining and infrastructure assets to Fenix in July 2023. Mount Gibson recorded a pre-tax gain of $35.9 million on the transaction and also subsequently received a dividend totalling $1.2 million on its Fenix shareholding.

The assets sold to Fenix comprised Mount Gibson's mining rights and other obligations at the suspended Shine iron ore mine near Yalgoo, the closed hematite iron ore mine at Extension Hill near Perenjori, rail sidings at Perenjori and Mullewa, two bulk materials storage sheds at Geraldton Port and various items of plant and equipment. Fenix also assumed rehabilitation and other contractual obligations associated with these assets, which at the time of sale were provisioned by Mount Gibson at $8.2 million.

Consideration for the divestment comprised $10.0 million in cash, 60 million Fenix shares and 25 million 5 year options in Fenix, exercisable in two equal tranches at $0.25 and $0.30 each respectively. At the end of the reporting period, the value of Mount Gibson's share and option holdings in Fenix was $20.7 million. Subsequent to balance date, Mount Gibson exercised the tranche of $0.25 per share options, taking its shareholding in Fenix to 10.06%.

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The Company has retained its mining and exploration interests in the historic Tallering Peak mining area, to the north of which it continues to explore prospective ground for base metals mineralisation, together with its Fields Find exploration interest.

Mid-West Rail Refund/Credit

Mount Gibson retained its rights to the long-standing historical rail credit refund resulting from third party use of certain parts of the Mid-West rail network. Following achievement of a contractual rail volume threshold at Extension Hill during prior years, the Group earned an entitlement to receive a partial refund of historical rail access charges from the Mid-West rail leaseholder, Arc Infrastructure, based upon the future usage by third parties of specific segments of the Perenjori to Geraldton railway line. This entitlement commenced upon termination of the Group's then existing rail agreements in early 2019, and was calculated at various volume-related rates, and capped at a total of approximately $35 million (subject to indexation) and a time limit expiring in 2031. The contractual cumulative cap of this credit refund was reached in the year, with the final credit amount of $1.9 million reflected in other revenue for 2023/24.

Exploration and Business Development

Mount Gibson continues to pursue potential investment opportunities consistent with the Company's objective to extend and grow its business into new operations, targeting opportunities in the bulk commodities (iron ore, steel-making coal and bauxite) and base metals (copper, lead, zinc) sectors, primarily in Australia. Equity positions with a combined market value of $18.5 million at 30 June 2024 were held in a small number of resource development companies where it is considered that future financing or strategic opportunities may arise.

Significant time continues being devoted to new project generation, site visits and discussions with third parties regarding further potential acquisition and partnering opportunities.

The Company also continues to assess regional exploration opportunities for base metals deposits particularly in Western Australia and Queensland. In WA's Mid-West region, the Company completed follow up work at the Baillys prospect near the former Tallering Peak iron ore mine, including a ground moving loop electromagnetic survey, as well as continuing a data review and planning additional mapping at the Butcher's Track project north of Tallering Peak. Negotiations also continued regarding potential farm-in and joint venture arrangements to prospective base metals exploration projects in the WA Goldfields region.

Climate Change

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Climate Change and Energy Management Policy

In line with the growing international focus on climate change and to guide Mount Gibson's focus on reducing carbon emissions and increasing energy efficiency, the Board has formally adopted a Climate Change and Energy Management Policy, as published on the Company's website.

The policy helps Mount Gibson to identify, monitor and manage future energy and emissions business risks, as legislation and regulatory environment responds to climate change imperatives.

Mount Gibson recognises that a pivotal aspect of emissions reduction, at a Company level, is energy management and decarbonisation.

In order to responsibly contribute to Australia's and the international community's response to climate change in a way that is realistic in the context of Mount Gibson's mining assets, Mount Gibson is committed to:

- Engaging collaboratively with government, the community and industry on climate change and emissions reduction matters;
- Applying a target of continuous improvement with regard to reducing carbon emissions across business operations through more energy efficient processes or indirectly through use of offsets as appropriate;
- Developing energy management and decarbonisation frameworks to enable the review, identification, and reporting of carbon emissions and energy use in existing business operations as well as progressing with adoption of initiatives to improve energy efficiency and reduce carbon emissions;
- Continuing to annually report on its environmental performance, carbon dioxide emissions, energy usage status and energy management and decarbonisation initiatives consistent with evolving standards, reporting and disclosure obligations; and
- Making decarbonisation, carbon intensity and energy efficiency key considerations in the Company's risk management processes.

Mount Gibson will continue to assess and respond to physical climate change risks as relevant taking into account the impact of severe weather events and rising sea levels, regulatory changes, shifts in demand for higher grades of iron ore, reputational damage, directors' duties and increased oversight and operating costs.

Response to climate change

The Company accepts the scientific consensus expressed by the Intergovernmental Panel on Climate Change that continued emissions resulting in global warming above 2 degrees Celsius could lead to catastrophic economic and social consequences. Mount Gibson supports the Paris Agreement to limit global warming, and the more recent 2021 Glasgow Climate Pact, to limit global warming to less than 1.5 degrees Celsius above pre-industrial levels.

The Company acknowledges that the response to climate change will require engagement and collaboration with Government, the community and industry, to develop economically sustainable measures in reducing global carbon emissions to internationally agreed levels.

Mount Gibson has undertaken a risk review of the transitional and physical risks arising from climate change impacting its business, focussing on risks connected to regulatory changes, product demand, reputational damage, directors' duties, increased operating costs, the impact of severe weather events and rising sea levels. The detailed risk assessment outcome is provided in *Table 1* over the page.

It is accepted by Mount Gibson that there is a risk that its existing operations, which are estimated to continue for another 5 years, and future acquisitions may well be impacted by changing regulatory policy restricting greenhouse gas emissions or imposing a carbon tax as the world transitions towards a lower carbon footprint. The Company is unable to quantify the impact of such restrictions or taxes at this time.

During the remaining mine life at Koolan Island, Mount Gibson does not anticipate any substantial increase to the physical climate change risks it already faces having already operated in a cyclonic region in the Kimberley for over 15 years. The impact of adverse weather events is already factored into its operations in that location where infrastructure has been engineered and is regularly maintained to withstand cyclone conditions. That said, the impact of physical climate change risks remains an important consideration with any future acquisition beyond existing operations.

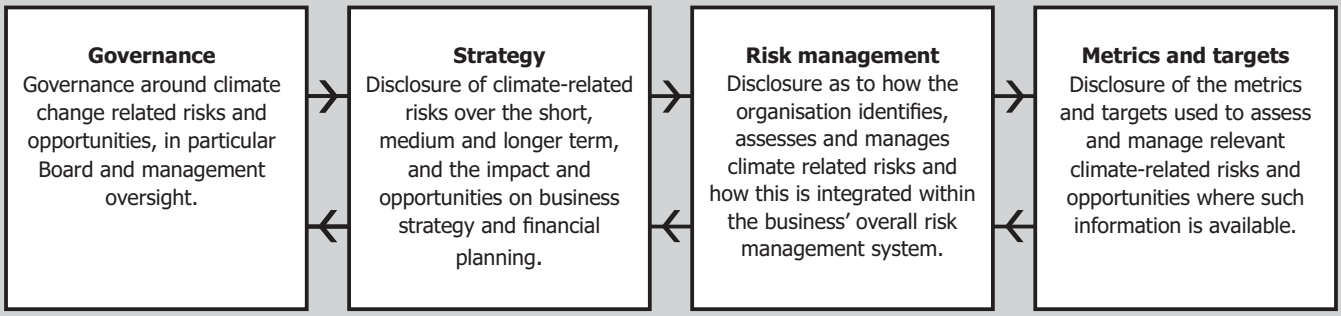
Mount Gibson recognises that a pivotal aspect of emissions reduction, at a Company level, is energy management and decarbonisation. Mount Gibson is mindful of reducing its greenhouse gas (GHG) emissions where possible, however substantive changes require alternative power sources for Koolan Island, such as the use of hybrid power stations and electric trucks, but as yet, none are economically feasible for the operation given the scale of operations and available mine life. However, irrespective of this, Mount Gibson accepts that climate change is a matter of global responsibility and an expert energy management consulting group is currently undertaking the second phase of a detailed review of operations at Koolan Island to provide guidance on realistic (i.e. fit for purpose) changes that the business may make.

In preparing its report on climate change, Mount Gibson has considered and supports the recommendations of the Task Force on Climate–related Financial Disclosures (TCFD). The recommendations assist stakeholders in assessing the Company's performance in this area. Mount Gibson's Board and Operational Risk Sustainability and Contracts Committee has primary responsibility, together with management, to review and formulate the Company's approach towards climate change and management of climate change risks, as tabulated in *Table 1*.

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Climate Change *Continued*

The four key elements of the TCFD recommendations include:



More detailed information on Mount Gibson's approach to managing climate change, including its annual Scope 1 and Scope 2 emissions data, can be found in its annual Sustainability Report published on the Mount Gibson website.

Table 1 – Climate Change Risks

TRANSITIONAL RISKS	Risk Detail	Mitigation and opportunities
Regulatory Changes	Policy and regulatory changes capping emissions may increase operational costs. It is possible that these changes may be introduced within the next 5 years.	Mount Gibson will continue to work with relevant industry bodies to ensure that any proposed regulatory framework is workable. The Company is focussed on continuing to reduce its GHG emissions. This includes the second phase of a detailed review of operations at Koolan Island by a specialist energy management consulting group now underway to provide guidance on realistic (i.e. fit for purpose) changes that the business may make. Mount Gibson will make investment decisions in respect of future projects taking into account the risks of climate change and a forecasted carbon price impact.
Reduced product demand	Demand for particular grades of iron ore may change if market demand shifts, for example, as a result of the introduction of climate change regulations directly impacting the steel manufacturing sector in China.	Mount Gibson's ore reserves at its Koolan Island operation are high grade having an average iron ore content of approximately 65% Fe. Higher grade iron ore products require fewer GHG emissions in the process of steel making and so will continue to have strong demand. Mount Gibson is also assessing diversification options beyond iron ore to other commodities where demand may increase as the global economy moves towards lower GHG emissions.
Reputational Damage	Mount Gibson may experience reputational damage if stakeholders consider that it is not responding adequately to climate change risks. This may impact the Company's investment profile in the market.	Mount Gibson has not set voluntary emissions intensity targets but is considering supporting external initiatives that are consistent with transitioning to a lower carbon environment.
Legal risks	Directors have a responsibility to manage and disclose climate change risks relating to the business and comply with any mandatory reporting requirements. Failure to do so may result in third party litigation by shareholder activists or enforcement by regulatory groups. There is growing community expectation that companies will take steps to reduce their GHG emissions.	Mount Gibson needs to make sure it takes all reasonable actions to manage its climate change risks and to be transparent in respect of its strategy towards managing climate change impacts. This will extend to ensuring that it is ready to report under the mandatory reporting regime which seems likely to apply to the Company from the FY2026 reporting period.

Table 1 – Climate Change Risks *Continued*

TRANSITIONAL RISKS	Risk Detail	Mitigation and opportunities
Increasing operating costs	Increased maintenance costs, increased insurance premiums, more resilient infrastructure, and increased shipping costs to reduce GHG have resulted in higher operating costs.	Mount Gibson's understanding that additional industry wide operating costs will ultimately be partially or wholly reflected in the iron ore and other commodity prices.
PHYSICAL RISKS	**Risk Detail**	**Mitigation and opportunities**
Increased severity of extreme weather events	Increased severity of extreme weather events including cyclones, flooding and bushfires may cause material damage to assets leading to operational disruptions, impacts to production rates and increased costs associated with asset repair, and loss of revenue.	Mount Gibson's port and mine infrastructure at Koolan Island have been built to a standard that is capable of withstanding extreme weather events such as cyclones. Cyclone management plans are in place. Mount Gibson divested its port and mine infrastructure assets in the Mid West and Geraldton Port in July 2023. The Main Pit at Koolan Island is subject to flooding during adverse weather events. Pumping equipment is available to respond to those circumstances and the return of the site to normal operational status is typically prompt.
Rising seas levels	Sea level rise has the potential to cause material damage to port infrastructure.	Mount Gibson's port infrastructure at Koolan Island is understood to be capable of withstanding adverse weather events based on its current design criteria. There is a risk that compliance with existing engineering codes and standards provides insufficient resilience for future extreme weather events.

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Environment and Community

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Mount Gibson recognises that it is critical for any successful mining organisation to have a key focus on environmental management and rehabilitation, and on being a responsible community citizen. These matters drive towards sustainable outcomes.

Sustainability refers to the conditions under which humans and nature can coexist in a productive manner and permit the environmental, social and economic requirements of present and future generations. These considerations remained a core focus for Mount Gibson during the 2023/24 financial year.

Environment

Mount Gibson places significant emphasis on environmental management and compliance. The Company has focused strongly on continuous improvement and innovation in its environmental management activities, always performing in a responsible manner and ensuring a high standard of environmental performance and compliance.

Environmental reporting is a core component of successful environmental management and many regulatory organisations require extensive periodic reports, including various Western Australian Government agencies such as the Department of Energy, Mines, Industry Regulation and Safety (DEMIRS), the Department of Water & Environmental Regulation (DWER), the Department of Biodiversity Conservation and Attractions and the Department of Health. In addition, plans associated with specific species have been approved by the Federal Department of Agriculture, Water and Environment. DWER has granted approval and licensing of works to allow construction and operation of facilities on "prescribed" premises and DEMIRS has granted approval for Mining Proposals at each of the Company's mines.

The Group holds various environmental licences and authorities, issued under both State and Federal laws, to regulate its mining and exploration activities in Australia. Along with Regulations, these licences include conditions in relation to specifying limits on emissions into the environment, rehabilitation of areas disturbed during the course of mining and exploration activities, consumption of water, tenement conditions associated with exploration and mining, and the storage of hazardous substances. The Group examines its performance through detailed monitoring and reports against these approval conditions regularly to government. No notices of non compliance, letters of warning nor any other materially adverse findings was tabled by any regulatory authority in relation to the Group's operations.

A key reporting obligation is the National Greenhouse and Energy Reporting Scheme (NGERS) which provides data on greenhouse gas emissions and energy production. Diesel combustion is Mount Gibson's single largest source of greenhouse gas emissions from its mining operations.

Mount Gibson's latest NGERS report reflects the current phase of mining and processing operations at Koolan Island. Total material movement reduced in step with the reducing waste-to-ore stripping ratio but haulage distances increased as the floor of Main Pit deepened, while total ore sales increased substantially, in part due to the processing and sale of previously mined high-grade material held in stockpiles during the December 2023 half year period.

Consequently, significant reductions were recorded during the year with regard to energy use and greenhouse gas emissions on both a gross and unit basis. Total energy consumed reduced by more than 27.5% to 603,433 gigajoules (GJ) in the year resulting in gigajoules per 100 tonnes of ore sold reducing by 48% compared with the prior year. Similarly, total greenhouse gas emissions reduced by over 27% to 41,574 tonnes CO2-equivalent (tCO2-e) compared with the prior year. Accordingly, tCO2-e per 100 tonnes of ore sold reduced by 45% compared with the prior year. Unit energy consumption and emissions vary and directly reflect the waste:ore stripping ratio in the Main Pit at Koolan Island. Consistent with the mine plan, the strip ratio will be temporarily higher in 2024/25 reflecting the transition of mining from the completed western half of the pit to the eastern half of the pit during the first half of the financial year.

For details of the Company's environmental performance, including emissions data and other information relating to each site, please refer to Mount Gibson Iron's 2024 Sustainability Report, as published on the Mount Gibson website.

Community Affairs

Mount Gibson values its relationship with key stakeholders and works hard to ensure a clear mutual understanding of its impacts from current and future operations. To do this, the Company has an ongoing program of stakeholder consultation within the communities near to its mining and infrastructure operations, and with an additional emphasis on the recognition of Traditional Owners and areas of special heritage and cultural significance.

Mount Gibson's stakeholders include its customers, shareholders, employees, suppliers, landowners, Traditional Owners, regulators, local governments, interest groups and the broader community. The Company works throughout each year with each of these stakeholder groups, whether through formal agreements and meetings or through informal updates, with the level of consultation dependent on specific stakeholder interests.

Mount Gibson's approach is to actively support its local communities, with a particular focus on youth and education. In line with our commitments, Mount Gibson invested substantially in these areas in the last 12 months, including through direct contributions to community organisations, sponsorships, educational scholarships and direct support for community events and initiatives.

For specific details of Mount Gibson Iron's community investment activities and engagement with communities and stakeholders, including total expenditure and information relating to each site, please refer to Mount Gibson Iron's 2024 Sustainability Report, as published on the Mount Gibson website.

Resources and Reserves

All Mineral Resources and Ore Reserves are located at the Company's Koolan Island iron ore operation in the Kimberley region of Western Australia, as tabulated below:

Total Mineral Resources and Ore Reserves as at 30 June 2024

	Tonnes millions	Fe %	SiO_2 %	Al_2O_3 %	P %
Mineral Resources, above 50% Fe (includes Mined Ore Stockpiles)					
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
Total at 30 June 2024	**19.1**	**62.8**	**8.96**	**0.48**	**0.016**
Total at 30 June 2023	*41.5*	*63.3*	*8.24*	*0.58*	*0.013*
Ore Reserves, above 50% Fe (includes Mined Ore Stockpiles)					
Proved	0.6	59.7	12.64	0.83	0.011
Probable	6.7	65.6	4.71	0.74	0.014
Total at 30 June 2024	**7.2**	**65.1**	**5.32**	**0.74**	**0.013**
Total at 30 June 2023	*12.4*	*65.2*	*5.15*	*0.79*	*0.014*

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.

Material Change

A material change occurred during the year resulting from the removal of Mineral Resources located outside the final design of the Main Pit which are now considered unlikely to be economically viable based on the anticipated final pit boundaries.

Main Deposit Resources were reduced by a total of 21.8 Mt to 8.7 Mt grading 65.9% Fe, compared with 30.5 Mt grading 64.3% Fe in the prior year. This reduction reflected the declassification of Mineral Resources considered unlikely to be economically viable at this stage of the mine life (17.0 Mt), as well as mining depletion in the last year, stockpile drawdowns and modelling adjustments for discrete mineralisation boundary changes identified during mining (together totalling 4.8 Mt).

The derecognition of Mineral Resources on the basis they are considered unlikely to be economically viable reflects the impact of a combination of factors, including iron ore pricing and geotechnical considerations associated with potential extensions and cutbacks to the Main Pit, which would involve presently uneconomic waste-to-ore strip ratios, to access material beyond anticipated mining in accordance with the final pit design limits.

Ore Reserves were reduced by approximately 5.2 Mt during the year reflecting mining depletion totalling 3.8 Mt and minor pit design changes, stockpile drawdowns and adjustments to reflect discrete mineralisation boundary changes identified during mining, which together totalled 1.4 Mt.

The entire reduction in Mineral Resources and Ore Reserves occurred within the Main Deposit. No changes occurred with respect to the Mineral Resources estimates for the Acacia East and Mangrove satellite deposits on Koolan Island.

All other material assumptions and technical parameters underpinning the Mineral Resource and Ore Reserve estimates continue to apply and have not materially changed. Historical production experience and reconciliations have provided confidence in the estimation methodology and results, with depletion from mining being in balance with production outputs.

Mount Gibson has maintained consistency and not changed sampling methods, sub-sampling techniques or sample assay analyses, drill and data spacing, estimation methodology, cut-off grade, or mining and metallurgical methods in any material way.

All of Mount Gibson's Mineral Resources and Ore Reserves estimates are reported in compliance with the JORC Code (2012 Edition) and the ASX Listing Rules. Mineral Resources are reported inclusive of Ore Reserves and all tonnages have been estimated as dry metric tonnages. For the estimation of wet metric tonnages, an average moisture content of approximately 4% is typically applied.

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Resources and Reserves *Continued*

Competent Persons and Responsibilities

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 Mount Gibson's Annual Statement of Mineral Resources and Ore Reserves at 30 June 2024 as released to the ASX on 9 September 2024 and published on the Mount Gibson website.

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Mount Gibson Iron

Financial Report

MOUNT GIBSON IRON LIMITED AND CONTROLLED ENTITIES ABN 87 008 670 817

ANNUAL FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2024

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Directors' Report

Your Directors submit their report for the year ended 30 June 2024 for Mount Gibson Iron Limited (**Company** or **Mount Gibson**) and the consolidated group incorporating the entities that it controlled during the financial year (**Group**).

DIRECTORS

The names and details of the Company's Directors in office during the financial period and until the date of this report are set out below. Directors were in office for the entire period unless otherwise stated.

Names, Qualifications, Experience and Special Responsibilities

Lee Seng Hui LLB (Hons)
Chairman, Non-Executive Director

Mr Lee was appointed as a Non-Executive Director on 29 January 2010, Non-Executive Deputy Chairman on 14 December 2012, and Chairman on 18 February 2014. Mr Lee graduated with Honours from the University of Sydney Law School. Mr Lee is the Chief Executive and an Executive Director of Allied Group Limited which is listed on the Hong Kong Stock Exchange. He is the Chairman and a Non-Executive Director of Tian An China Investments Company Limited, and Tian An Medicare Limited. He is also a Non-Executive Director of APAC Resources Limited, one of Mount Gibson's substantial shareholders. Mr Lee has not served as a director of any other ASX or Hong Kong listed companies during the past three years.

Simon Bird B.Acc.Science (Hons) CA, FCPA, FAICD
Lead Independent Non-Executive Director

Mr Bird was appointed as an Independent Non-Executive Director on 23 February 2012. Mr Bird is the Lead Independent Director and Chairman of the Audit and Financial Risk Committee. Mr Bird is a Chartered Accountant, Fellow of CPA Australia and Fellow of the Australian Institute of Company Directors. Mr Bird has over 35 years of international corporate experience, including holding the positions of Finance Director with Xpansiv Limited, General Manager Finance at Stockland Limited, Chief Financial Officer of GrainCorp Limited, and Chief Financial Officer of Wizard Mortgage Corporation. He was also Chief Executive Officer of ASX-listed King Island Scheelite Limited, a former Managing Director of ASX-listed Sovereign Gold Limited, a former Chairman of ASX-listed Rawson Resources Limited and ASX-listed Tubi Group and a former Director of CPA Australia Limited. Mr Bird is the non-executive Chairman of ASX-listed Maronan Metals Limited and a former Director of ASX-listed Pacific American Holdings Limited.

Alan Jones CA
Independent Non-Executive Director

Mr Jones was appointed as an Independent Non-Executive Director on 28 July 2006 and is the current Chairman of the Nomination, Remuneration and Governance Committee. Mr Jones is a Chartered Accountant with extensive senior management and board experience in listed and unlisted Australian public companies, particularly in the construction, engineering, finance and investment industries. Mr Jones has been involved in the successful merger and acquisition of a number of public companies in Australia and internationally. He is a Non-Executive Director of Mulpha Australia Ltd, Sun Hung Kai & Co Ltd (Hong Kong), Allied Group Ltd (Hong Kong) and Air Change International Limited.

Professor Paul Dougas B.Eng (Chem), M.Eng.Science, FAICD, CEng., Hon Fellow Engineers Australia, FATSE
Independent Non-Executive Director

Professor Dougas was appointed as an Independent Non-Executive Director on 16 November 2011 and is Chairman of the Operational Risk, Sustainability and Contracts Committee. He has over 40 years of design, process, project engineering, managerial, commercial and corporate experience having commenced his career in the Melbourne & Metropolitan Board of Works before joining engineering firm Sinclair Knight Merz in 1978. From initial technical roles, he assumed leadership roles in Sydney before returning to Melbourne as Associate Director and Victorian Branch Manager in 1985. In 1995 he was appointed Managing Director Elect and Director of Marketing before becoming Chief Executive Officer and Managing Director in 1996. For the following 15 years, he led a significant expansion of the firm locally and internationally involving more than 50 local and international acquisitions. Professor Dougas was a Non-Executive Director of ConnectEast Ltd from 2009 until its takeover in September 2011 and was also on the Sinclair Knight Merz Board from 1990 until 2011. He was a Non-Executive Director of Epworth Healthcare from 2012 to 2021 and is a former Chairman of the Global Carbon Capture and Storage Institute, and Norman, Disney & Young and a former Non-Executive Director of Beacon Foundation and Calibre Group Limited. Professor Dougas is also a Professorial Fellow in the School of Engineering at Melbourne University.

Ding Rucai
Non-Executive Director

Mr Ding was appointed to the Board on 12 December 2019. Mr Ding is the Chairman and executive director of Hong Kong listed Shougang Fushan Resources Group Limited (Shougang Fushan). Shougang Fushan is Mount Gibson's second largest shareholder and also holds a significant share interest in APAC Resources Limited, Mount Gibson's largest shareholder. Mr Ding is also a director of Shougang Holding (Hong Kong) Limited, a company wholly owned by Shougang Group Co., Ltd. A senior engineer with a doctoral degree in ferrous metallurgy from the University of Science and Technology Beijing, Mr Ding has more than 30 years' experience in the steel and coal resources industry, having held a variety of senior management and executive roles since joining the Shougang organisation in 1989.

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Evian Delfabbro B.Eng (Civil), B.Commerce, Dip.Law. *(appointed 28 August 2023)*
Non-Executive Director

Ms Delfabbro was appointed to the Board on 28 August 2023. As a civil engineer and lawyer, Ms Delfabbro has over two decades of experience in the commercial property, mining and construction sectors. She is currently a director of a boutique Sydney property company and a Queensland hard-rock quarrying business. She has previously held senior management roles with former ASX-listed commercial property company FKP Ltd, Port Bouvard Ltd and Thakral Holdings. Ms Delfabbro holds a Diploma of Law, Bachelor of Civil Engineering and Bachelor of Commerce from the University of Sydney. Ms Delfabbro does not currently hold any other public directorship positions.

Russell Barwick Dip.Min.Eng., FAICD, FAusIMM (*resigned 23 August 2023)*
Independent Non-Executive Director

Mr Barwick was appointed as an Independent Non-Executive Director on 16 November 2011 and was Chairman of the former Operational Risk and Sustainability Committee. Mr Barwick resigned on 23 August 2023. Mr Barwick is a mining engineer with over 45 years of technical, operational, managerial and corporate experience in international mining companies covering various commodities. He has worked for Bougainville Copper Limited (CRA), Pancontinental Mining Ltd (Jabiluka Uranium) and CSR Limited (coal). He spent 16 years with Placer Dome Asia Pacific in key development, operational and corporate roles in numerous countries culminating in his appointment as Managing Director of Placer Niugini Ltd. He then served as Managing Director of Newcrest Mining Limited (2000 to 2001). For the four years to the end of 2006, Mr Barwick was the Chief Operating Officer of Wheaton River Minerals Ltd and Goldcorp Inc., based in Vancouver, Canada. He was subsequently the Chief Executive Officer of Canada-based Gammon Gold Inc. before returning to Australia in 2008. He is a former non-executive director of Regis Resources Limited and more recently a retired non-executive director of ASX-listed Lithium Power International and Chairman of its unlisted associate company of Minera Salar Blanco S.A. (Chile). Mr Barwick is currently the Chairman of ASX-listed Red Metal Limited.

Andrew Ferguson
Alternate Director to Lee Seng Hui

Mr Ferguson was appointed Alternate Director to Lee Seng Hui on 24 September 2012. Mr Ferguson is Chief Executive Officer and an Executive Director of APAC Resources Ltd, one of Mount Gibson's substantial shareholders. Mr Ferguson holds a Bachelor of Science Degree in Natural Resource Development and worked as a mining engineer in Western Australia in the mid 1990's. He has over 20 years of experience in the finance industry specialising in global natural resources. In 2003, Mr Ferguson co-founded New City Investment Managers in the United Kingdom. He was the former co-fund manager of City Natural Resources High Yield Trust, and managed New City High Yield Trust Ltd and Geiger Counter Ltd. He has also worked as Chief Investment Officer for New City Investment Managers CQS Hong Kong.

COMPANY SECRETARY

David Stokes B.Bus, LLB, ACIS
Company Secretary & General Counsel

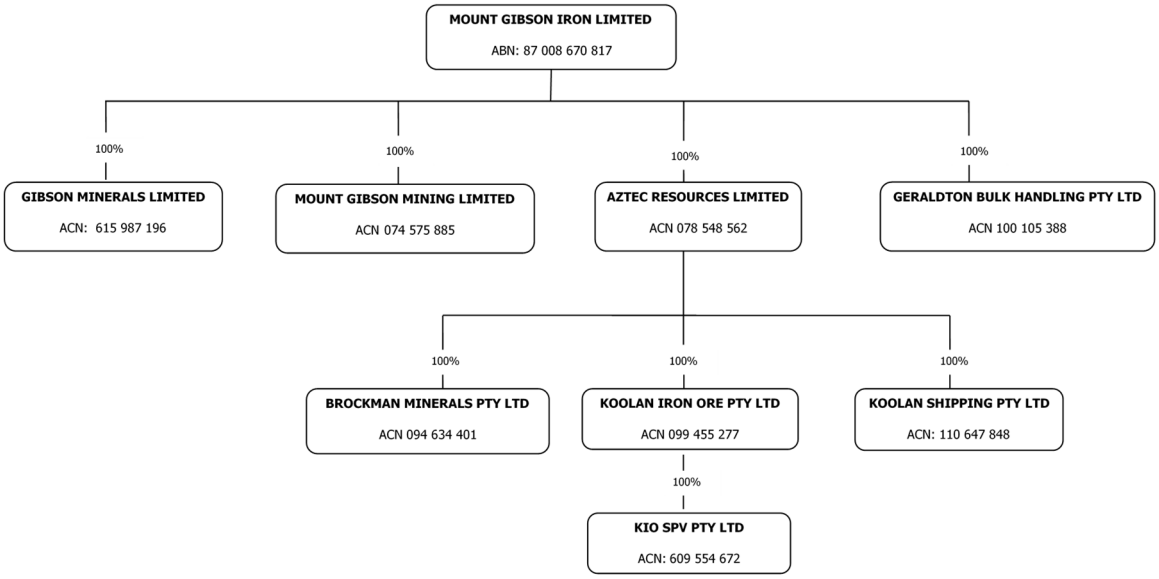
Mr Stokes was appointed Company Secretary and General Counsel on 2 April 2012. He is a corporate lawyer with a diverse range of mining, commercial and governance experience having worked at a corporate and operational level in the energy and resources sectors for over 20 years. Prior to joining Mount Gibson, Mr Stokes was General Counsel and Company Secretary at Gindalbie Metals Limited, Corporate Counsel for Iluka Resources Limited and Resolute Mining Limited, and has also worked in private practice for a number of years.

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CORPORATE INFORMATION

Corporate Structure

Mount Gibson is a company limited by shares that is incorporated and domiciled in Australia. It is the ultimate parent entity and has prepared a consolidated financial report incorporating the entities that it controlled during the financial year. The structure of the Group as at 30 June 2024 was as follows:



Nature of Operations and Principal Activities

The principal activities of the entities within the Group during the year were:

- mining, processing and direct shipment of hematite iron ore at the Koolan Island mine site in the Kimberley region of Western Australia;
- treasury management; and
- the pursuit of mineral resources acquisitions and investments.

Employees

The Group employed 389 employees (excluding contractors) as at 30 June 2024 (2023: 371 employees).

OPERATING AND FINANCIAL REVIEW

Introduction

The Board presents the 2023/24 Operating and Financial Review which has been prepared to provide shareholders with a clear and concise overview of Mount Gibson's operations, financial position and business strategies. This review also provides a summary of the impact of key events which occurred in 2023/24 and the material business risks so that shareholders can make an informed assessment of the results and prospects of the Group.

The review complements Mount Gibson's financial statements for the year ended 30 June 2024 and has been prepared in accordance with Regulatory Guidance 247 published by the Australian Securities and Investments Commission (**ASIC**).

Overview of the 2023/24 Financial Year

The 2023/24 financial year was an extremely positive one for Mount Gibson from an operating and financial perspective, generating significant increased cashflow and cash reserves as a result of increased high-grade ore sales from Koolan Island.

The Group recorded a profit before tax and impairments of $211,554,000 compared with $105,858,000 in the prior year. After non-cash impairment expenses totalling $159,100,000 and derecognition of deferred tax assets totalling $30,228,000, the Group recorded a net profit after tax of $6,430,000 for the year ended 30 June 2024, compared with $5,179,000 in the prior financial year.

During the financial year ended 30 June 2024, the Company's primary focus was on continued operational improvement at Koolan Island to generate consistent high grade iron ore sales and operating cashflows. The Mid-West operations were divested to Fenix Resources Limited (**Fenix**) in July 2023 in accordance with terms agreed late in the prior financial year, as previously reported.

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The pre-impairment results reflected a strong operational performance at Koolan Island, particularly in the first half of the year during which the Company successfully monetised high-grade ore stockpiles exceeding 1.0 Million wet metric tonnes (**Mwmt**) that had been generated in the prior year while repairs were completed to the processing plant damaged by fire in August 2022. These ore stockpiles were depleted by late 2023, after which processing and sales were more closely aligned with ore extraction from Main Pit. As anticipated, production and sales in the June 2024 half-year were lower than in the prior half, reflecting the stockpile depletion, the planned completion of mining in the deeper western half of Main Pit by period end, and some resequencing of production in the upper eastern end of the pit following the August 2023 footwall rockfall.

Ore mining for the year totalled 3.7 Mwmt, compared with 4.0 Mwmt in the prior financial year, while Group ore sales increased by 36% to 4.1 Mwmt grading 65.3% Fe – near the upper end of the Company's annual guidance - compared with 3.0 Mwmt in the prior financial year. Ore sales revenue totalled $667,678,000 Free on Board (**FOB**) at an average realised price of US$109 per dry metric tonne (**dmt**) for Koolan Island's high-grade fines. This compared with revenue of $450,586,000 FOB in the prior year at an average realised price of US$103/dmt FOB.

Iron ore prices were volatile during the year amid continued global geopolitical tension and economic uncertainty. The benchmark Platts 62% Fe CFR price (including shipping freight) averaged US$119/dmt in 2023/24 compared with US$110/dmt the prior year, but fluctuated significantly over the 12-month period, particularly in the June half-year. The price started the year at US$111/dmt and rose to over US$140/dmt in the first half, before retreating and briefly dipping below US$100/dmt in April 2024 and ending the year at US$107/dmt. Of more relevance to Mount Gibson, the Platts CFR fines price for high-grade 65% Fe fines was similarly volatile and averaged US$131/dmt for the year compared with US$124 in the prior year. This equated to an average grade-adjusted premium of 5% per contained metal unit compared with 62% Fe fines, slightly lower than the premium of 7% in the prior year. Price volatility, particularly in the second half, was partly offset by the weaker Australian dollar which averaged US$0.656 for the year compared with US$0.673 in 2022/23.

The total cost of sales for 2023/24 including cash and non-cash costs plus royalties, was $491,417,000 on a FOB basis, equating to $120/wmt FOB, compared with $338,394,000 FOB including royalties, equating to $112/wmt FOB, in the prior year.

Total cash reserves, comprising cash and cash equivalents, term deposits and financial assets held for trading excluding the Fenix investment, increased by $279,872,000 over the year to $442,287,000, reflecting increased sales, higher realised prices and lower cash unit costs, particularly in the first half of the year. The period end cash and investment reserves balance excluded the value of the 60 million shares and 25 million options in Fenix received as part consideration for the divestment of the Mid-West assets. At period end the Company's 8.6% shareholding and additional optionholding in Fenix were valued at a total of $20,745,000.

Operating Results for the Financial Year

The summarised operating results for the Group for the year ended 30 June 2024 are tabulated below:

	Year ended:	30 June 2024	30 June 2023	30 June 2022	30 June 2021	30 June 2020
Net profit/(loss) before tax	*$'000*	**52,454**	**30,453**	**(248,241)**	**92,133**	**120,717**
Taxation benefit/(expense)	*$'000*	(46,024)	(25,274)	74,125	(28,127)	(36,519)
Net profit/(loss) after tax	*$'000*	**6,430**	**5,179**	**(174,116)**	**64,006**	**84,198**
Earnings/(loss) per share	*cents/share*	0.53	0.43	(14.55)	5.46	7.35

Koolan Island

The Koolan Island mine is located in the Buccaneer Archipelago, approximately 140km north of Derby, in the Kimberley region of Western Australia. Significant operational progress continued to be achieved at Koolan Island during the year as the benefits of previously completed bulk waste stripping, upper footwall ground support programs and processing plant repairs were realised.

Mining

Mine performance reflected a significant reduction in the waste-to-ore stripping ratio in the Main Pit and the planned completion of mining in the Western end of the pit. Total ore and waste moved was 5.9 Mwmt, including 3.7 Mwmt of ore, compared with total movement of 12.9 Mwmt, including 4.0 Mwmt of ore, in the prior year. This reflected a significantly reduced average stripping ratio of 0.6 tonnes of waste for every tonne of ore mined in 2023/24 compared with 2.2:1 in the prior year. The stripping ratio is a key driver of operating costs at Koolan Island and although it will rise in the coming year in line with haul ramp repositioning and waste extraction cycles, it is currently anticipated to average approximately 1.8:1 over the remaining 2-3 year mine life.

Ore production in the period primarily came from the western end of the Main Pit, and some upper benches in the upper eastern end of the pit where production was re-sequenced and brought forward following the rockfall on the central footwall (island-side) in August 2023. As previously reported, the event was detected in advance by the site's continuous radar monitoring systems and no people or equipment were placed at risk. The area was not being actively mined at the time, and an exclusion zone was established in the area to allow geotechnical assessment to be undertaken while operations continued elsewhere in Main Pit. Ground support remediation activities commenced in the June 2024 quarter to enable future extraction of the underlying high grade iron ore in that location. This work comprises a sequenced program of on-wall drilling and grouted rock-bolting, plus the installation of protective mesh and a safety barrier fence to enable the high-grade ore zones directly beneath this area to be safely extracted.

Mining in the western end of the Main Pit was completed in June 2024, at a planned final depth of approximately 170 metres below sea (mean tide) level. A water collection sump has now been established in the western end to assist in efficient water management and discharge from the Main Pit. Mining operations are now transitioning to the central and eastern parts of the Main Pit, involving a reconfiguration of the primary haul ramp. The transition work will occur during the September 2024 quarter in which shipment rates and cargo grades will be temporarily reduced. Sales for FY25 are targeted at 2.7-3.0 Mwmt reflecting these transitioning activities and ground support work necessary for mining and shipping rates to increase through FY25 and the following year.

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Processing

Processing volumes increased by 12% over the year to 4.0 Mwmt, compared with 3.6 Mwmt the prior year, weighted to the December 2023 half year in which the Company processed the substantial high-grade ore stockpiles generated in the preceding financial year. The ore stockpiles were depleted by late December 2023 with processing through the plant being supplemented by a mobile crushing contractor. Since then processing has been more closely aligned with ex-pit ore production which will continue over the remaining mine life. In order to process on a more efficient and cost-effective basis, the harder oversized material expected to be mined from the central and eastern areas of the Main Pit, the Company committed to invest $8.0 million on installation of a tertiary crushing circuit. At the end of the financial year, work was nearing completion with commissioning anticipated in the September 2024 quarter.

Sales

Koolan Island ore sales for 2023/24 totalled 4.1 Mwmt, near the upper end of the Company's sales guidance of 3.8–4.2 Mwmt. This reflected record sales of 2.5 Mwmt in the December 2023 half year, during which the Company had the benefit of monetising its high grade ore stockpiles, with sales in the June 2024 half year more closely aligned with ore extraction from the Main Pit.

Sales from Koolan Island are made under long term offtake agreements on FOB terms, with pricing referencing high grade (65% Fe) market indices and Panamax shipping freight rates, specification adjustments and penalties for impurities. Provisional prices are recorded following shipment departure and the final pricing ultimately reflects monthly iron ore price averages up to two months after the month of shipment. Accordingly, the Company is subject to provisional pricing adjustments in current and subsequent periods.

Realised Pricing

As indicated above, the Koolan Island operation benefited from generally higher iron ore prices and a weaker Australian dollar, particularly in the December 2023 half year. Significant price volatility in the June 2024 half year resulted in substantial adverse provisional price adjustments, totalling $29 million in the June 2024 quarter, as iron ore prices weakened. Koolan Island fines, grading 65.3% Fe, realised an average price of US$109/dmt FOB in the reporting period compared with US$103/dmt in the prior corresponding year. Shipping freight rates for Koolan Island to Chinese ports remained relatively steady compared with the prior year and averaged approximately US$13-14/wmt in FY24.

Financial Results

Koolan Island generated a profit before interest, tax and impairments of $181,270,000 in the financial year, compared with $118,418,000 in the prior corresponding year. After impairment expenses totalling $159,100,000 ($74,300,000 in the prior year), Koolan Island generated a profit before interest and tax of $22,170,000 ($44,118,000 in the prior year).

Operating cashflow generated from Koolan Island for the year totalled $284,324,000 compared with $95,252,000 in the previous year. The improvement reflected increased ore sales volumes, higher realised prices and reduced unit cash costs, as well as the benefit of the sale of previously mined high-grade ore stockpiles in the December 2023 half-year. Revenues for the year totalled $667,678,000, with the outflow items being cash operating and capital costs ($319,261,000) and royalties ($64,093,000).

Koolan Island's unit cash operating costs before royalties and capital projects were $74/wmt sold FOB for the year, approximately 4% lower than the average cash operating cost of $77/wmt sold FOB in the prior year (before inventory build, major project costs and royalties).

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Production and shipping statistics for Koolan Island for the 2023/24 financial year are tabulated below:

Koolan Island Production Summary	Unit	Sept Quarter 2023	Dec Quarter 2023	Mar Quarter 2024	Jun Quarter 2024	Year 2023/24	Year 2022/23	% Incr/ (Decr)
Mining								
Waste mined (incl. rehandle)	*'000 wmt*	692	736	425	339	**2,192**	**8,886**	*(75)*
Ore mined	*'000 wmt*	1,046	904	1,081	716	**3,747**	**3,996**	*(6)*
Total material movement	*'000 wmt*	**1,738**	**1,640**	**1,506**	**1,055**	**5,939**	**12,882**	*(54)*
Stripping ratio	*Waste:Ore*	0.7	0.8	0.4	0.5	**0.6**	**2.2**	
Processing (crushing)								
Fines	*'000 wmt*	960	897	701	678	**3,236**	**3,603**	*(10)*
Lump	*'000 wmt*	238	199	177	190	**805**	**-**	-
Total ore crushed	*'000 wmt*	**1,198**	**1,096**	**878**	**868**	**4,040**	**3,603**	*12*
Shipping/Sales								
Fines	*'000 wmt*	1,331	1,113	711	872	**4,027**	**3,028**	*33*
Lump	*'000 wmt*	-	81	-	-	**81**	**-**	-
Total ore shipped	*'000 wmt*	**1,331**	**1,194**	**711**	**872**	**4,108**	**3,028**	*36*
Average ore grade sold	*% Fe*	65.5	65.3	65.4	65.2	**65.3**	**65.3**	
Average Platts 62% Fe CFR price	*US$/dmt*	**114**	**128**	**124**	**112**	**119**	**110**	
Average Platts 65% Fe CFR price	*US$/dmt*	**125**	**139**	**136**	**126**	**131**	**123**	
Koolan FOB fines price (pre-adjustment)	*US$/dmt*	**105**	**109**	**123**	**103**	**109**	**108**	
Provisional pricing adjustments	*US$/dmt*	-	19	1	(22)	1	(5)	
Koolan FOB fines price (after adjustment)	*US$/dmt*	**105**	**128**	**124**	**81**	**110**	**103**	

Minor discrepancies may occur due to rounding.US$/dmt = USD per dry metric tonne

CFR = cost and shipping freight included; FOB = free on board (i.e. shipping freight deducted).

Koolan iron ore prices are shown on a FOB basis after shipping freight and specification penalties. Provisional pricing adjustments reflect realised (in-period) adjustments and, for half-year and annual reporting periods, estimates (if material) of unrealised adjustments for those shipment cargoes with future pricing periods, based on post-balance date observed prices. Final pricing ultimately reflects monthly iron ore price averages up to two months after the shipment date.

For the purpose of wet to dry tonnage conversion, moisture content typically averages approximately ~3% for Koolan Island iron ore products.

Mid-West Operations

The Company has ceased to operate the Mid-West as a separate segment since completion of the divestment of most of its former Mid-West iron ore mining and infrastructure assets to Fenix in July 2023, which was previously reported as a subsequent event in the Company's financial accounts for the 2022/23 financial year. The assets sold to Fenix comprised Mount Gibson's mining rights and other obligations at the suspended Shine iron ore mine near Yalgoo, the closed hematite iron ore mine at Extension Hill near Perenjori, rail sidings at Perenjori and Mullewa, two bulk materials storage sheds at Geraldton Port and various items of plant and equipment. Fenix also assumed the rehabilitation and other contractual obligations associated with these assets, which at the time of sale were provisioned by Mount Gibson at $8,229,000.

Consideration for the divestment comprised $10,000,000 in cash, 60 million Fenix shares and 25 million 5-year options in Fenix, exercisable in two equal tranches at $0.25 and $0.30 each respectively. At the end of the reporting period, the value of Mount Gibson's 8.6% shareholding and optionholding in Fenix was $20,745,000.

The Company has retained its mining and exploration interests in the historic Tallering Peak mining area, to the north of which it continues to explore prospective ground for base metals mineralisation, together with its Fields Find exploration interest.

Additionally, Mount Gibson retained its rights to the long-standing historical rail credit refund resulting from third party use of certain parts of the Mid-West rail network. Following achievement of a contractual rail volume threshold at Extension Hill during the 2017/18 financial year, the Group earned an entitlement to receive a partial refund of historical rail access charges from the Mid-West rail leaseholder, Arc Infrastructure, based upon the future usage by third parties of specific segments of the Perenjori to Geraldton railway line. This entitlement commenced upon termination of the Group's then existing rail agreements in early 2019, and was calculated at various volume-related rates, and capped at a total of approximately $35,000,000 (subject to indexation) and a time limit expiring in 2031. The contractual cumulative cap of this credit refund was reached in the year, with the final credit amount of $1,876,000 reflected in revenue.

Financial Position

The Group's cash and cash equivalents, term deposits and financial assets held for trading totalled $442,287,000 at 30 June 2024, an increase of $279,872,000 from the balance at 30 June 2023 of $162,415,000.

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Cashflow Summary	Koolan Island $'000	Corporate & Other $'000	Total $'000
Operating cashflow before royalties and capital expenditure	411,815	10,833	422,648
Royalties	(64,093)	-	(64,093)
Capital expenditure:			
Mine development (including ground support activities)	(27,352)	-	(27,352)
Tertiary crusher project	(7,816)	-	(7,816)
Sustaining capital, equipment purchase, exploration and other	(28,230)	(1,057)	(29,287)
	284,324	**9,776**	**294,100**
Realised net hedging loss			(3,629)
Tax paid			(2,149)
Other financing activities and net working capital movements			(8,450)
Total movement in cash and investment reserves in the period			**279,872**

Minor discrepancies may appear due to rounding.

Mount Gibson does not have bank borrowings.

As at balance date, the Company's current assets totalled $529,913,000 and its current liabilities totalled $60,549,000. Accordingly, as at the date of this report, the Group has sufficient funds in addition to access to further equity and debt funding to maintain its existing operations and to advance its growth objectives.

Insurance

In relation to the August 2022 processing plant fire at Koolan Island, the Company's property damage and business interruption insurance cover responded to the incident. The property damage claim totalled $10,402,000 after deductible, of which the majority was received in the 2022/23 financial year with the balance of $2,683,000 received during the 2023/24 financial year. The business interruption claim resulting from the fire incident was in the process of being finalised with insurers at year end and has subsequently been agreed for the amount of $27,270,000 after deductible. It is anticipated the business interruption claim proceeds will be received in the first quarter of the 2024/25 financial year.

In late December 2023, the Federal Court issued its judgment regarding a long-standing historical claim by the Group against a former insurer arising from the 2014 failure of the Koolan Island Main Pit seawall. The judgment found in favour of the Company's reduced claim amount which was not material.

Derivatives

As at 30 June 2024, the Group held foreign exchange collar option contracts covering the conversion of US$15,000,000 into Australian dollars over the period July 2024 to September 2024 with an average cap price of A$1.00/US$0.6750 and an average floor price of A$1.00/US$0.6275. These collar contracts had a marked-to-market unrealised net gain at balance date of A$198,000.

During the period, the Group also entered into commodity forward sales contracts totalling 595,000 tonnes of iron ore at prices of A$175 to A$195 per tonne (CFR, including shipping freight), with maturity dates over the period October 2023 to June 2024. Realised gains and losses on these contracts are reflected in revenue.

Impairment

As disclosed in the Company's financials for the year ended 30 June 2024, an impairment expense has been recorded as a result of recent weaker iron ore prices impacting the recoverable carrying values of the Koolan Island non-current assets. The Group has recorded a total impairment expense of $159,100,000 before tax, comprising impairments of deferred stripping costs ($61,950,000), other mine properties ($59,518,000) and property, plant and equipment ($37,632,000). These expenses have the effect of bringing forward non-cash depreciation and amortisation charges that would otherwise be incurred in future periods.

Derecognition of Deferred Tax Asset

In accordance with applicable accounting standards, the amount of $30,228,000 of the existing deferred tax asset relating to carried forward tax losses and temporary timing differences has been derecognised and is included in the Group's tax expense for the year ended 30 June 2024. This accounting treatment does not impact the income tax position in which the Company retains the right to utilise available carried forward tax losses and temporary timing differences.

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Exploration and Business Development

Mount Gibson continues to pursue potential investment opportunities consistent with the Company's objective to extend and grow its business into new operations, targeting opportunities in the bulk commodities (iron ore, steel-making coal and bauxite) and base metals (copper, lead, zinc) sectors, primarily in Australia. Equity positions with a combined market value of $18,538,000 at balance date were held in a small number of junior resource development companies where it is considered that future financing or strategic opportunities may arise. Significant time is being devoted to new project generation, site visits and discussions with third parties with regard to further potential acquisition and partnering opportunities.

The Company also continues to assess regional exploration opportunities for base metals deposits particularly in Western Australia and Queensland. In WA's Mid-West region, the Company completed substantial follow-up work at the Baillys prospect near Mount Gibson's former Tallering Peak iron ore mine, including a ground moving loop electromagnetic survey, as well as continuing a data review and planning additional mapping at the Butchers Track project north of Tallering Peak. Negotiations also continued regarding potential farm-in and joint venture arrangements to prospective base metals exploration projects in the WA Goldfields region.

Likely Developments and Expected Results

Mount Gibson's overall objective is to maintain and grow long-term profitability through the discovery, development, operation and acquisition of mineral resources. As an established producer and seller of hematite iron ore, Mount Gibson's strategy is to grow its profile as a successful and profitable supplier of raw materials.

The Board's corporate objective is to grow the Company's cash reserves and continue to pursue an appropriate balance between shareholder distributions and the retention and utilisation of cash reserves for value-accretive investments. The Board has determined the following key business objectives for the 2024/25 financial year:

- **Safety and Environment** – continue the ongoing safety improvement focus on the Company's worksites, the high standard of environmental and rehabilitation activities and pursuit of appropriate carbon reduction initiatives.
- **Koolan Island** – safely transition production to the eastern half of Main Pit to sustain production of high-grade iron ore and maximise sales and cashflow over the remaining life of the operation.
- **Cost reductions** – continue to drive for sustainable productivity and cost improvements across all business units.
- **Treasury management** – responsibly manage the Group's cash and financial reserves.
- **Growth** – accelerate the search for resource acquisition and growth opportunities.

Group Sales Guidance

Mount Gibson is targeting total iron ore sales of 2.7–3.0 Mwmt of high-grade ore from its Koolan Island operation in the 2024/25 financial year, at a unit cash operating cost of $95-$100/wmt including deferred waste and before royalties. The annual guidance reflects mining activities in the Koolan Island Main Pit, including the works required to reposition the haul ramp and footwall remediation ground support activities which are necessary for mining and shipping rates to increase through 2024/25 and the following year.

DIVIDENDS

There were no dividends paid during the year ended 30 June 2024 (2023: $nil).

The Company has not declared a dividend for the year ended 30 June 2024.

SIGNIFICANT EVENTS AFTER BALANCE DATE

Subsequent to year end, the business interruption insurance claim resulting from the Koolan Island processing plant fire in August 2022 has been finalised with insurers for the negotiated amount of $27,270,000 after deductible. It is anticipated the business interruption claim proceeds will be received in the first quarter of the 2024/25 financial year.

On 9 August 2024, the Company made a payment of $3,125,000 to exercise 12,500,000 options at $0.25 per option held in Fenix.

Subsequent to year end, the Board of Directors has approved an on-market share buy-back of up to 5% of the Company's issued shares as part of the its capital management strategy.

Other than the above, as at the date of this report there are no significant events after balance date of the Company or of the Group that require adjustment of or disclosure in this report.

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INDEMNIFICATION AND INSURANCE OF DIRECTORS, OFFICERS AND AUDITORS

The Company has, during current or previous financial periods, entered into deeds of access and indemnity with its Directors and Officers. These deeds provide access to documentation and indemnification against liability for loss suffered, as a result of any act or omission, to the extent permitted by the *Corporations Act 2001*, from conduct of the Group's business.

During the financial year, the Company paid a premium in respect of a contract insuring the Directors of the Company, the Company Secretary and all Executive Officers of the Company and of any related body corporate against a liability incurred as such a Director, Company Secretary or Executive Officer to the extent permitted by the *Corporations Act 2001*.

The Directors have not included details of the nature of the liabilities covered or the amount of the premium paid in respect of the directors' and officers' liability and legal expenses' insurance contracts, as such disclosure is prohibited under the terms of the contracts.

The Company has agreed to indemnify its auditors, EY, to the fullest extent possible as part of the terms of its audit engagement agreement against claims by third parties arising from the audit (for an unspecified amount). No payment has been made to indemnify EY during or since the financial year.

The Company has not otherwise, during or since the end of the financial year, except to the extent permitted by law, indemnified or agreed to indemnify an officer or auditor of the Company or any related body corporate against a liability incurred as such an officer or auditor.

SHARE OPTIONS, PERFORMANCE RIGHTS AND RESTRICTED SHARES

There were no options exercised or forfeited during the financial year or prior to the date of this Report. There are no options over ordinary shares in the Company on issue as at balance date and as at the date of this Report.

There were no Performance Rights vested and exercised during the year. There are no Performance Rights on issue as at balance date and as at the date of this Report.

On 14 December 2023, the Company issued 1,952,900 restricted shares (which included 1,488,500 shares reallotted) as part of its Executive Loan Share Plan. There were 10,630,500 restricted shares on issue at balance date and, following an issue made after balance date, there are 14,102,300 restricted shares on issue under the Loan Share Plan as at the date of this report. During the year, there were no restricted shares vested in accordance with their issue conditions.

Refer to the Remuneration Report for further details of shares outstanding.

DIRECTORS' INTERESTS IN THE SHARES, OPTIONS AND PERFORMANCE RIGHTS OF THE COMPANY

As at the date of this report, the interests of the Directors in the Shares and Options of the Company were:

	Ordinary Shares	Options over Shares	Performance Rights over Shares
SH Lee[(i)]	-	-	-
A Jones	-	-	-
S Bird	51,899	-	-
P Dougas	796,602	-	-
E Delfabbro	-	-	-
R Ding	-	-	-
A Ferguson (Alternate for Mr Lee)	-	-	-

(i) For the purposes of Corporations Act Regulation 2M.3.03(1)-Item 18, Mr Lee does not have a disclosable shareholding. However, we note that for purposes of ASX Listing Rule 3.19A.2, Mr Lee has previously declared an indirect "relevant interest" in 452,767,297 ordinary shares in the Company through his association with Allied Group Limited, a substantial shareholder of the Company – refer ASX announcement dated 7 October 2021.

DIRECTORS' MEETINGS

The number of meetings of Directors (including meetings of Committees of Directors) held during the year and the number of meetings attended by each Director were as follows:

	Directors' Meetings	Audit and Risk Management Committee Meetings	Nomination, Remuneration and Governance Committee	Operational Risk, Sustainability, and Contracts Committee
Number of Meetings Held	**5**	**4**	**4**	**4**
SH Lee	5	1*	3	-
A Jones	5	4	4	-
S Bird	5	4	-	4
P Dougas	5	-	3*	4
R Ding	5	-	-	-
E Delfabbro (appointed 28 August 2023)	4*	3*	-	4
R Barwick (resigned 23 August 2023)	1	-	-	-
A Ferguson (Alt. for Mr Lee)	-	-	-	-

*Committee appointments were restructured in August 2023. Each Director has attended every Committee meeting relevant to their period of appointment.

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ENVIRONMENTAL REGULATION AND PERFORMANCE

The Group has developed Environmental Management Plans for its various operating and development sites. The Environmental Management Plans have been approved where applicable by various Western Australian Government agencies including the Department of Energy, Mines, Industry Regulation and Safety (**DEMIRS**), the Department of Water & Environmental Regulation (**DWER**), the Department of Biodiversity Conservation and Attractions and the Department of Health. In addition, plans associated with specific species have been approved by the Federal Department of Agriculture, Water and Environment.

DWER has granted approval and licensing of works to allow construction and operation of facilities on "prescribed" premises and DEMIRS has granted approval for Mining Proposals at each of the mines.

The Group holds various environmental licences and authorities, issued under both State and Federal laws, to regulate its mining and exploration activities in Australia. Along with Regulations, these licences include conditions in relation to specifying limits on emissions into the environment, rehabilitation of areas disturbed during the course of mining and exploration activities, consumption of water, tenement conditions associated with exploration and mining, and the storage of hazardous substances. The Group examines its performance through detailed monitoring and reports against these approval conditions regularly to government. No notices of non-compliance, letters of warning nor any other materially adverse findings was tabled by any regulatory authority in relation to the Group's operations. The Group continues to report under the National Greenhouse and Energy Reporting (NGER) Act 2009. Diesel consumption is the Group's single largest source of greenhouse gas emissions as it is combusted in vehicles and power generators.

PROCEEDINGS ON BEHALF OF THE COMPANY

There are no proceedings on behalf of the Company under section 237 of the *Corporations Act 2001* in the financial year or at the date of this report.

ROUNDING

Amounts in this report and the accompanying financial report have been rounded to the nearest thousand dollars ($'000) unless otherwise stated under the option available to the Company under ASIC Corporations (Rounding in Financial/Directors' Report) Instrument 2016/191. The Company is an entity to which the instrument applies.

CURRENCY

Amounts in this report and the accompanying financial report are presented in Australian dollars unless otherwise stated.

CORPORATE GOVERNANCE

The Company's Corporate Governance Statement is contained in the Additional ASX Information section of the Annual Report.

AUDITOR'S INDEPENDENCE DECLARATION

In accordance with section 307C of the *Corporations Act 2001*, the Directors received the attached Independence Declaration from the auditor of the Company on page 21 which forms part of this Report.

NON-AUDIT SERVICES

The Directors are satisfied that the provision of non-audit services (where provided) is compatible with the general standard of independence for auditors imposed by the *Corporations Act 2001*. There were no non-audit services provided by EY during the financial year ended 30 June 2024.

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REMUNERATION REPORT (AUDITED)

Introduction

This Remuneration Report outlines the remuneration arrangements in place for Directors and Key Management Personnel of the Group in accordance with the requirements of the *Corporations Act 2001* and its Regulations.

For the purposes of this report Key Management Personnel of the Group are defined as those persons having authority and responsibility for planning, directing and controlling the major activities of the Group, directly or indirectly, including any directors of the Company and its subsidiaries.

The 2023 Remuneration report was approved by 97.8% of shareholders voting at the Annual General Meeting of Shareholders held on 15 November 2023. For 2024, the Board has adopted a similar approach to the 2023 Remuneration Report relating to disclosure of STI and LTI metrics and vesting as detailed below.

Nomination, Remuneration and Governance Committee (NRGC)

The NRGC comprises two independent Non-Executive Directors, being Messrs Jones (Chairman) and Dougas, and one non-independent Non-Executive Director, being Mr Lee, the Chairman of the Board.

The NRGC is responsible for overseeing the remuneration arrangements for the Board and Key Management Personnel.

The NRGC assesses the appropriateness of the nature and amount of remuneration of Key Management Personnel on a periodic basis by reference to relevant employment market conditions with the overall objective of ensuring maximum stakeholder benefit from the retention of a high quality, high performing Board and executive team.

Remuneration Policy

The Remuneration Policy of the Group has been put in place to ensure that:

- remuneration policies and systems support the Company's wider objectives and strategies;
- Directors' and senior executives' remuneration is aligned to the long-term interests of shareholders within an appropriate control framework; and
- there is a clear relationship between the executives' performance and remuneration.

Remuneration Structure

In accordance with best practice corporate governance, the structure of Non-Executive Director and senior executive management remuneration is separate.

Non-Executive Director Remuneration

Objective

The Board seeks to set aggregate remuneration at a level which provides the Company with the ability to attract and retain Directors of the highest calibre, whilst incurring a cost which is acceptable to shareholders.

Structure

The Constitution and the ASX Listing Rules specify that the aggregate remuneration of Non-Executive Directors shall be determined from time to time by a general meeting of shareholders. An amount not exceeding the amount determined is then divided between the Non-Executive Directors as agreed. The latest determination was at the Annual General Meeting held on 16 November 2011 when Shareholders approved an aggregate remuneration of $1,250,000 per year. Total Non-Executive Director fees of $611,193 were paid/payable in the 2023/24 financial year.

Each Non-Executive Director receives a fee for being a Director of the Company.

Non-Executive Directors should be adequately remunerated for their time and effort and the risks involved. Non-Executive Directors are remunerated to recognise the responsibilities, accountabilities and associated risks of Directors.

Each Non-Executive Director's performance and remuneration is reviewed on an annual basis by the Chairman and NRGC.

Non-Executive Directors' fixed remuneration comprises the following elements:

- cash remuneration; and
- superannuation contributions made by the Company.

Board operating costs do not form part of Non-Executive Directors' remuneration.

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Senior Executives' Remuneration

Objective

The Company aims to reward senior executives with a level and mix of remuneration commensurate with their position and responsibilities within the Company and so as to:

- reward senior executives for Company and individual performance contributing towards key Company objectives;
- align the interests of senior executives with those of shareholders;
- link reward with the strategic goals and performance of the Company;
- be appropriately structured given the remaining mine life of the Company's key operating asset; and
- ensure total remuneration is competitive by market standards.

Use of Remuneration Consultants

The NRGC from time to time seeks advice from independent remuneration consultants regarding senior executives' remuneration structures and levels. Such consultants are engaged by, and report directly to, the NRGC, and are required to confirm in writing their independence from the Group's senior and other executives. No remuneration consultants were engaged during the year.

Fixed Remuneration

The components of the senior executives' fixed remuneration are determined individually and may include:

- cash remuneration;
- statutory superannuation;
- employee death, disability and salary continuance insurances;
- accommodation and travel benefits;
- motor vehicle, parking and other benefits; and
- reimbursement of entertainment, home office and telephone expenses.

The senior executives' remuneration is reviewed on an annual basis by the Chief Executive Officer, whose own remuneration and recommendations for other senior executives' remuneration is reviewed annually by the NRGC.

In determining the remuneration package, the NRGC reviews the individual's remuneration with the use of market data for positions with comparable companies. Where appropriate, the package is adjusted so as to keep pace with market trends and ensure continued remuneration competitiveness, which includes conducting a comparative analysis. The Company seeks to position the overall fixed remuneration for senior management at around the 50th (median) percentile level when compared to its peers for equivalent positions.

Variable Remuneration

Short-term Incentives (STI)

Senior executives may receive variable remuneration in the form of STI of up to 50% of their annual fixed remuneration package (comprising salary and statutory superannuation). STI payments are based on the Board's assessment of the executive's performance towards achieving key Company objectives over the relevant period.

On an annual basis, the performance of each senior executive is reviewed immediately prior to or just after the reporting date. The NRGC then determines the amount of STI to be allocated to each executive with approval from the Board. The total potential STI available for award is ultimately at the Board's discretion. Payments are made in cash after the reporting date. Where an executive resigns during or after the relevant financial year, it remains at the discretion of the Board as to whether any of the STI is payable for the relevant financial year. However, STI's are generally not paid upon resignation of an executive unless there are exceptional circumstances.

The focus for the 2023/24 financial year was on the Company's operational safety and environmental performance and on achieving the annual budget outcomes related to safety, sales, costs and cashflow generation. The executive STI targets have been selected with the objective of achieving the Company's operational performance and financial outcomes at a group and individual level.

The Board assessed the Company's and senior executives' performances based on the actual results achieved to the end of May 2024 and forecasts for the month of June 2024. The Board also exercised its discretion taking into account the individual efforts of senior executives over the period.

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The outcomes of the target reviews for the 2023/24 financial year are summarised in the following table:

Area	Description/KPI	*Weighting*	*Actual Achievements*
1. Environment, Social and Governance (ESG)	No critical incidents, compliance (minimal reported issues) and innovations	15%	• Targets achieved or exceeded. • No critical environmental incidents incurred, and good timely reporting and regulatory relationships well maintained. • Continuation of long range mine closure planning and the receipt of associated approvals. Testing panels established for reduced-cost siltstone ground cover applications to achieve required revegetation outcomes, with further efficiencies targeted. • Transfer of Mid-West environmental approvals as part of the Mid-West asset divestment, extinguishing the Company's rehabilitation liabilities on the divested assets. • Implementation of emissions reduction initiatives underway, including through the installation of hybrid hydrogen units, with solar power applications under review. Government grant applications progressed. Diesel fuel burn substantially reduced in line with mine plan and primary fleet purchases, and site power-saving initiatives. • Female employees increased across the organisation from 21% at 30 June 2023 to 24% at 30 June 2024. • Indigenous employees 14% of Koolan Island workforce. • Strong relationship with the Dambimangari Traditional Owners. • Enhancements in risk management processes and reporting.
2. Sales Volumes	Reference to internal budget estimates and Company guidance 3.8-4.2 Mwmt	10%	• Achieved near upper end of guidance. • Shipping totalled 4.1 Mwmt for the year.
3. Cash Costs	Reference to internal budget estimates and Company guidance $65-70/wmt (excluding royalties and capital projects)	20%	• Cash costs $74/wmt, approximately 5% above guidance but lower after adjusting for year-end inventories. • Aggregate capital expenditure in line with internal forecasts.
4. Earnings and cashflow	By reference to budgeted pre-tax earnings and cashflow	10%	• Achieved. • Earnings (before tax and impairment charges) well in excess of internal budget targets. • Cashflow well in excess of internal budget targets. • The property damage component of the insurance claim relating to the August 2022 processing plant fire incident was settled for $10 million, and the business interruption component is expected to be settled on acceptable terms in the September 2024 quarter.
5. Business growth	Acquisition reviews, equity investments and exploration activities	15%	• Significant increase in acquisition opportunities reviewed, in line with the growth in cash reserves. • Sale of Mid-West assets successfully completed, resulting in receipt of cash, shares and options in Fenix Resources Limited, and assignment of Mid-West rehabilitation liabilities. • Investments made, with a fair value of $19 million at 30 June 2024 (excluding the share and option holdings in Fenix Resources). • Exploration activities progressing in the Mid-West.
6. Personal Performance	Personal leadership, communications and technical performance	30%	• This is effectively a Board discretion item having reference to STI targets and overall business influence and performance. • Continued demonstrable improvements in safety leadership, communication and trends. The Lost Time Injury Frequency Rate (per one million manhours worked, rolling 12 month basis) declined to zero, and the Total Recordable Injury Frequency Rate declined from 5.2 to 4.4. • Detailed individual STI targets are set for each of the executive team based on leadership behaviours, workplace health and safety leadership and achievements, environmental performance, revenue and offtake matters, commercial activities, budgeting and forecasting competency, financial/treasury management and reporting, human resources and culture activities, business growth, IT systems, investor/stakeholder relations, Traditional Owner engagement, risk management and control, legal compliance and governance matters.

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For the 2023/24 financial year, a total STI cash incentive of $750,500 was awarded to Key Management Personnel, representing STI cash incentives available to Mr Kerr (95% of entitlement), Ms Dobson (85% of entitlement) and Mr Stokes (75% of entitlement). The amount of the STI is provided for in the Company's financials for the year and will be paid in September 2024.

For the coming 2024/25 financial year, the Board will follow the STI key performance indicators as set out in the table above and continue to refine these measures in assessing the STI award of each executive.

Long-term Incentives (LTI)

The Company's LTI plan, known as the Loan Share Plan (**LSP**), was established in August 2016. Under the LSP, ordinary shares in the Company may be issued to eligible participants, with vesting of the shares being subject to the satisfaction of stipulated performance conditions. Historically the key performance metric for LSP shares vesting has been linked to share price performance based on a 5 day volume-weighted average price (VWAP) calculation after the first 12 months of issue and within the following 4 year period.

At the time of grant, the shares are issued at their market value with the recipient required to pay this market value in order to take up the share offer. The Company or any of its subsidiaries will provide a loan to fund the acquisition price. The loan is interest-free and secured against the shares in the form of a holding lock preventing all dealing in the shares. The loan is limited recourse such that if the shares do not ultimately vest and are therefore forfeited, this is treated as full repayment of the loan balance. The Board considers it is appropriate that the loans supporting the award of the LTI shares are limited recourse loans with the recipient's liability restricted to the issue price of the shares (adjusted for dividends and other security issues in accordance with the terms of the LTI scheme) rather than full recourse. A full recourse loan structure effectively acts as a margin loan rather than a reward linked to share price performance. The Board considers that from a risk/reward perspective, limited recourse loans are to be preferred given the scheme is intended to act as an incentive to drive executive and Company performance rather than create the risk of a substantial financial burden for the executive. In a declining market scenario, the overhang of this type of financial burden is not consistent with good governance as it gives rise to potential conflicts of interests in terms of future decision making and acceptable levels of risk.

Where an executive resigns prior to the vesting of the LSP shares, it remains at the discretion of the Board as to whether any of the LSP shares remain on issue. If an employee resigns prior to vesting, the LSP shares are forfeited and sold or reallocated into future LSP or Dividend Reinvestment Plan share issues.

Under the LTI scheme the Board retains the absolute discretion as to how a participant's unvested LTI shares may be dealt with (if at all) if there has been a change in control event. This could include waiving vesting requirements but would ultimately depend upon circumstances relevant to the Board at that time.

While the loan balance remains outstanding, any dividends paid on the shares, net of the tax on the dividends, will be automatically applied towards repayment of the loan. In making the loan in respect of the newly issued shares, there is no cash cost to the Company other than the associated ASX listing fees.

The Company has a policy restricting executives from entering into arrangements to protect the value of unvested LTI entitlements under equity-based remuneration plans.

Since the 2021/2022 financial year, LSP shares have been issued such that they have a two-year vesting period, versus the previous one year vesting period, during which the relevant executive must remain continuously employed by the Group.

On 14 December 2023, the Company issued 1,952,900 shares (which included 1,488,500 shares reallotted) under the LSP. In accordance with the terms of the LSP, the shares were issued at a share price of $0.546 per share and pursuant to the vesting conditions, these shares do not vest unless a share price target of a 10% premium to the issue price is met between 14 December 2024 and 14 December 2028 and the participants remain continuously employed by the Group until at least 14 December 2025.

A summary of the historical status of LSP share awards as at 30 June 2024 is provided in the table below:

Financial Year	Award Shares	Vesting Metrics	Term	Status	Forfeited
2023/24	1,952,900	10% Share Price Increase above $0.546 and minimum 24 months continuous employment	14 December 2023 – 13 December 2028	Unvested	-
2022/23	3,851,000	10% Share Price Increase above $0.436 and minimum 24 months continuous employment	1 September 2022 – 31 August 2027	Unvested	970,900
2021/22	2,063,100	10% Share Price Increase above $0.931 and minimum 24 months continuous employment	1 July 2021 – 30 June 2026	Unvested	517,600
2020/21	2,986,400	10% Share Price Increase above $0.617 and minimum 12 months continuous employment	1 July 2020 – 30 June 2025	Vested	-
2019/20	1,705,800	10% Share Price Increase above $1.03 and minimum 12 months continuous employment	1 July 2019 – 30 June 2024	Unvested – Lapsed	1,705,800
2018/19	2,998,351	10% Share Price Increase above $0.443 and minimum 12 months continuous employment	1 July 2018 – 30 June 2023	Vested	1,074,623
2017/18	No award	-	-	-	-
2016/17	4,749,456	10% Share Price Increase above $0.316 and minimum 12 months continuous employment	1 July 2016 – 30 June 2021	Vested	-

Note: "10% Share Price Increase" means a 10% share price increase from date of grant - based on a 5 day VWAP – any time after the first 12 months of the Term.

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For the coming 2024/25 financial year, invitations to participants in the LSP awards was made on 3 July 2024. Invitations were based on similar vesting conditions to the 2023/24 award, namely a share price target of a 10% premium to the issue price and the participant remaining continuously employed by the Group to 3 July 2026. Any dividends accruing during vesting periods and upon vesting will be used, net of tax on the dividend, to pay down the 5-year non-recourse LSP loan. The actual issue price and number of shares issued to participants under the LSP will ultimately be determined based on the 5 trading day VWAP prior to issue. The value of the LSP shares is $0.1654 per share.

A summary of the 2024 LSP share is provided below

Financial Year	Award Shares	Vesting Metrics	Term	Status	Forfeited
2024/25	3,471,800	10% Share Price Increase above $0.42 and minimum 24 months continuous employment	3 July 2024 – 3 July 2029	Unvested	-

Employment Contracts

As at the date of this report, the Group had entered into employment contracts with the following executives:

Peter Kerr

The key terms of his contract include:

- Commenced as Chief Financial Officer on 19 September 2012 and subsequently appointed as Chief Executive Officer 1 October 2018 with no set term;
- Annual Salary Package increase by minimum of CPI from 1 July every year;
- STI Bonus of up to one half of Annual Salary Package;
- LTI Bonus of up to one third of Annual Salary Package; and
- If the Company wishes to terminate the contract other than if Mr Kerr is guilty of any grave misconduct, serious or persistent breach of the terms of the contract or wilful neglect in the discharge of his duties, the Company is obliged to pay out 12 months Annual Salary Package plus any other accrued entitlements and bonuses. If Mr Kerr wishes to terminate the contract, he must provide six months' notice.

David Stokes

The key terms of his contract include:

- Commenced 2 April 2012 with no set term;
- Annual Salary Package increase by minimum of CPI from 1 July every year;
- STI Bonus of up to one half of Annual Salary Package;
- LTI Bonus of up to one third of Annual Salary Package; and
- If the Company wishes to terminate the contract other than if Mr Stokes is guilty of any grave misconduct, serious or persistent breach of the terms of the contract or wilful neglect in the discharge of his duties, the Company is obliged to pay out 12 months Annual Salary Package plus any other accrued entitlements and bonuses. If Mr Stokes wishes to terminate the contract, he must provide six months' notice.

Gillian Dobson

The key terms of her contract include:

- Commenced as Group Commercial Manager on 23 April 2013 and subsequently appointed as Chief Financial Officer on 1 October 2018 with no set term;
- Annual Salary Package increase by minimum of CPI from 1 July every year;
- STI Bonus of up to one half of Annual Salary Package;
- LTI Bonus of up to one third of Annual Salary Package; and
- If the Company wishes to terminate the contract other than if Ms Dobson is guilty of any grave misconduct, serious or persistent breach of the terms of the contract or wilful neglect in the discharge of his duties, the Company is obliged to pay out six months Annual Salary Package plus any other accrued entitlements and bonuses. If Ms Dobson wishes to terminate the contract, she must provide three months' notice.

Details of directors and key management personnel disclosed in this report

[i] Directors

SH Lee	Chairman
A Jones	Non-Executive Director
S Bird	Lead Non-Executive Director
P Dougas	Non-Executive Director
E Delfabbro	Non-Executive Director (*appointed 28 August 2023*)
R Ding	Non-Executive Director
A Ferguson	Alternate Director to Mr Lee
R Barwick	Non-Executive Director (*resigned 23 August 2023*)

[ii] Key Management Personnel

P Kerr	Chief Executive Officer
D Stokes	Company Secretary and General Counsel
G Dobson	Chief Financial Officer

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All directors and key management personnel have held the above positions for the period from 1 July 2023 to the date of this report unless otherwise stated.

Remuneration of Key Management Personnel for the year ended 30 June 2024

	Short Term				Post Employment	Long Term	Share Based Payment		
30 June 2024	Salary & Fees $	Non Monetary[a] $	Cash Incentives[b] $	Accrued Annual Leave[c] $	Super-annuation $	Long Service Leave[d] $	Loan Share Plan[e] $	Total $	% Perform-ance Related[f]
Directors									
SH Lee	108,870	-	-	-	11,976	-	-	**120,846**	-
A Jones	108,326	-	-	-	11,916	-	-	**120,242**	-
S Bird	117,534	-	-	-	12,929	-	-	**130,463**	-
P Dougas	119,684	-	-	-	-	-	-	**119,684**	-
E Delfabbro [i]	86,490	-	-	-	9,514	-	-	**96,004**	-
R Ding	-	-	-	-	-	-	-	**-**	-
A Ferguson (Alt)	-	-	-	-	-	-	-	**-**	-
R Barwick [ii]	18,333	3,604	-	-	2,017	-	-	**23,954**	-
Sub-total	**559,237**	**3,604**	**-**	**-**	**48,352**	**-**	**-**	**611,193**	
Other KMP									
P Kerr	769,591	25,143	378,600	-	27,500	23,227	173,701	**1,397,762**	40
D Stokes	402,847	20,412	161,400	4,473	27,500	12,741	85,747	**715,120**	35
G Dobson	467,782	17,807	210,500	-	27,500	14,121	99,822	**837,532**	37
Sub-total	**1,640,220**	**63,362**	**750,500**	**4,473**	**82,500**	**50,089**	**359,270**	**2,950,414**	
Totals	**2,199,457**	**66,966**	**750,500**	**4,473**	**130,852**	**50,089**	**359,270**	**3,561,607**	

(i) Ms Delfabbro was appointed on 28 August 2023.
(ii) Mr Barwick resigned on 23 August 2023.

(a) Non-Monetary items include the value (where applicable) of benefits such as group life insurance cover that are available to all employees of Mount Gibson and car parking, and are inclusive of Fringe Benefits Tax where applicable.

(b) Cash incentives represent the cash value of the executives' short-term incentive awards for the 2023/24 year. Refer to "Short-term Incentives" section above.

(c) Annual leave has been separately categorised and is measured on an accrual basis and reflects the movement in the accrual over the twelve-month period. Any reduction in accrued leave reflects more leave taken or cashed out than that which accrued in the period.

(d) Represents the accrual for long service leave over the twelve-month period.

(e) The fair values of the awards under the Loan Share Plan (restricted shares) were calculated as at the grant date and represent the accounting expense incurred by the Company for the stated financial period, reflecting the terms of the particular restricted shares. The amount included as remuneration is not related to or indicative of the benefit (if any) that individual executives may in fact receive (refer the Long-term Incentives (LTI) section of this report).

(f) Performance related remuneration reflects the proportion of the total remuneration relating to cash incentives (STI) and share based payments (LTI).

Options

There were no options granted to Directors or Executives during the year ended 30 June 2024 and there were no options outstanding as at 30 June 2024. Other than those shares issued under the LSP and accounted for as in-substance options, there were no shares issued on the exercise of options during the year ended 30 June 2024 (2023: nil).

Shares

On 14 December 2023, a total of 1,952,900 restricted shares (which included 1,488,500 shares reallotted) were granted under the LSP. The award has been accounted for as an in-substance option award with the fair value assessed at grant date as $0.2164 per LSP share. Refer section above titled "Long-term Incentives" for details of the shares issued under the LSP.

	Grant Date	LSP Shares Granted (#)	LSP Shares Forfeited (#)	Fair Value at Grant Date[1] ($/LSP share)	Value of LSP Shares Granted ($)	Exercise Price ($)	Vesting Date & Condit-ions	Expiry Date	LSP Shares Vested in Year (#)	Value of LSP Shares Vested in Year[3] ($)
P Kerr	14-Dec-23	1,018,000	-	$0.2164	220,295	$0.546	Note 2	14-Dec-28	-	-
D Stokes	14-Dec-23	392,700	-	$0.2164	84,980	$0.546	Note 2	14-Dec-28	-	-
G Dobson	14-Dec-23	542,200	-	$0.2164	117,332	$0.546	Note 2	14-Dec-28	-	-
Total		**1,952,900**	**-**		**422,607**				**-**	**-**

1. Determined at the time of grant per AASB 2, refer note 28(d) in the financial statements.
2. In order for the LSP shares to vest, participants must remain continuously employed by the Group to 14 December 2025 and the Company's share price, as measured by a rolling 5-day volume weighted average price of the Company's shares traded on the ASX, must on 14 December 2024 or at any time prior to expiry, be above a 10% premium to the issue price of the LSP shares.
3. Determined at the time of exercise at the intrinsic value of the LSP share.

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During the year ended 30 June 2024, there were no alterations to the terms and conditions of LSP shares after their grant date.

Performance Rights

There were no Performance Rights granted as part of remuneration, or vested and exercised, during the year ended 30 June 2024. At 30 June 2024, there were no Performance Rights on issue. There were no shares issued on the exercise of Performance Rights during the year ended 30 June 2024 (2023: nil).

Share and right holdings of Key Management Personnel as at 30 June 2024

	Balance 1 July 2023 Ord	Granted as Remuneration Ord	Forfeited Ord	Net Change Other Ord	Balance 30 June 2024 Ord
Directors					
SH Lee[(i)]	-	-	-	-	-
A Jones	-	-	-	-	-
S Bird	51,899	-	-	-	51,899
P Dougas	796,602	-	-	-	796,602
E Delfabbro[(iii)]	-	-	-	-	-
R Ding	-	-	-	-	-
A Ferguson (Alt. for Mr Lee)	-	-	-	-	-
Other KMP[(ii)]					
P Kerr	4,770,803	1,018,000	-	-	5,788,803
D Stokes	2,639,035	392,700	-	-	3,031,735
G Dobson	2,177,300	542,200	-	-	2,719,500
Total	**10,435,639**	**1,952,900**	**-**	**-**	**12,388,539**

(i) For the purposes of Corporations Act Regulation 2M.3.03(1)-Item 18, Mr Lee does not have a disclosable shareholding. However, we note that for purposes of ASX Listing Rule 3.19A.2, Mr Lee has previously declared an indirect "relevant interest" in 452,767,297 ordinary shares in the Company through his association with Allied Group Limited, a substantial shareholder of the Company – refer ASX announcement dated 7 October 2021.

(ii) The closing balance at 30 June 2024 for Other KMP includes 10,630,500 LSP shares (in-substance options) held by Mr. Kerr (4,664,300 LSP shares), Mr. Stokes (2,474,900 LSP shares), Ms. Dobson (2,719,500 LSP shares) and Mr. Mitchell who resigned on 3 February 2023 (771,800 LSP shares). 2,986,400 of the LSP shares had vested as at balance date.

(iii) Ms Delfrabbro was appointed on 28 August 2023.

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Remuneration of Key Management Personnel for the year ended 30 June 2023

30 June 2023	Short Term				Post Employment	Long Term	Share Based Payment		
	Salary & Fees $	Non Monetary[a] $	Cash Incentives[b] $	Accrued Annual Leave[c] $	Super-annuation $	Long Service Leave[d] $	Loan Share Plan[e] $	Total $	% Perform-ance Related[f]
Directors									
SH Lee	104,680	-	-	-	10,991	-	-	**115,671**	-
A Jones	103,653	-	-	-	10,884	-	-	**114,537**	-
R Barwick	100,000	3,764	-	-	10,500	-	-	**114,264**	-
S Bird	106,849	-	-	-	11,219	-	-	**118,068**	-
P Dougas	97,381	-	-	-	-	-	-	**97,381**	-
R Ding	-	-	-	-	-	-	-	**-**	-
A Ferguson (Alt)	-	-	-	-	-	-	-	**-**	-
Sub-total	**512,563**	**3,764**	**-**	**-**	**43,594**	**-**	**-**	**559,921**	
Other KMP									
P Kerr	722,500	17,319	263,688	18,274	27,500	38,655	204,406	**1,292,342**	36
D Stokes	366,486	13,226	101,700	7,048	34,481	19,115	113,513	**655,569**	33
G Dobson	438,499	11,815	140,433	14,598	27,500	25,423	121,370	**779,638**	34
M Mitchell [i]	289,013	16,687	-	-	27,500	-	(79,193)	**254,007**	-
Sub-total	**1,816,498**	**59,047**	**505,821**	**39,920**	**116,981**	**83,193**	**360,096**	**2,981,556**	
Totals	**2,329,061**	**62,811**	**505,821**	**39,920**	**160,575**	**83,193**	**360,096**	**3,541,477**	

(i) Mr Mitchell resigned on 3 February 2023.

(g) Non-Monetary items include the value (where applicable) of benefits such as group life insurance cover that are available to all employees of Mount Gibson and car parking, and are inclusive of Fringe Benefits Tax where applicable.

(h) Cash incentives represent the cash value of the executives' short-term incentive awards for the 2022/23 year. Refer to "Short-term Incentives" section above.

(i) Annual leave has been separately categorised and is measured on an accrual basis and reflects the movement in the accrual over the twelve-month period. Any reduction in accrued leave reflects more leave taken or cashed out than that which accrued in the period.

(j) Represents the accrual for long service leave over the twelve-month period.

(k) The fair values of the awards under the Loan Share Plan (restricted shares) were calculated as at the grant date and represent the accounting expense incurred by the Company for the stated financial period, reflecting the terms of the particular restricted shares. The amount included as remuneration is not related to or indicative of the benefit (if any) that individual executives may in fact receive (refer the Long-term Incentives (LTI) section of this report).

(l) Performance related remuneration reflects the proportion of the total remuneration relating to cash incentives (STI) and share based payments (LTI).

Other Transactions and Balances with Key Management Personnel

There were no other transactions and balances with key management personnel during the years ended 30 June 2024 and 30 June 2023.

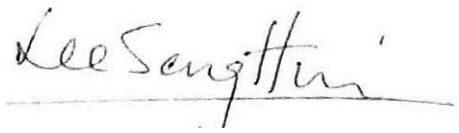
Company Performance

The table below shows the performance of the Group over the last 5 years:

		30 June 2024	30 June 2023	30 June 2022	30 June 2021	30 June 2020
Net profit/(loss) after tax	***$'000***	6,430	5,179	(174,116)	64,006	84,198
Earnings/(loss) per share	***$/share***	0.0053	0.0043	(0.1455)	0.0546	0.0735
Closing share price	***$***	0.41	0.44	0.54	0.95	0.61

End of remuneration report.

Signed in accordance with a resolution of the Directors.



LEE SENG HUI
Chairman
Date: 20 August 2024

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Competent Person 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 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 previously a full-time employee of, and is a consultant to, 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'. Ms Haren consents to the inclusion in the 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**.**

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Building a better working world

Auditor's independence declaration to the directors of Mount Gibson Iron Limited

As lead auditor for the audit of the financial report of Mount Gibson Iron Limited for the financial year ended 30 June 2024, I declare to the best of my knowledge and belief, there have been:

a. No contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit;

b. No contraventions of any applicable code of professional conduct in relation to the audit; and

c. No non-audit services provided that contravene any applicable code of professional conduct in relation to the audit.

This declaration is in respect of Mount Gibson Iron Limited and the entities it controlled during the financial year.



Ernst & Young



J K Newton
Partner
20 August 2024

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Consolidated Income Statement

For the year ended 30 June 2024

	Notes	2024 $'000	2023 $'000
Revenue	3[a]	667,678	450,586
Interest revenue	3[b]	16,802	2,028
TOTAL REVENUE		**684,480**	**452,614**
Cost of sales	4[a]	(491,417)	(338,394)
GROSS PROFIT		**193,063**	**114,220**
Other income	3[c]	45,546	27,115
Impairment of property, plant and equipment	19	(37,632)	(12,203)
Impairment of right-of-use assets	19	-	(1,105)
Impairment of mine properties	19	(121,468)	(62,097)
Net foreign exchange loss	4[c]	(519)	(87)
Net marked-to-market loss	4[d]	(3,111)	(2,171)
Repair and restoration costs – Koolan Island		-	(10,504)
Administration and other expenses		(19,019)	(16,590)
PROFIT BEFORE TAX AND FINANCE COSTS		**56,860**	**36,578**
Finance costs	4[b]	(4,406)	(6,125)
PROFIT BEFORE TAX		**52,454**	**30,453**
Tax expense	5	(46,024)	(25,274)
PROFIT AFTER TAX ATTRIBUTABLE TO MEMBERS OF THE COMPANY		**6,430**	**5,179**
Earnings per share (cents per share)			
• basic earnings per share	29	0.53	0.43
• diluted earnings per share	29	0.53	0.43

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Consolidated Statement of Comprehensive Income

For the year ended 30 June 2024

	2024 $'000	2023 $'000
PROFIT FOR THE PERIOD AFTER TAX	**6,430**	**5,179**
OTHER COMPREHENSIVE INCOME/(LOSS)		
Items that may be subsequently reclassified to profit or loss		
Change in fair value of cash flow hedges	218	(218)
Change in fair value of debt instruments classified as financial assets designated at fair value through other comprehensive income (OCI)	-	92
Deferred income tax	(65)	37
OTHER COMPREHENSIVE INCOME/(LOSS) FOR THE YEAR, NET OF TAX	**153**	**(89)**
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	**6,583**	**5,090**

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Consolidated Balance Sheet

As at 30 June 2024

	Notes	2024 $'000	2023 $'000
ASSETS			
Current Assets			
Cash and cash equivalents	6	36,258	55,038
Term deposits	7	387,490	103,950
Financial assets held for trading	8	18,539	3,427
Other financial assets	9	20,745	-
Derivative financial assets	12	198	196
Trade and other receivables	10	4,856	6,879
Inventories	11	56,346	105,417
Prepayments		5,481	6,184
Assets associated with disposal group classified as held for sale	13	-	2,058
Total Current Assets		**529,913**	**283,149**
Non-Current Assets			
Property, plant and equipment	15	25,879	51,380
Right-of-use assets	16	12,365	24,232
Deferred exploration and evaluation costs	17	2,480	1,946
Mine properties	18	81,671	260,138
Prepayments		-	165
Deferred tax assets	5	11,990	55,933
Total Non-Current Assets		**134,385**	**393,794**
TOTAL ASSETS		**664,298**	**676,943**
LIABILITIES			
Current Liabilities			
Trade and other payables	20	43,018	47,614
Employee benefits		7,918	6,946
Interest-bearing loans and borrowings	21	9,144	11,194
Derivative financial liabilities	22	-	344
Provisions	23	469	596
Liabilities associated with disposal group classified as held for sale	13	-	9,125
Total Current Liabilities		**60,549**	**75,819**
Non-Current Liabilities			
Employee benefits		597	452
Interest-bearing loans and borrowings	21	2,707	11,851
Provisions	23	54,272	49,590
Total Non-Current Liabilities		**57,576**	**61,893**
TOTAL LIABILITIES		**118,125**	**137,712**
NET ASSETS		**546,173**	**539,231**
EQUITY			
Issued capital	24	633,102	633,102
Accumulated losses	26	(1,012,668)	(1,019,098)
Reserves	25	925,739	925,227
TOTAL EQUITY		**546,173**	**539,231**

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Consolidated Cash Flow Statement

For the year ended 30 June 2024

	Notes	2024 $'000	2023 $'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers		667,235	420,049
Proceeds from rail credit		4,667	9,181
Proceeds from insurance		3,791	7,853
Payments to suppliers and employees		(343,472)	(304,231)
Interest paid		(1,865)	(2,762)
Income tax paid		(2,146)	-
NET CASH FLOWS PROVIDED BY OPERATING ACTIVITIES	6[b]	**328,210**	**130,090**
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest received		10,521	1,723
Dividend received		1,200	-
Proceeds from sale of property, plant and equipment		697	4,838
Purchase of property, plant and equipment		(34,640)	(26,470)
Proceeds from/(payment for) term deposits		(276,900)	(96,450)
Proceeds from sale of subordinated notes		-	16,310
Proceeds from sale of financial assets held for trading		149	20,191
Payment for financial assets held for trading		(19,805)	(1,861)
Proceeds from sale of disposal group		10,000	-
Payment for deferred exploration and evaluation expenditure		(551)	(2,059)
Payment for mine development		(25,703)	(45,503)
NET CASH FLOWS (USED IN) INVESTING ACTIVITIES		**(335,032)**	**(129,281)**
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from issue of ordinary shares		-	677
Repayment of insurance premium funding facility		(1,163)	(12,296)
Repayment of lease liabilities		(10,073)	(10,852)
Proceeds from loan facility		-	25,000
Repayment of loan facility		-	(25,000)
Payment of borrowing costs		(772)	(1,189)
NET CASH FLOWS (USED IN) FINANCING ACTIVITIES		**(12,008)**	**(23,660)**
NET DECREASE IN CASH AND CASH EQUIVALENTS		(18,830)	(22,851)
Net foreign exchange difference		50	310
Cash and cash equivalents at beginning of year		55,038	77,579
CASH AND CASH EQUIVALENTS AT END OF YEAR	6[a]	**36,258**	**55,038**

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Consolidated Statement of Changes in Equity

For the year ended 30 June 2024

	Attributable to Equity Holders of the Parent						*Total Equity*
	Issued Capital	**Accumulated Losses**	**Share Based Payments Reserve**	**Net Unrealised Gains / (Losses) Reserve**	**Dividend Distribution Reserve**	**Equity Reserves**	
	$'000	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**
At 1 July 2022	**632,425**	**(1,024,277)**	**22,193**	**(64)**	**906,019**	**(3,192)**	**533,104**
Profit for the period	-	5,179	-	-	-	-	**5,179**
Other comprehensive loss	-	-	-	(89)	-	-	**(89)**
Total comprehensive loss for the year	**-**	**5,179**	**-**	**(89)**	**-**	**-**	**5,090**
Transactions with owners in their capacity as owners							
Exercise of shares vested under LSP	677	-	-	-	-	-	**677**
Share-based payments	-	-	360	-	-	-	**360**
At 30 June 2023	**633,102**	**(1,019,098)**	**22,553**	**(153)**	**906,019**	**(3,192)**	**539,231**
At 1 July 2023	**633,102**	**(1,019,098)**	**22,553**	**(153)**	**906,019**	**(3,192)**	**539,231**
Profit for the period	-	6,430	-	-	-	-	**6,430**
Other comprehensive income	-	-	-	153	-	-	**153**
Total comprehensive income for the year	**-**	**6,430**	**-**	**153**	**-**	**-**	**6,583**
Share-based payments	-	-	359	-	-	-	**359**
At 30 June 2024	**633,102**	**(1,012,668)**	**22,912**	**-**	**906,019**	**(3,192)**	**546,173**

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Notes to the Consolidated Financial Report

For the year ended 30 June 2024

1. Introduction

(a) Corporate information

The consolidated financial statements of the Group, comprising the Company and the entities that it controlled during the year ended 30 June 2024, were authorised for issue in accordance with a resolution of the Directors on 20 August 2024.

The Company is a company limited by shares incorporated in Australia whose shares are publicly traded on the Australian Securities Exchange.

The nature of operations and principal activities of the Group are the mining and export of hematite iron ore from Koolan Island in the Kimberley region of Western Australia, treasury management and the pursuit of mineral resources acquisitions and investments.

The address of the registered office is Level 1, 2 Kings Park Road, West Perth, Western Australia, 6005, Australia.

(b) Basis of preparation

The financial report is a general-purpose financial report, which has been prepared in accordance with the requirements of the *Corporations Act 2001*, applicable Australian Accounting Standards and other authoritative pronouncements of the Australian Accounting Standards Board. The financial report complies with Australian Accounting Standards as issued by the Australian Accounting Standards Board and International Financial Reporting Standards (**IFRS**) as issued by the International Accounting Standards Board. The financial report has been prepared on a historical cost basis, except for derivative financial instruments and certain financial assets that have been measured at fair value.

The Group has adopted all Accounting Standards and Interpretations mandatory to annual periods beginning on or before 1 July 2023. Adoption of these standards and interpretations did not have a material effect on the financial position or performance of the Group at the date of initial application. The accounting policies adopted are consistent with those followed in the preparation of the Group's annual consolidated financial statements for the year ended 30 June 2023, except for the adoption of new standards and interpretations as of 1 July 2023.

The financial report is presented in Australian dollars and all values are rounded to the nearest thousand dollars ($'000) unless otherwise stated, under the option available to the Company under Australian Securities and Investment Commission (**ASIC**) (Rounding in Financial/Directors' Report) Instrument 2016/191. The Company is an entity to which the instrument applies.

For the purposes of preparing the consolidated financial statements, the Company is a for-profit entity.

(c) Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and its controlled entities.

The financial statements of controlled entities are prepared for the same reporting period as the Company, using consistent accounting policies.

Adjustments are made to bring into line any dissimilar accounting policies that may exist.

All intercompany balances and transactions, including unrealised profits arising from intra-group transactions, have been eliminated in full. Unrealised losses are eliminated unless costs cannot be recovered.

Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

Controlled entities are consolidated from the date on which control is transferred to the Group and cease to be consolidated from the date on which control is transferred out of the Group.

Where there is loss of control of a controlled entity, the consolidated financial statements include the results for the part of the reporting period during which the Company has control.

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2. Other Material Accounting Policies

(a) Foreign currency

The functional currency of the Company and its controlled entities is Australian dollars (A$).

Transactions in foreign currencies are initially recorded in the functional currency at the exchange rates ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the balance sheet date. All such exchange differences are taken to the income statement in the consolidated financial report.

(b) Other taxes

Revenues, expenses and assets are recognised net of the amount of Goods and Services Tax (GST) except:

- where the GST incurred on a purchase of goods and services is not recoverable from the taxation authority, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
- receivables and payables are stated with the amount of GST included.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the balance sheet.

Cash flows are included in the Cash Flow Statement on a gross basis and the GST component of cash flows arising from investing and financing activities, which is recoverable from, or payable to, the taxation authority are classified as operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the taxation authority.

(c) Other accounting policies

Other material accounting policies that summarise the measurement basis used and are relevant to an understanding of the financial statements are provided throughout the notes to the financial statements.

(d) Key accounting judgements, estimates and assumptions

In the process of applying the Group's accounting policies, management has made a number of judgements and applied estimates of future events. Significant judgements and estimates which are material to the financial statements are provided throughout the notes to the financial statements.

Other material accounting judgements, estimates and assumptions not provided in the notes to the financial statements are as follows:

Determination of mineral resources and ore reserves

The Group estimates its mineral resources and ore reserves in accordance with the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves 2012 (the **JORC Code**). The information on mineral resources and ore reserves was prepared by or under the supervision of Competent Persons as defined in the JORC Code. The amounts presented are based on the mineral resources and ore reserves determined under the JORC Code.

There are numerous uncertainties inherent in estimating mineral resources and ore reserves and assumptions that are valid at the time of estimation which (or and) may change significantly when new information becomes available.

Changes in the forecast prices of commodities, exchange rates, production costs or recovery rates may change the economic status of reserves and may, ultimately, result in the ore reserves being restated. Such changes in the ore reserves could impact depreciation and amortisation rates, asset carrying values, deferred stripping costs and provisions for decommissioning and restoration.

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	Notes	2024 $'000	2023 $'000
3. Revenue and Other Income			
[a] Revenue			
Revenue from contracts with customers – sale of iron ore		667,818	452,685
Other revenue:			
Quotation period price adjustments – relating to prior year shipments		(896)	(513)
Quotation period price adjustments – relating to current year shipments		4,385	(867)
Realised loss on foreign exchange and commodity hedging contracts		(3,629)	(719)
		667,678	450,586
[b] Interest revenue			
Interest revenue – calculated using the effective interest method		8,674	411
Interest revenue – other		8,128	1,617
		16,802	2,028
[c] Other income			
Net unrealised gain on foreign exchange balances		-	321
Net gain on disposal group	[i]	35,942	-
Net gain on disposal of property, plant and equipment		301	3,058
Rail credit income		1,876	9,517
Insurance proceeds		3,791	7,853
Storage fee income		229	2,904
Dividend income		1,200	-
Other income		2,207	3,462
		45,546	27,115

[i] Pursuant to a Sale and Purchase Agreement (**Mid-West Project**) dated 28 June 2023, Mount Gibson agreed to the sale of certain of its Mid-West iron ore mining and infrastructure assets and associated liabilities to Fenix Resources Limited (**Fenix**). The consideration comprised $10,000,000 cash, 60,000,000 ordinary shares in Fenix and 25,000,000 Fenix options (exercisable in two tranches of 12,500,000 options at $0.25 and $0.30 each respectively within 5 years of settlement). The sale was completed on 21 July 2023. The total consideration received was $29,495,000 based on valuations of the Fenix shares and options at completion date, resulting in a gain on sale of $35,942,000 before tax.

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Recognition and measurement

Revenue from contracts with customers

The Group generates a significant proportion of revenue from the sale of iron ore. In some instances, the Group provides freight/shipping services. Revenue from contracts with customers is recognised when control of the goods or services is transferred to the customer and at the amount that reflects the consideration which the Group expects to receive in exchange for those goods or services.

The Group has generally concluded that it is the principal in its revenue contracts because it typically controls the goods or services before transferring them to the customer.

Iron ore sales

Each iron ore shipment is governed by a sales contract with the customer, including spot sales agreements and long-term offtake agreements. For the Group's iron ore sales not sold under Cost and Freight (**CFR**) Incoterms, the performance obligation is the delivery of the iron ore. From time to time, some of the Group's iron ore sales may be sold under CFR Incoterms, whereby the Group is also responsible for providing freight/shipping services. In these situations, the freight/shipping service represents a separate performance obligation.

Revenue from iron ore sales is recognised when control of the iron ore passes to the customer, which generally occurs at a point in time when the iron ore is physically transferred onto a vessel. This is the point where title passes to the customer together with significant risks and rewards of ownership.

All or substantially all of the Group's sales are provisionally priced, where the final price is referenced to a future market-based (Platts) index price. Adjustment to the sales price occurs based on movements in the index price up to the end of the quotational period (**QP**). These are referred to as provisional pricing arrangements and are such that the selling price for the iron ore is determined on a specified future date after shipment to the customer. Adjustments to the sales price therefore occur up until the end of the QP. The period between provisional pricing and the end of the QP is generally between two and three months. Revenue is measured as the amount to which the Group expects to be entitled at the end of the QP, being the estimated forward price at the date the revenue is recognised. For those arrangements subject to CFR shipping terms, a portion of the transaction price is allocated to the separate freight/shipping services provided. For provisional pricing arrangements, any future changes that occur over the QP are embedded within trade receivables. Given the exposure to the commodity price, these provisionally priced trade receivables are measured at fair value through profit or loss (see note 10). Subsequent changes in the fair value of provisionally priced trade receivables are recognised in revenue but are presented separately to revenue from contracts with customers.

Changes in fair value over the term of the provisionally priced trade receivable are estimated by reference to movements in the index price as well as taking into account relevant other fair value consideration including interest rate and credit risk adjustments.

Freight/shipping services

For CFR arrangements, the Group is responsible for providing freight/shipping services (as principal) after the date that the Group transfers control of the iron ore to its customers. The Group, therefore, has a separate performance obligation for freight/shipping services which is provided solely to facilitate the sale of the commodities it produces.

The transaction price (as determined above) is allocated to the iron ore and freight/shipping services using the relative stand-alone selling price method. Under these arrangements, revenue is recognised over time using an output basis to measure progress towards complete satisfaction of the service as this best represents the Group's performance. This is on the basis that the customer simultaneously receives and consumes the benefits provided by the Group as the services are being provided. The costs associated with the freight/shipping services are also recognised over the same time period as shipping occurs.

Interest Revenue

Revenue is recognised as interest accrues using the effective interest method. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

Key estimates and judgments

For the Group's CFR customers, the Group is responsible for providing freight/shipping services. While the Group does not actually provide nor operate the vessels, the Group has determined that it is principal in these arrangements because it has concluded it controls the specified services before they are provided to the customer. The terms of the Group's contract with the service provider gives the Group the ability to direct the service provider to provide the specified services on the Group's behalf.

The Group has also concluded that revenue for freight/shipping services is to be recognised over time because the customer simultaneously receives and consumes the benefits provided by the Group. The fact that another entity would not need to re-perform the freight/shipping services that the Group has provided to date demonstrates that the customer simultaneously receives and consumes the benefits of the Group's performance as it is performed. The Group determined that the output method is the best method for measuring progress of the freight/shipping services because there is a direct relationship between the Group's effort and the transfer of service to the customer. The Group recognises revenue on the basis of the time elapsed relative to the total expected time to complete the service.

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	Notes	2024 $'000	2023 $'000
4. Expenses			
[a] Cost of sales			
Mining and site administration costs		194,169	210,692
Depreciation of property, plant and equipment – mining and site administration		17,219	6,770
Depreciation of right-of-use assets – mining and site administration		8,936	8,635
Capitalised deferred stripping costs	18	-	(11,020)
Amortisation of capitalised deferred stripping costs	18	48,502	61,807
Amortisation of mine properties	18	38,568	37,689
Crushing costs		50,387	41,324
Depreciation of property, plant and equipment – crushing		6,632	5,662
Depreciation of right-of-use assets – crushing		1,422	1,213
Transport costs		-	164
Port costs		10,264	6,319
Depreciation of property, plant and equipment – port		10	145
Depreciation of right-of-use assets - port		-	208
Royalties		64,093	42,308
Consumables stock write-down		830	1,703
Net ore inventory movement		28,539	(71,331)
Net movement in net realisable value on ore inventories	11[i]	21,846	(3,048)
Rehabilitation revised estimate adjustments	23	-	(846)
Cost of sales – Free on Board (FOB) basis		491,417	338,394
[b] Finance costs			
Finance charges on banking facilities		1,477	3,158
Finance charges on lease liabilities		967	1,185
		2,444	4,343
Non-cash interest accretion on rehabilitation provision	23	1,962	1,782
		4,406	6,125
[c] Net foreign exchange loss			
Net realised loss on foreign exchange transactions		512	87
Net unrealised loss on foreign exchange balances		7	-
		519	87
[d] Net marked-to-market (gain)/loss			
Unrealised marked-to-market (gain)/loss on foreign exchange derivatives		(127)	(271)
Unrealised marked-to-market (gain)/loss on financial assets held for trading		3,238	2,442
		3,111	2,171
[e] Administration and other expenses include:			
Depreciation of property, plant and equipment		165	166
Depreciation of right-of-use assets		492	492
Share-based payments expense	28(a)	359	360
Insurance premiums		2,020	1,890
Net realised loss on sale of financial assets		-	89
Exploration expenses	17	18	112
[f] Cost of sales and Administration and other expenses above include:			
Salaries and wages expense and other employee benefits		77,860	66,321
Lease expense – short-term		5,794	7,165
Lease expense – low value assets		151	166
Lease expense – variable		15	3,009

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Recognition and measurement

Employee benefits expense

Wages, salaries, sick leave and other employee benefits

Liabilities for wages and salaries, including non-monetary benefits and other employee benefits expected to be settled within 12 months of the reporting date are recognised in other payables in respect of employees' services up to the reporting date. They are measured at the amounts expected to be paid when the liabilities are settled. Liabilities for sick leave are recognised when the leave is taken and are measured at the rates paid or payable.

Redundancy

Provision is made for redundancy payments where positions have been identified as excess to requirements, the Group has communicated a detailed and formal plan and a reliable estimate of the amount payable can be determined.

Annual leave and long service leave

The Group expects its annual leave benefits to be settled wholly within 12 months of each reporting date. The obligation is measured at the amount expected to be paid when the liabilities are settled.

The liability for long service leave is recognised in the provision for employee benefits and measured as the present value of future payments to be made in respect of services provided by employees up to the reporting date. Consideration is given to future wage and salary levels, experience of employee departures and periods of service. Future payments are discounted using market yields at the reporting date on high quality corporate bonds with terms to maturity and currencies that match, as closely as possible, the estimated future cash outflows.

Share-Based Payment Plans

The policy relating to share-based payments is set out in note 28.

Superannuation

Contributions made by the Group to employee superannuation funds, which are defined contribution plans, are charged as an expense when incurred.

Borrowing costs

Borrowing costs are recognised as an expense when incurred except for borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset which are capitalised as part of the cost of that asset.

Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to its short-term leases of plant, machinery and equipment (leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of plant and equipment that are considered of low value. Lease payments on short-term lease and leases of low-value assets are recognised as an expense on a straight-line basis over the lease term.

Depreciation and amortisation

Refer to notes 15 and 18 for details on depreciation and amortisation.

Impairment

Impairment expenses are recognised to the extent that the carrying amounts of assets exceed their recoverable amounts. Refer to note 19 for further details on impairment.

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	2024 $'000	2023 $'000

5. Taxation

Major components of tax expense for the years ended 30 June 2024 and 2023 are:

Income Statement

Current tax

Current income tax charge/income	2,147	8,763
Deferred tax		
Relating to origination and reversal of temporary differences:		
Income tax benefit recognised from previously unrecognised tax losses and deductible temporary differences	30,228	-
Deferred tax relating to movement in temporary differences	13,649	16,511
Tax expense reported in Income Statement	**46,024**	**25,274**

Statement of Changes in Equity

Deferred income tax

Remeasurement of financial assets designated at fair value through OCI	66	(37)
Deferred income tax expense reported in equity	66	(37)

Reconciliation of tax expense

A reconciliation of tax expense applicable to accounting profit before tax at the statutory income tax rate to tax expense at the Group's effective tax rate for the years ended 30 June 2024 and 2023 is as follows:

Accounting profit before tax	52,454	30,453
• At the statutory income tax rate of 30% (2023: 30%)	15,736	9,136
• Expenditure not allowed for income tax purposes	524	397
• Unrecognised deferred tax assets	30,228	15,972
• Adjustments in respect of current income tax of previous year	54	(226)
• Non-refundable tax offset relating to dividend franking credits	(514)	-
• Other	(4)	(5)
Tax expense reported in Income Statement	**46,024**	**25,274**

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5. Taxation (Continued)

Recognised deferred tax assets and liabilities

Deferred tax assets and liabilities are attributable to the following:

	Assets		Liabilities		Net	
	2024 $'000	2023 $'000	2024 $'000	2023 $'000	2024 $'000	2023 $'000
CONSOLIDATED						
Accrued liabilities	(5,347)	(4,190)	-	-	(5,347)	(4,190)
Capital raising costs	(246)	(11)	-	-	(246)	(11)
Deferred income	(2,572)	(2,261)	-	-	(2,572)	(2,261)
Donations	-	(105)	-	-	-	(105)
Derivatives	-	-	36	112	36	112
Financial assets designated at fair value through OCI	-	(66)	-	-	-	(66)
Inventory	(6,697)	(1,670)	-	-	(6,697)	(1,670)
Prepaid expenditure	-	-	43	197	43	197
Fixed assets, mine properties and exploration expenditure	-	-	3,357	47,684	3,357	47,684
Provisions	(19,113)	(20,124)	-	-	(19,113)	(20,124)
Borrowing cost	(530)	(558)	-	-	(530)	(558)
Research and development carried forward tax offset	-	(1,063)	-	-	-	(1,063)
Tax losses	(27,121)	(89,850)	-	-	(27,121)	(89,850)
Tax (assets)/liabilities	(61,626)	(119,898)	3,436	47,993	(58,190)	(71,905)
Derecognition of deferred tax assets	46,200	15,972	-	-	46,200	15,972
Net tax (assets)/liabilities	**(15,426)**	**(103,926)**	**3,436**	**47,993**	**(11,990)**	**(55,933)**

	Balance 1 July 2023 $'000	Recognised in Income $'000	Recognised in Equity $'000	Balance 30 June 2024 $'000
Movement in temporary differences during the financial year ended 30 June 2024				
Accrued liabilities	(4,190)	(1,157)	-	(5,347)
Capital raising costs	(11)	(235)	-	(246)
Deferred income	(2,261)	(311)	-	(2,572)
Donations	(105)	105	-	-
Derivatives	112	(76)	-	36
Financial assets designated at fair value through OCI	(66)		66	-
Inventory	(1,670)	(5,027)	-	(6,697)
Prepaid expenditure	197	(154)	-	43
Fixed assets, mine properties and exploration expenditure	47,684	(44,327)	-	3,357
Provisions	(20,124)	1,011	-	(19,113)
Borrowing cost	(558)	28	-	(530)
Research and development carried forward tax offset	(1,063)	1,063	-	-
Tax losses	(89,850)	62,729	-	(27,121)
Derecognition of deferred tax assets	15,972	30,228	-	46,200
	(55,933)	**43,877**	**66**	**(11,990)**

	2024 $'000	2023 $'000
Deferred tax assets that have not been recognised in respect of:		
Temporary differences	19,079	-
Tax losses	27,121	15,972
	46,200	**15,972**

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5. Taxation (Continued)

	Balance 1 July 2022 $'000	Recognised in Income $'000	Recognised in Equity $'000	Balance 30 June 2023 $'000
Movement in temporary differences during the financial year ended 30 June 2023				
Accrued liabilities	(15,705)	11,515	-	(4,190)
Capital raising costs	(9)	(2)	-	(11)
Deferred income	(1,169)	(1,092)	-	(2,261)
Donations	(90)	(15)	-	(105)
Derivatives	609	(497)	-	112
Financial assets designated at fair value through OCI	(29)	-	(37)	(66)
Inventory	(2,325)	655	-	(1,670)
Prepaid expenditure	143	54	-	197
Fixed assets, mine properties and exploration expenditure	69,116	(21,432)	-	47,684
Provisions	(18,012)	(2,112)	-	(20,124)
Borrowing cost	(282)	(276)	-	(558)
Research and development carried forward tax offset	(1,063)	-	-	(1,063)
Tax losses	(103,591)	13,741	-	(89,850)
Derecognition of deferred tax assets	-	15,972		15,972
	(72,407)	**16,511**	**(37)**	**(55,933)**

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5. Taxation (Continued)

Recognition and measurement

Income Tax

Deferred income tax is provided for using the full liability balance sheet approach.

Deferred income tax liabilities are recognised for all taxable differences:

- except where the deferred income tax liability arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, except where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred income tax assets are recognised for all deductible temporary differences, carry-forward of unused tax assets and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry-forward of unused tax assets and unused tax losses can be utilised:

- except where the deferred income tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of deductible temporary differences associated with investments in controlled entities, associates and interests in joint ventures, deferred tax assets are only recognised to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred income tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the balance sheet date.

Income taxes relating to items recognised directly in equity are recognised in equity and not in the income statement.

Tax consolidation

Mount Gibson and its wholly-owned Australian controlled entities have formed an income tax consolidated group under the Tax Consolidation Regime. Using the Group allocation approach, each entity in the group recognises its own current and deferred tax liabilities, except for any deferred tax liabilities resulting from unused tax losses and tax credits, which are immediately assumed by the parent entity in addition to its own current and deferred tax amounts. The current tax liability of each group entity is then subsequently assumed by the parent entity.

Assets or liabilities arising under tax funding agreements with the tax consolidated entities are recognised as amounts receivable from or payable to other entities in the Group. Details of the tax funding agreement are disclosed below.

Any difference between the amounts assumed and amounts receivable or payable under the tax funding agreement are recognised as a contribution to (or distribution from) wholly-owned tax consolidated entities.

Members of the tax consolidated group have entered into a tax sharing agreement that provides for the allocation of income tax liabilities between the entities should the head entity default on its tax payment obligations. No amounts have been recognised in the financial statements in respect of this agreement on the basis that the possibility of default is remote.

The head entity and the controlled entities in the tax consolidated group continue to account for their own current and deferred tax amounts. The Group has applied the group allocation approach in determining the appropriate amount of current taxes and deferred taxes to allocate to members of the tax consolidated group. The current and deferred tax amounts are measured in a systematic manner that is consistent with the broad principles in AASB 112 *Income Taxes*. The nature of the tax funding agreement is discussed further below.

In addition to its own current and deferred tax amounts, the head entity also recognises current tax liabilities (or assets) and the deferred tax assets arising from unused tax losses and unused tax credits assumed from controlled entities in the tax consolidated group.

Members of the tax consolidated group have entered into a tax funding agreement. Under the funding agreement, the funding of tax within the Group is based on accounting profit. The tax funding agreement requires payments to/from the head entity to be recognised via an inter-entity receivable (payable) which is at call. To the extent that there is a difference between the amount charged under the tax funding agreement and the allocation under the accounting policy, the head entity accounts for these as equity transactions with the subsidiaries.

The amounts receivable or payable under the tax funding agreement are due upon receipt of the funding advice from the head entity, which is issued as soon as practicable after the end of each financial year.

The head entity may also require payment of interim funding amounts to assist with its obligations to pay tax instalments.

Key estimate: recoverability of potential deferred tax assets

The Group recognises deferred tax assets in respect of tax losses to the extent that the future utilisation of these losses is considered probable. Assessing the future utilisation of these losses requires the Group to make material estimates related to expectations of future taxable income. Estimates of future taxable income are based on forecast cash flows from operations and the application of existing tax laws. To the extent that future cash flows and taxable income differ significantly from estimates, this could result in material changes to the deferred tax assets recognised, which would in turn impact future financial results.

Management has derecognised tax losses to the extent that they may not be utilised and determined that the deferred tax asset held at 30 June 2024 will be utilised within the next two years.

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	2024 $'000	2023 $'000

6. Cash and Cash Equivalents

[a] Reconciliation of cash

For the purposes of the Cash Flow Statement, cash and cash equivalents comprise the following at 30 June:

Cash at bank and on hand	18,258	23,038
Short-term deposits	18,000	32,000
	36,258	**55,038**

Cash at bank earns interest at floating daily bank deposit rates. Short-term deposits are made for varying periods of between one day and three months depending on the immediate cash requirements of the Group and earn interest at short-term deposit rates.

Recognition and measurement

Cash and short-term deposits in the balance sheet comprise cash at bank and on hand and short-term deposits with an original maturity period of three months or less.

For the purposes of the Cash Flow Statement, cash and cash equivalents consist of cash and cash equivalents as defined above, net of outstanding bank overdrafts, if any.

[b] Reconciliation of the net profit after tax to the net cash flows from operations

Net profit after tax	6,430	5,179
Adjustments to reconcile profit after tax to net cash flows:		
Depreciation of property, plant and equipment	24,026	12,743
Depreciation of right-of-use assets	10,850	10,548
Amortisation of capitalised deferred stripping costs	48,502	61,807
Amortisation of other mine properties	38,568	37,689
Impairment of property, plant and equipment	37,632	12,203
Impairment of right-of-use assets	-	1,105
Impairment of mine properties	121,468	62,097
Net gain on disposal of property, plant and equipment	(301)	(3,058)
Net gain on disposal group	(35,942)	-
Interest revenue	(16,802)	(2,028)
Exploration expenses written off	18	112
Share based payments	359	360
Borrowing costs	772	1,189
Interest accretion on rehabilitation provision	1,962	1,782
Net ore inventory movement	28,539	(71,331)
Rehabilitation provision revised estimate adjustment	-	(846)
Insurance premium funding		11,622
Write down to net realisable value on consumables inventories	830	1,703
(Reversal of)/write down to net realisable value on ore inventories	21846	(3,048)
Unrealised (gain) on foreign exchange balances	7	(321)
Unrealised marked-to-market (gain) on foreign exchange derivatives	(127)	(271)
Unrealised marked-to-market loss on financial assets held for trading	3,238	2,442
Realised (gain)/loss on sale of financial assets held for trading	-	89
Dividend received	(1,200)	-
Changes in assets and liabilities:		
Decrease in trade and other receivables	1,828	2,272
(Increase)/decrease in inventory	865	(1,448)
(Increase) in prepayments	(2,143)	(49)
(Increase)/decrease in deferred tax assets	43,878	25,274
Increase/(decrease) in trade and other payables	(7,883)	(38,135)
Increase in employee benefits	1,117	976
(Decrease) in other provisions	(127)	(567)
Net Cash Flow from Operating Activities	**328,210**	**130,090**

[c] Non-cash financing activities

There were no non-cash financing activities relating to leases of right-of-use assets during the year ended 30 June 2024 (2023: $27,687,000).

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	Notes	2024 $'000	2023 $'000

7. Term Deposits

Current

Term deposits – financial assets at amortised cost	[i]	387,490	103,950
		387,490	**103,950**

[i] Term deposits are made for varying periods of between three and twelve months depending on the cash requirements of the Group and earn interest at market term deposit rates. Term deposits are held with various financial institutions with short term credit ratings of A-2 or better (Standard & Poors). As these instruments have maturity dates of less than twelve months, the Group has assessed the credit risk on these financial assets using life-time expected credit losses. In this regard, the Group has concluded that the probability of default on the term deposits is relatively low. Accordingly, no impairment allowance has been recognised for expected credit losses on the term deposits.

Recognition and measurement

See note 37 for the accounting policy for financial assets classified as financial assets at amortised cost.

	2024 $'000	2023 $'000

8. Financial Assets Held for Trading

Current

Tradeable corporate bonds at fair value through profit or loss	1	153
Quoted share investments at fair value through profit or loss	18,538	3,274
	18,539	**3,427**

Financial assets held for trading comprise corporate bonds and equity securities which are traded in active markets. These financial assets are acquired principally for the purpose of selling or repurchasing in the short term. The portfolio of tradeable corporate bonds is managed by a professional funds management entity, and Mount Gibson is able to vary or terminate the portfolio management mandate at any time, with applicable notice periods.

Recognition and measurement

See note 37 for the accounting policy for financial assets classified as financial assets at fair value through profit and loss.

	2024 $'000	2023 $'000

9. Other Financial Assets

Current

Listed investment shares - at fair value through profit and loss	18,900	-
Investment options – at fair value through profit and loss	1,845	-
	20,745	**-**

Other financial assets comprise shares in Fenix Resources Limited (**Fenix**) which are traded in an active market, and options over unissued shares in Fenix. These financial assets were acquired as part of the consideration from the sale of the majority of the Group's Mid-West mining and infrastructure assets to Fenix in July 2023 (refer note 3[c]). The Group holds these financial assets as part of its strategy to maintain an exposure to bulk materials and infrastructure assets in the Mid-West region.

Recognition and measurement

See note 37 for the accounting policy for financial assets classified as other financial assets.

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	Notes	2024 $'000	2023 $'000

10. Trade and Other Receivables

Current			
Trade debtors – at amortised cost	[a][i]	333	508
Expected credit loss		-	-
		333	508
Trade debtors – at fair value through profit or loss	[a][i]	461	18
Sundry debtors	[a][ii]	1,662	4,182
Other receivables		2,400	2,171
		4,856	**6,879**

[a] Terms and conditions

Terms and conditions relating to the above financial instruments:

[i] Generally, on presentation of ship loading documents and the provisional invoice the customer settles 95% of the provisional sales invoice value within 10 days. The remaining 5% is settled within 30 days of presentation of the final invoice. The vast majority of sales are invoiced and received in US dollars (US$). The balance of other trade debtors is invoiced and received in Australian dollars (A$).

[ii] Sundry debtors are non-interest bearing and have payment terms of between 30 and 90 days. There is an insignificant probability of default as sundry debtors are short term, have no history of default and customers have passed the Group's internal credit assessment.

	Notes	2024 $'000	2023 $'000

11. Inventories

Consumables – at cost		23,995	23,336
Write down to net realisable value (**NRV**)		(3,704)	(4,358)
Consumables at lower of cost and NRV		20,291	18,978
Ore – at cost		67,051	95,589
Write down to NRV	[i]	(30,996)	(9,150)
Ore at lower of cost and NRV		36,055	86,439
Total inventories at lower of cost and NRV		**56,346**	**105,417**

[i] At 30 June 2024, the Group assessed the carrying values of ore inventories stockpiled at Koolan Island mine site. Assumptions used in the assessment include prevailing and anticipated iron ore prices and exchange rates, ore specifications, estimated costs to make the ore inventories available for sale, and associated sales and shipping freight costs.

Based on these assumptions, the Group recorded a write down of ore inventories of $21,846,000 (2023: $3,048,000 write-back) during the financial period.

Recognition and measurement

Inventories are carried at the lower of cost and net realisable value.

For iron ore, cost comprises direct material, labour and expenditure in getting such inventories to their existing location and condition, based on weighted average costs incurred during the period in which such inventories were produced.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

Consumables relating to plant and equipment are recognised as inventory. Consumable stocks are carried at cost less accumulated impairment.

Key estimate

Consumables are written down to net realisable value if considered damaged or, have become wholly or partially obsolete. A new assessment is made of the write down in each subsequent period.

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	Notes	2024 $'000	2023 $'000

12. Derivative Financial Assets

Current			
Foreign currency option contracts	37[b][i]	198	196
		198	**196**

	Notes	2024 $'000	2023 $'000

13. Disposal Group Classified As Held for Sale

Current Assets			
Inventories		-	167
Property, plant and equipment	15	-	1,891
		-	**2,058**
Current Liabilities			
Interest-bearing loans and borrowings		-	896
Provision for decommissioning rehabilitation	23	-	8,229
		-	**9,125**

Recognition and measurement

The group recognises assets held for sale when assets are considered immediately available for sale and the sale is highly probable.

Assets held for sale are measured at the lower of their carrying amounts and fair value less cost to sell.

Assets held for sale are not amortised or depreciated unless the group withdraws from its plan to sell.

An impairment loss is recorded if the asset's fair value less cost to sell is lower than its carrying amount.

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14. Interests in Subsidiaries

Name	Country of Incorporation	Percentage of Equity Interest Held by the Group	
		2024 %	2023 %
Mount Gibson Mining Limited*	Australia	100	100
Geraldton Bulk Handling Pty Ltd	Australia	100	100
Gibson Minerals Limited*	Australia	100	100
Aztec Resources Limited*	Australia	100	100
• Koolan Shipping Pty Ltd*	Australia	100	100
• Brockman Minerals Pty Ltd*	Australia	100	100
• Koolan Iron Ore Pty Ltd*	Australia	100	100
• KIO SPV Pty Ltd*	Australia	100	100

***Entities subject to Class Order relief**

Pursuant to ASIC Instrument 2016/785, relief has been granted to Mount Gibson Mining Limited, Aztec Resources Limited and Koolan Iron Ore Pty Ltd from the *Corporations Act 2001* requirements for the preparation, audit and lodgement of financial reports. As a condition of the Class Order, Mount Gibson Iron Limited, Mount Gibson Mining Limited, Aztec Resources Limited and Koolan Iron Ore Pty Ltd (**Closed Group**) entered into a Deed of Cross Guarantee on 1 May 2008. The class order relief was granted to Gibson Minerals Limited on 28 September 2023. The effect of this deed is that Mount Gibson Iron Limited has guaranteed to pay any deficiency in the event of winding up of these controlled entities or if they do not meet their obligations under the terms of overdrafts, loans, leases or other liabilities subject to the guarantee. The controlled entities have also given a similar guarantee in the event that Mount Gibson Iron Limited is wound up or if it does not meet its obligations under the terms of overdrafts, loans, leases or other liabilities subject to the guarantee.

The Consolidated Income Statement and Balance Sheet of the Closed Group are set out below:

Consolidated Income Statement of the Closed Group

	2024 $'000	2023 $'000
Revenue	667,678	450,586
Interest revenue	16,802	2,027
TOTAL REVENUE	684,480	452,613
Cost of sales	(491,417)	(333,914)
GROSS PROFIT	193,063	118,699
Other income	19,357	24,174
Write back/(expected credit loss) of non-current other receivables	17,785	(3,459)
Impairment expenses	(159,100)	(74,538)
Repair and restoration costs – Koolan Island	-	(10,504)
Administration and other expenses	(21,734)	(16,338)
PROFIT BEFORE TAX AND FINANCE COSTS	49,371	38,034
Finance costs	(4,406)	(6,107)
PROFIT BEFORE TAX	44,965	31,927
Tax expense	(38,535)	(26,748)
PROFIT AFTER TAX ATTRIBUTABLE TO MEMBERS OF THE COMPANY	6,430	5,179

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Notes to the Consolidated Financial Report (continued)

Consolidated Balance Sheet of the Closed Group

	Notes	2024 $'000	2023 $'000
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents		36,258	54,498
Term deposits and subordinated notes		387,490	103,950
Financial assets held for trading		18,539	153
Other financial assets		20,745	-
Derivative financial assets		198	196
Trade and other receivables		4,840	6,512
Inventories		56,346	105,417
Prepayments		5,481	5,923
Assets associated with disposal group classified as held for sale		-	1,847
TOTAL CURRENT ASSETS		**529,897**	**278,496**
NON-CURRENT ASSETS			
Other receivables		-	9,340
Property, plant and equipment		25,879	51,380
Right-of-use assets		12,365	24,232
Deferred exploration and evaluation costs		2,480	1,946
Mine properties		81,671	260,138
Prepayments		-	165
Deferred tax assets		11,935	49,434
TOTAL NON-CURRENT ASSETS		**134,330**	**396,635**
TOTAL ASSETS		**664,227**	**675,131**
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables		42,834	46,819
Employee benefits		7,918	6,604
Interest-bearing loans and borrowings		9,144	11,194
Derivative financial liabilities		-	344
Provisions		469	596
Liabilities associated with disposal group classified as held for sale		-	8,450
TOTAL CURRENT LIABILITIES		**60,365**	**74,007**
NON-CURRENT LIABILITIES			
Other payables		113	-
Employee benefits		597	452
Interest-bearing loans and borrowings		2,707	11,851
Provisions		54,272	49,590
TOTAL NON-CURRENT LIABILITIES		**57,689**	**61,893**
TOTAL LIABILITIES		**118,054**	**135,900**
NET ASSETS		**546,173**	**539,231**
EQUITY			
Issued capital		633,102	633,102
Accumulated losses	[i]	(1,012,668)	(1,019,098)
Reserves		925,739	925,227
TOTAL EQUITY		**546,173**	**539,231**

[i] **Accumulated losses**

Balance at the beginning of the year	(1,019,098)	(1,024,277)
Net profit attributable to members of the closed group	6,430	5,179
Balance at the end of the year	(1,012,668)	(1,019,098)

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Notes to the Consolidated Financial Report (continued)

15. Property, Plant and Equipment

	Land		Plant and Equipment		Buildings		Capital Works in Progress		Total	
	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023
	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Gross carrying amount at cost	-	-	228,998	281,015	101,404	104,628	17,346	11,150	347,748	396,793
Accumulated depreciation and impairment	-	-	(212,810)	(245,950)	(101,055)	(99,442)	(8,004)	(21)	(321,869)	(345,413)
Net carrying amount	**-**	**-**	**16,188**	**35,065**	**349**	**5,186**	**9,342**	**11,129**	**25,879**	**51,380**
Reconciliation										
Carrying amount at the beginning of the year	-	100	35,065	43,633	5,186	9,538	11,129	3,695	51,380	56,966
Additions	-	1,550	18,639	10,095	576	255	17,338	11,131	36,553	23,031
Transfers	-	-	10,993	3,444	149	232	(11,142)	(3,676)	-	-
Disposals	-	-	(396)	(1,780)	-	-	-	-	(396)	(1,780)
Depreciation expense	-	-	(21,386)	(10,756)	(2,640)	(1,987)	-	-	(24,026)	(12,743)
Impairment expense (Note 19)	-	-	(26,727)	(9,366)	(2,922)	(2,816)	(7,983)	(21)	(37,632)	(12,203)
Transfer to assets associated with disposal group classified as held for sale (Note 13)	-	(1,650)	-	(205)	-	(36)	-	-	-	(1,891)
Carrying amount at the end of the year	**-**	**-**	**16,188**	**35,065**	**349**	**5,186**	**9,342**	**11,129**	**25,879**	**51,380**
Assets pledged as security	-	-	16,188	35,065	349	5,186	9,342	11,129	25,879	51,380

Refer note 21 for details of security arrangements.

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15. Property, Plant and Equipment (Continued)

Recognition and measurement

Plant and equipment is stated at cost less accumulated depreciation and any impairment in value.

Depreciation and amortisation

The cost of owned property, plant and equipment directly engaged in mining operations is depreciated over its expected economic life on a units-of-production method, with due regard given to the life of the related area of interest. Leased plant and equipment directly engaged in mining operations is written down to its residual value over the lesser of the lease term and its useful life. Other assets which are depreciated or amortised on a basis other than the units-of-production method typically are depreciated on a straight-line basis over the estimated useful life of the asset.

Impairment

The carrying values of plant and equipment are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable.

For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

Individual assets in the cash-generating units are not written down below their recoverable amount. Refer note 19 for further details on impairment.

Derecognition

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset.

Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the item) is included in the income statement in the period the item is derecognised.

Key judgement, estimates and assumptions

Units of production method of depreciation and amortisation

The Group applies the units-of-production method of depreciation and amortisation of its mine assets based on ore tonnes mined. These calculations require the use of estimates and assumptions. Material judgement is required in assessing the available ore reserves, mineral resources and the production capacity of the operations to be depreciated under this method. Factors that are considered in determining ore reserves, mineral resources and production capacity include the Group's history of converting mineral resources to ore reserves and the relevant timeframes, the complexity of metallurgy, markets and future developments. The Group uses economically recoverable mineral resources (comprising proven and probable ore reserves) to depreciate assets on a units-of-production basis. However, where a mineral property has been acquired and an amount has been attributed to the fair value of mineral resources not yet designated as ore reserves, the additional mineral resources may be taken into account. When these factors change or become known in the future, such differences will impact pre-tax profit and carrying values of assets.

Impairment of property, plant and equipment

The carrying value of property, plant and equipment is reviewed for impairment if there is any indication that the carrying amount may not be recoverable. Where a review for impairment is conducted, the recoverable amount is assessed by reference to either the 'value-in-use' (being the net present value of expected future cash flows of the relevant cash generating unit) or the 'fair value less cost of disposal'.

In determining value-in-use, future cash flow forecasts for each cash generating unit (i.e. each mine) are prepared utilising management's latest estimates of mine life, mineral resource and ore reserve recovery, operating and development costs, royalties and taxation, and other relevant cash inflows and outflows. Cash flow scenarios for a range of commodity prices and foreign exchange rates are assessed using internal and external market forecasts, and the present value of the forecast cash flows is determined utilising a discount rate based on industry weighted average cost of capital.

The Group's cash flows are most sensitive to movements in iron ore prices, the discount rate and key operating costs. Variations to the expected future cash flows, and the timing thereof, could result in material changes to any impairment assessment or losses recognised, if any, which could in turn impact future financial results. Refer note 19 for further details on impairment.

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16. Right-of-use Assets

	Leased Property		Leased Plant and Equipment		Total	
	2024 $'000	2023 $'000	2024 $'000	2023 $'000	2024 $'000	2023 $'000
Gross carrying amount at cost	2,214	2,214	29,997	32,071	32,211	34,285
Accumulated depreciation and impairment	(1,721)	(1,229)	(18,125)	(8,824)	(19,846)	(10,053)
Net carrying amount	**493**	**985**	**11,872**	**23,247**	**12,365**	**24,232**
Reconciliation						
Carrying amount at the beginning of the year	985	2,552	23,247	7,000	24,232	9,552
Additions	-	238	1,177	27,670	1,177	27,908
Disposals	-	-	(2,194)	(1,575)	(2,194)	(1,575)
Depreciation	(492)	(700)	(10,358)	(9,848)	(10,850)	(10,548)
Impairment expense (Note 19)	-	(1,105)	-	-	-	(1,105)
Carrying amount at the end of the year	493	985	11,872	23,247	12,365	24,232

Recognition and measurement

The group recognises right-of-use assets at the commencement date of the lease (ie. the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Unless the Group is reasonably certain to obtain ownership of the lease asset at the end of the lease term, the recognised right-of-use assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term. Right-of-use assets are subject to impairment. Where a review for impairment is conducted, the recoverable amount is assessed by reference to the 'fair value less cost of disposal'. Refer note 19 for further details on impairment.

	Notes	2024 $'000	2023 $'000
17. Deferred Exploration and Evaluation Costs			
Deferred exploration and evaluation – at cost		2,480	1,946
		2,480	**1,946**
Reconciliation			
Carrying amount at beginning of the year		1,946	-
Additions		552	2,058
Exploration expenditure written off		(18)	(112)
Carrying amount at the end of the year		2,480	1,946

Recognition and measurement

Acquisition costs

Exploration and evaluation costs arising from acquisitions are carried forward where exploration and evaluation activities have not, at balance date, reached a stage to allow a reasonable assessment regarding the existence of economically recoverable reserves.

Exploration and evaluation costs

Costs arising from exploration and evaluation activities are capitalised if activities in the area of interest have not yet reached a stage which permits a reasonable assessment of the existence or otherwise of economically recoverable reserves or sale. To the extent that it is determined in the future that this capitalised expenditure should be written off, this will reduce profits and net assets in the period in which this determination is made.

A regular review is undertaken of each area of interest to determine the appropriateness of continuing to carry forward costs in relation to that area of interest. Where uncertainty exists as to the future viability of certain areas, the value of the area of interest is written off to the income statement or provided against.

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	2024 $'000	2023 $'000

18. Mine Properties

Mine properties – at cost	1,792,574	1,868,706
Accumulated amortisation and impairment	(1,710,903)	(1,608,568)
	81,671	**260,138**

	Koolan Island	
	2024	2023
Reconciliation	**$'000**	**$'000**
Deferred stripping costs		
Carrying amount at the beginning of the period	152,104	239,200
Capitalised deferred stripping costs	-	11,020
Amortisation expensed	(48,502)	(61,807)
Impairment expense (Note 19)	(61,950)	(36,309)
Carrying amount at the end of the period	**41,652**	**152,104**
Other mine properties		
Carrying amount at the beginning of the period	108,034	133,193
Additions	27,351	31,435
Mine rehabilitation – revised estimate adjustment (Note 23)	2,720	6,883
Amortisation expensed	(38,568)	(37,689)
Impairment expense (Note 19)	(59,518)	(25,788)
Carrying amount at the end of the period	**40,019**	**108,034**
Total mine properties	**81,671**	**260,138**

The security pledged for financing facilities includes mining mortgages over the mining tenements and contractual rights to mine hematite deposits owned by the Group (refer note 21).

Recognition and measurement

Deferred stripping

As part of its mining operations, the Group incurs mining stripping (waste removal) costs both during the development and production phase of its operations.

When stripping costs are incurred in the development phase of a mine before the production phase commences (development stripping), such expenditure is capitalised as part of the cost of constructing the mine and subsequently amortised over its useful life using a units of production method, in accordance with the policy applicable to mine properties. The capitalisation of development stripping costs ceases when the mine or relevant component thereof is commissioned and ready for use as intended by management.

Waste development costs incurred in the production phase create two benefits, being either the production of inventory or improved access to the ore to be mined in the future. Where the benefits are realised in the form of inventory produced in the period, the production stripping costs are accounted for as part of the cost of producing those inventories. Where production stripping costs are incurred and the benefit is improved access to ore to be mined in the future, the costs are recognised as a stripping activity asset within mine properties.

If the costs of the inventory produced and the stripping asset are not separately identifiable, the allocation is undertaken based on the waste-to-ore stripping ratio for the particular ore component concerned. If mining of waste in a period occurs in excess of the expected life-of-component waste-to-ore strip ratio, the excess is recognised as part of the stripping asset. Where mining occurs at or below the expected life-of-component stripping ratio in a period, the entire production stripping cost is allocated to the cost of the ore inventory produced.

Amortisation is provided on the units-of-production method over the life of the identified orebody component. The units-of-production method results in an amortisation charge proportional to the depletion of the economically recoverable mineral resources (comprising proven and probable reserves).

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18. Mine Properties (Continued)

Other mine properties

Other mine properties represent the accumulation of all acquisition, exploration, evaluation and development expenditure incurred by or on behalf of the Group in relation to areas of interest in which the mining of mineral resources has commenced. When further development expenditure is incurred in respect of a mine property after the commencement of production, such expenditure is carried forward as part of the cost of that mine property only when substantial future economic benefits are established, otherwise such expenditure is classified as part of the cost of production.

Amortisation is provided on the units-of-production method over the life of the mine, with separate calculations being made for each mineral resource. The units-of-production method results in an amortisation charge proportional to the depletion of the economically recoverable mineral resources (comprising proven and probable reserves).

A regular review is undertaken of each area of interest to determine the appropriateness of continuing to carry forward costs in relation to that area of interest. Impairment expenses are recognised to the extent that the carrying amount of the mine properties asset exceeds its estimated recoverable amount. Refer to note 19 for further details on impairment.

Key judgement and estimate

Determining the beginning of production

Judgment is required to determine when capitalisation of development costs ceases and amortisation of mine assets commences upon the start of commercial production. This is based on the specific circumstances of the project, and considers when the specific asset is substantially complete and becomes 'available for use' as intended by management which includes consideration of the following factors:

- completion of reasonable testing of the mine plant and equipment;
- mineral recoveries, availability and throughput levels at or near expected levels;
- the ability to produce iron ore in saleable form (where more than an immaterial amount is produced); and
- the achievement of continuous production.

Stripping activity assets

Judgment is required to identify a suitable production measure to be used to allocate production stripping costs between inventory and any stripping activity asset(s) for each orebody component. The Group considers that the ratios of the expected volume of waste to be stripped for an expected volume of ore to be mined for a specific component of orebody, to be the most suitable production measure.

In identifying and defining the orebody components, judgment is required to determine the expected volumes of waste to be stripped and ore to be mined in each of these components. These assessments are based on the information available in the mine plan which will vary between mines for various reasons, including, the geological characteristics of the orebody, the geographical location and/or financial considerations.

Stripping ratio

Material judgment is required in determining the waste capitalisation ratio for each component of the mine. Factors that are considered include:

- any proposed changes in the design of the mine;
- estimates of the quantities of ore reserves and mineral resources for which there is a high degree of confidence of economic extraction;
- identifiable components of the orebody;
- future production levels;
- impacts of regulatory obligations and taxation legislation; and
- future cash cost of production.

Impairment of capitalised mine development expenditure

The future recoverability of capitalised mine development expenditure is dependent on a number of factors, including the level of mineral resources and ore reserves, future technological changes which could impact the cost of mining, future legal changes (including changes to environmental restoration obligations) and changes to commodity prices and exchange rates.

The Group regularly reviews the carrying values of its mine development assets in the context of internal and external consensus forecasts for commodity prices and foreign exchange rates, with the application of appropriate discount rates for the assets concerned.

To the extent that capitalised mine development expenditure is determined not to be recoverable in the future, this will reduce profits and net assets in the period in which this determination is made. Capitalised mine development expenditure is assessed for recoverability along with property, plant and equipment as described below. Refer note 19 for further details on impairment.

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19. Impairment of Non-Current Assets

The Group reviews the carrying value of the assets of each Cash Generating Unit (**CGU**) at each balance date for indicators of potential impairment or reversal thereof. Where such indicators exist, the Company utilises the approaches under applicable accounting pronouncements for assessment of any impairment expenses or reversals.

As at 30 June 2024, the following were considered indicators of impairment relating to the Company's operations:

- the market capitalisation of the Group was below the book value of its net assets; and
- the benchmark price of iron ore, being the Company's sole product, decreased 4.4% from US$111.60 per dry metric tonne (dmt) of 62% Fe CFR fines as at 30 June 2023 to US$106.70/dmt as at 30 June 2024.

Accordingly, the Group has performed an impairment assessment on the Koolan Island CGU. Based on this assessment, the following impairment amounts have been recognised in the financial report:

	2024 $'000	2023 $'000
Koolan Island	159,100	74,300
Mid-West	-	1,105
Total loss on impairment of non-current assets	**159,100**	**75,405**

The above impairment values have been allocated proportionately to each CGU's non-current assets as follows:

	Notes	Koolan Island		Mid-West		Total	
		2024 $'000	2023 $'000	2024 $'000	2023 $'000	2024 $'000	2023 $'000
Deferred stripping costs	18	61,950	36,309	-	-	61,950	36,309
Other mine properties	18	59,518	25,788	-	-	59,518	25,788
Total mine properties		121,468	62,097	-	-	121,468	62,097
Property, plant and equipment	15	37,632	12,203	--	-	37,632	12,203
Right-of-use assets	16	-	-		1,105	-	1,105
Total impairment loss of non-current assets		**159,100**	**74,300**	**-**	**1,105**	**159,100**	**75,405**

The Group assessed the recoverable amount of the Koolan Island CGU as at 30 June 2024 using the Fair Value Less Costs of Disposal (**FVLCD**) approach. The recoverable amount of the Koolan Island CGU at 30 June 2024 is $130,200,000 (2023: $375,015,000). The FVLCD is assessed as the present value of the future cash flows expected to be derived from the operation less disposal costs (level 3 in the fair value hierarchy), utilising the following key assumptions:

- Cashflow forecasts based on historical performance and budgeted revenues and operating and capital costs over the life of mine;
- Discount rate of 13.00% (nominal, after tax);
- Iron ore price forecasts for the 62% Fe benchmark fines CFR price (northern China), expressed in real 2024 terms, of US$108.61/dmt in 2025 (falling to US$100.85/dmt in 2026 and US$99.36/dmt in 2027), at an exchange rate of A$1.00/US$0.68 in 2025 (rising to A$1.00/US$0.69 in 2026 and 2027) with sensitivities undertaken for a broad range of inputs; and
- Cost inflation estimates of 3.00% per annum.

Koolan Island CGU's recoverable value is most sensitive to changes in iron ore prices, the A$/US$ exchange rate and mining unit costs. It is estimated that changes in these key assumptions would impact the recoverable amount of the CGU as at 30 June 2024 as follows:

Key Assumption	Increase/(Decrease) in CGU Recoverable Amount	
	1000 basis points increase in key assumptions $'000	1000 basis points decrease in key assumptions $'000
Benchmark price of 62% Fe CFR fines iron ore	(87,000)	(234,000)
A$/US$ exchange rate	(210,000)	(97,000)
Mining unit cost per wmt mined	(190,000)	(129,000)

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Recognition and measurement

Recoverable amount of assets

At each reporting date, the Group assesses whether there is any indication that an asset may be impaired. Where an indicator of impairment exists, the Group makes a formal estimate of recoverable amount. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

Recoverable amount is the greater of fair value less costs of disposal and value-in-use. Recoverable amount is determined for an individual asset, unless the asset's value-in-use cannot be estimated to be close to its fair value less cost of disposal and it does not generate cash inflows that are largely independent of those from other assets or groups of assets, in which case the recoverable amount is determined for the cash-generating unit to which the asset belongs.

In assessing value-in-use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

The fair value less costs of disposal is assessed as the present value of the future cash flows expected to be derived from the cash-generating unit less disposal costs using forecast iron ore prices and post-tax discount rate that reflects current market assessments.

In allocating an impairment loss, the carrying amount of an individual asset is not taken below its individual recoverable amount.

An assessment is also made at each reporting date as to whether there is any indication that a previously recognised impairment loss may no longer exist or may have decreased. If such indication exists, the recoverable amount is estimated. A previously recognised impairment loss is reversed only where there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case the carrying amount of the asset is increased to its recoverable amount. That increased amount cannot exceed the carrying amount that would have been determined, net of depreciation and amortisation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in profit or loss unless the asset is carried at the revalued amount, in which case the reversal is treated as a revaluation increase. After such a reversal, the depreciation or amortisation charges are adjusted in future periods to allocate the asset's revised carrying amount, less any residual value, on a systematic basis over its remaining useful life.

Key judgement and estimates

Impairment of capitalised mine development expenditure

The future recoverability of capitalised mine development expenditure is dependent on a number of factors, including the level of mineral resources and ore reserves, future technological changes which could impact the cost of mining, future legal changes (including changes to environmental restoration obligations) and changes to commodity prices.

The Group regularly reviews the carrying values of its mine development assets in the context of internal and external consensus forecasts for commodity prices and foreign exchange rates, with the application of appropriate discount rates for the assets concerned.

To the extent that capitalised mine development expenditure is determined not to be recoverable in the future, this will reduce profits and net assets in the period in which this determination is made. Capitalised mine development expenditure is assessed for recoverability along with property, plant and equipment as described below.

Impairment of property, plant and equipment

The carrying value of property, plant and equipment is reviewed for impairment if there is any indication that the carrying amount may not be recoverable. Where a review for impairment is conducted, the recoverable amount is assessed by reference to the higher of value-in-use (being the net present value of expected future cash flows of the relevant cash generating unit) and 'fair value less costs of disposal'.

In determining value-in-use, future cash flow forecasts for each cash generating unit (i.e. each mine) are prepared utilising management's latest estimates of mine life, mineral resource and ore reserve recovery, operating and development costs, royalties and taxation, and other relevant cash inflows and outflows. Cash flow scenarios for a range of commodity prices and foreign exchange rates are assessed using internal and external market forecasts, and the present value of the forecast cash flows is determined utilising a discount rate based on industry weighted average cost of capital.

The Group's cash flows are most sensitive to movements in iron ore prices, the discount rate and key operating costs. Variations to the expected future cash flows, and the timing thereof, could result in material changes to any impairment assessment or losses recognised, if any, which could in turn impact future financial results.

	Notes	2024 $'000	2023 $'000
20. Trade and Other Payables			
Current			
Trade creditors – at amortised cost	[i]	8,591	6,729
Accruals and other payables – at amortised cost	[i]	34,427	40,885
		43,018	**47,614**

[i] Current trade creditors and other payables are non-interest bearing and are normally settled on 30 day terms.

Recognition and measurement

All financial liabilities are recognised initially at fair value and, in the case of payables, net of directly attributable transaction costs. Trade payables, accruals and other payables are carried at amortised costs and represent liabilities for goods and services provided to the Group prior to the end of the financial year that are unpaid and arise when the Group becomes obliged to make future payments in respect of the purchase of these goods and services.

	Notes	2024 $'000	2023 $'000
21. Interest-Bearing Loans and Borrowings			
Current			
Lease liabilities	[i],[a]	9,144	10,031
Insurance premium funding facility	[b]	-	1,163
		9,144	**11,194**
Non-Current			
Lease liabilities	[i],[a]	2,707	11,851
		2,707	**11,851**

[i] Lease liabilities

Minimum lease payments for right-of-use assets:		
• Not later than one year	9,597	10,998
• Later than one year but not later than five years	2,756	12,352
Total minimum lease payments	12,353	23,350
Future finance charges	(502)	(1,468)
	11,851	**21,882**

The following off-balance sheet financing facilities had been negotiated and were available at the reporting date:

Performance bonding facility [c]		
Used at reporting date	6,586	6,681
Unused at reporting date	13,414	13,319
	20,000	20,000
Corporate loan facility [c]		
Used at reporting date	-	-
Unused at reporting date	-	75,000
	-	75,000

Terms and conditions relating to the above financing facilities:

[a] Lease Facility

The Group has lease liabilities for right-of-use assets which are repayable monthly with final instalments due in March 2026. Interest is applied at a weighted average incremental borrowing rate of 5.47% pa.

[b] Insurance Premium Funding Facility

Insurance premium funding arrangements were entered into by the Group to spread the cost of its annual insurance premiums over the term of the arrangement. Interest was charged at 5.32% pa. The facility was repayable monthly over 10 months with the final instalment paid in July 2023.

[c] Corporate Loan Facility and Performance Bonding facility

In May 2011, the Company entered into a Facility Agreement comprising a Corporate Loan facility and a Performance Bonding facility. The undrawn Corporate Loan facility was cancelled in April 2013 and subsequently amended and reinstated on 23 December 2021 for a term of 23 months with a loan facility limit of $100,000,000. The loan facility limit reduced to $75,000,000 in June 2023 and to $50,000,000 in September 2023. On 22 December 2022, the loan facility was amended to extend the maturity date to 31 May 2024 in relation to the amount of $50,000,000. The loan facility was fully repaid in the 2022/23 financial year and subsequently cancelled effective 1 September 2023.

The Performance Bonding facility was amended in June 2017 to reduce the amount from $55,000,000 to $20,000,000 and in December 2023 the term was extended to 30 September 2026. As at balance date, bonds and guarantees totalling $6,586,000 were drawn under the Performance Bonding facility.

The security pledge for the Facility Agreement is a fixed and floating charge over all the assets and undertakings of Mount Gibson Iron Limited, Mount Gibson Mining Limited, Geraldton Bulk Handling Limited, Koolan Iron Ore Pty Ltd and Aztec Resources Limited together with mining mortgages over the mining tenements owned by Mount Gibson Mining Limited and Koolan Iron Ore Pty Ltd.

The relevant assets of Mount Gibson Mining Limited and Geraldton Bulk Handling Pty Ltd were released from the security at completion of the Mid-West asset disposal (refer Note 3[c][i]).

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Recognition and measurement

Leases

The Group assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identifiable asset for a period of time in exchange for consideration.

Lease liabilities

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payment of penalties for terminating a lease, if the lease term reflects the Group exercising the option to terminate. The variable lease payments that do not depend on an index or a rate are recognised as an expense in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the in-substance fixed lease payments or a change in the assessment to purchase the underlying asset.

Other loans and borrowings

All other loans and borrowings are initially recognised at the fair value of the consideration received less directly attributable transaction costs.

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the effective interest rate method. Fees paid on the establishment of loan facilities are included as part of the carrying amount of the loans and borrowings.

Gains and losses are recognised in the profit or loss when the liabilities are derecognised.

	Notes	2024 $'000	2023 $'000
22. Derivative Financial Liabilities			
Current			
Foreign currency option contracts	37[b][i]	-	344
		-	**344**

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Notes to the Consolidated Financial Report (continued)

23. Provisions

	Road Resealing		Decommissioning Rehabilitation		Total	
	2024	2023	2024	2023	2024	2023
	$'000	$'000	$'000	$'000	$'000	$'000
Current	-	127	469	469	469	596
Non-Current	-	-	54,272	49,590	54,272	49,590
	-	**127**	**54,741**	**50,059**	**54,741**	**50,186**
Reconciliation						
Carrying amount at the beginning of the year	127	476	50,059	50,688	50,186	51,164
Provision for period	-	358	-	-	-	358
Amounts utilised during the period	(127)	(707)	-	(219)	(127)	(926)
Interest accretion on rehabilitation provision - expensed	-	-	1,962	1,782	1,962	1,782
Revised estimate adjustment – profit or loss	-	-	-	(846)	-	(846)
Revised estimate adjustment – mine properties asset (Note 18)	-	-	2,720	6,883	2,720	6,883
Liabilities associated with disposal group classified as held for sale (Note 13)	-	-	-	(8,229)	-	(8,229)
Carrying amount at the end of the year	**-**	**127**	**54,741**	**50,059**	**54,741**	**50,186**

Road resealing
This provision related to the cost of roadworks associated with the completion of mining activities at Extension Hill mine site.

Decommissioning rehabilitation
This provision represents the present value of decommissioning and rehabilitation costs for the Tallering Peak and Koolan Island sites. The cost estimates forming the basis of the provisions (except the Tallering Peak site) were prepared as at the end of the financial year by independent consultants specialising in mine closure planning and mine rehabilitation cost estimates. The timing of decommissioning and rehabilitation expenditure is dependent on the life of the mines and on the timing of the rehabilitation requirements, which may vary in the future. Based on current estimates, the bulk of expenditure on decommissioning rehabilitation is expected to be incurred at Koolan Island within 3-4 years from balance date.

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	2024 $'000	2023 $'000

23. Provisions (Continued)

The following table summarises the decommissioning rehabilitation provision by mine site:		
Tallering Peak	469	469
Koolan Island	54,272	49,590
	54,741	50,059
Decommissioning rehabilitation provision relating to liabilities associated with disposal group classified as held for sale:		
Extension Hill	-	4,210
Shine	-	4,019
	-	8,229

The key assumptions underpinning the cost estimates are as follows:

	Koolan Island		Shine		Extension Hill	
	2024	2023	2024	2023	2024	2023
Inflation rate	2.70%	3.00%	-	3.00%	-	3.00%
Discount rate	4.09%	3.96%	-	3.95%	-	4.18%

An increase of 1,000 basis points in the discount rate applied at 30 June 2024 would result in a decrease to the decommission rehabilitation provision and mine properties asset at Koolan Island of approximately $798,000.
A decrease of 1,000 basis points in the discount rate applied at 30 June 2024 would result in an increase to the decommissioning rehabilitation provision and mine properties asset at Koolan Island of approximately $815,000.

Recognition and measurement

Rehabilitation costs

Long-term environmental obligations are based on the Group's environmental management plans, in compliance with current environmental and regulatory requirements.

Full provision is made based on the present value of the estimated cost of restoring the environmental disturbance that has occurred up to the balance sheet date. Increases due to additional environmental disturbances, relating to the development of an asset, are capitalised and amortised over the remaining life of the area of interest.

Annual increases in the provision relating to the change in the present value of the provision are accounted for in the income statement as borrowing costs.

The estimated costs of rehabilitation are reviewed annually and adjusted as appropriate for changes in legislation, technology or other circumstances. Cost estimates are not reduced by potential proceeds from the sale of assets.

Restructuring provision

Restructuring provisions are recognised by the Group only when a detailed formal plan identifies the business or part of the business concerned, the location and number of employees affected, a detailed estimate of the associated costs and an appropriate timeline, and that the employees affected have been notified of the plan's main features.

Other Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects the current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

Where discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

A provision for dividends is not recognised as a liability unless the dividends have been declared, determined or publicly recommended on or before the balance date.

Key estimate: mine rehabilitation provision

The Group assesses its mine rehabilitation provision annually in accordance with the accounting policy stated above. Material judgment is required in determining the provision for mine rehabilitation as there are many factors that will affect the ultimate liability payable to rehabilitate the mine site. These include future development, changes in anticipated rehabilitation activities and costs, changes in technology, commodity price changes and changes in interest rates, inflation rates and discount rates. When these factors change or become known in the future, such differences will impact the mine rehabilitation provision in the period in which they change or become known.

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	2024 $'000	2023 $'000

24. Issued Capital

[a] Ordinary shares

	2024 $'000	2023 $'000
Issued and fully paid	**633,102**	**633,102**

	Notes	2024 Number of Shares	2024 $'000	2023 Number of Shares	2023 $'000
[b] Movement in ordinary shares on issue					
Balance at the beginning of the financial year		1,204,253,233	633,102	1,202,329,505	632,425
Shares fully paid under LSP		-	-	1,923,728	677
		1,204,253,233	633,102	1,204,253,233	633,102
Restricted shares – reserved for Loan Share Plan:					
Balance at the beginning of the financial year		8,677,600	-	8,238,528	-
Shares issued under LSP	[f]	464,400	-	3,851,300	-
Conversion of fully paid shares under LSP		-	-	(1,923,728)	-
Shares forfeited under LSP		-	-	(1,488,500)	-
Shares reallotted from treasury shares		1,488,500	-	-	-
		10,630,500	-	8,677,600	-
Treasury shares:					
Balance at the beginning of the financial year		1,488,500	-	-	-
Shares forfeited under LSP, not reallotted		-	-	1,488,500	-
Shares reallotted under LSP		(1,488,500)	-	-	-
		-	-	1,488,500	-
Total shares on issue		1,214,883,733	633,102	1,214,419,333	633,102

[c] Terms and conditions of contributed equity

Ordinary shares have the right to receive dividends as declared, and in the event of winding up the Company, to participate in the proceeds from the sale of all surplus assets in proportion to the number of and amounts paid up on shares held. Ordinary shares entitle their holder to one vote, either in person or by proxy, at a meeting of the Company.

Effective from 1 July 1998, the Corporations legislation abolished the concept of authorised capital and par values. Accordingly, the Company does not have authorised capital nor a par value in respect of its issued shares.

[d] Share options

As at 30 June 2024, there were no options on issue (2023: nil).

Share options carry no right to dividends and no voting rights.

[e] Performance rights

During the year ended 30 June 2024, no Performance Rights were issued.

No Performance Rights vested during the year (2023: nil).

As at 30 June 2024, there were no Performance Rights on issue (2023: nil) – see note 28(c).

[f] Loan Share Plan (in-substance options)

During the year ended 30 June 2024, 1,952,900 shares (which included 1,488,500 shares reallotted) were issued under the LSP.

There were no shares vested under the LSP during the year (2023: nil).

[g] Capital management

The primary objectives of the Group's capital management program are to safeguard the Group's ability to continue as a going concern, so that it can provide returns for shareholders and benefits for other stakeholders, and to maintain an optimal capital structure to reduce the cost of capital.

The Group manages its capital structure and makes adjustments to it in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders, buy back shares or issue new shares or other securities.

No changes were made in the objectives, policy or processes for managing capital during the year ended 30 June 2024.

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	Notes	2024 $'000	2023 $'000
25. Reserves			
Share based payments reserve	[a]	22,912	22,553
Net unrealised gains reserve	[b]	-	(153)
Dividend distribution reserve	[c]	906,019	906,019
Equity reserves	[d]	(3,192)	(3,192)
		925,739	**925,227**

[a] Share based payments reserve

This reserve is used to record the value of equity benefits provided to employees and directors as part of their remuneration.

Balance at the beginning of the year	22,553	22,193
Share based payments	359	360
Balance at the end of the year	22,912	22,553

[b] Net unrealised gains reserve

This reserve records movement for financial assets classified as fair value through other comprehensive income and gains and losses on hedging instruments classified as effective cash flow hedges.

Balance at the beginning of the year	(153)	(64)
Change in fair value of cash flow hedges	218	(218)
Change in fair value of debt instrument classified as financial assets designated at fair value through other comprehensive income	-	92
Deferred income tax on cash flow hedges	(65)	37
Balance at the end of the year	-	(153)

[c] Dividend distribution reserve

This reserve is used to record profits from prior income years for the purpose of future dividend distribution by the Company.

Balance at the beginning of the year	906,019	906,019
Dividends paid during the period	-	-
Balance at the end of the year	906,019	906,019

[d] Equity reserves

This reserve is used to record the gain or loss arising from the sale or acquisition of non-controlling interests to or from third party investors.

Balance at the beginning of the year	(3,192)	(3,192)
Movement during the period	-	-
Balance at the end of the year	(3,192)	(3,192)

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	Notes	2024 $'000	2023 $'000

26. Accumulated Losses

Balance at the beginning of the year	(1,019,098)	(1,024,277)
Net profit attributable to members of the Company	6,430	5,179
Balance at the end of the year	**(1,012,668)**	**(1,019,098)**

27. Expenditure Commitments

[a] Exploration expenditure commitments [i]

Minimum obligations not provided for in the financial report and are payable:

• Not later than one year	566	446
• Later than one year but not later than five years	1,309	1,398
• Later than five years	1,359	1,492
	3,234	**3,336**

[b] Property, plant and equipment commitments [ii]

Commitments contracted for at balance date but not recognised as liabilities

• Not later than one year	5,187	6,176
• Later than one year but not later than five years	-	-
	5,187	**6,176**

[c] Contractual commitments [iii]

Commitments for the payment of other mining and transport contracts:

• Not later than one year	12,911	11,855
• Later than one year but not later than five years	565	-
	13,476	**11,855**

[d] Short-term lease commitments [iv]

Commitments for the payment of short-term leases:

• Not later than one year	-	-
	-	**-**

[i] In order to maintain current rights to explore and mine the tenements at its various mines and projects, the Group is required to perform minimum exploration work to meet the expenditure requirements specified by the Department of Mines, Industry Regulation and Safety.

[ii] The Group has contractual commitments to purchase property, plant and equipment at Koolan Island.

[iii] Amounts disclosed as contractual commitments relate primarily to supplier arrangements at Koolan Island where financial obligations, including minimum notice periods, apply in the case of termination.

[iv] Leases of plant and equipment with lease terms of 12 months or less.

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	Notes	2024 $'000	2023 $'000

28. Share-Based Payment Plans

(a) Recognised share-based payment expense

Expense arising from equity-settled share-based payment transactions	4[e]	359	360

The share-based payment plans are described below. There have been no cancellations of any of the plans during 2024 or 2023.

(b) Employee Option Scheme

An Employee Option Scheme has been established where the Company may, at the discretion of the Board, grant options over the ordinary shares of the Company. The options, issued for nil consideration, are granted in accordance with performance guidelines established by the Directors of the Company. All Directors, officers and employees are eligible for this scheme. No options were issued during the year ended 30 June 2024. As at balance date, no options over unissued shares were on issue.

(c) Performance Rights Plan

The Company has established a Performance Rights Plan. Rights are granted at no cost to recipients and convert (vest) into ordinary shares on completion by the recipient of minimum periods of continuous service and the satisfaction of specified performance hurdles, including those related to the Company's Total Shareholder Return measured against a comparator group of companies over specified periods. There were no Performance Rights issued during the year and there were no Performance Rights on issue as at 30 June 2024.

(d) Loan Share Plan

The Company previously established a Loan Share Plan (**LSP**) under which ordinary shares in the Company may be issued to eligible participants, with vesting of the shares being subject to the satisfaction of stipulated market conditions. The shares are issued at their market value with the recipient required to pay this market value in order to take up the share offer. The Company or any of its subsidiaries will provide a loan to fund the acquisition price. The loan is interest-free and is secured against the shares in the form of a holding lock preventing all dealing in the shares. The loan is limited recourse such that if the shares do not ultimately vest and are therefore forfeited, this is treated as full repayment of the loan balance. While the loan balance remains outstanding, any dividends paid on the shares, net of the tax on the dividends, will be automatically applied towards repayment of the loan. In making the loan in respect of the newly issued shares, there is no cash cost to the Company as the shares are newly issued.

On 14 December 2023, the Company issued 1,952,900 shares (which included 1,488,500 shares reallotted) under the LSP. In accordance with the terms of the LSP, the shares were issued at a share price of $0.546 per share and pursuant to the vesting conditions, these shares do not vest unless a share price target of a 10% premium to the issue price is met between 14 December 2024 and 14 December 2028 and the participants remain continuously employed by the Group until at least 14 December 2025. The award was accounted for as an in-substance option award and the fair value at grant date assessed at $0.2164 per loan-funded share. In calculating this fair value, a Monte Carlo simulation model was utilised over several thousand simulations to predict the share price at each vesting test date and whether the 10% hurdle would be satisfied, with the resultant values discounted back to the grant date. The underlying share price and the exercise price were assumed at $0.55 and the period to exercise was assumed as 3.5 years (being halfway between the first possible vesting date and the expiry of the LSP shares), the risk-free rate was 4.95% based on Australian Government bond yields with three year lives, the estimated volatility was 50% based on historical share price analysis, and the dividend yield was assumed as nil.

The following table shows the number and weighted average exercise prices (**WAEP**) of, and movements in, LSP shares during the year:

	2024 Number of LSP Shares	2024 WAEP[1]	2023 Number of LSP Shares	2023 WAEP[1]
Balance at beginning of the year	8,677,600	$0.65	8,238,528	$0.67
- granted during the year	1,952,900	$0.55	3,851,300	$0.44
- exercised during the year	-	-	(1,923,728)	$0.35
- forfeited during the year	-	-	(1,488,500)	$0.60
Balance at end of the year	10,630,500	$0.63	8,677,600	$0.65

[1] Weighted average exercise price at balance date after dividend adjustments.

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28. Share-Based Payment Plans (Continued)

Recognition and measurement

Share-based payment transactions

The Group provides benefits to employees (including directors) of the Group in the form of share-based payment transactions, whereby employees render services in exchange for shares or rights over shares (**equity-settled transactions**).

Options

There is currently a Directors, Officers, Employees and Other Permitted Persons option plan.

The cost of any options issued under this plan is measured by reference to their fair value at the date at which they are granted. The fair value is typically determined by using a binomial model. No account is taken of any performance conditions, other than conditions linked to the price of the shares of the Company.

Performance rights

There is a Mount Gibson Iron Limited Performance Rights Plan (**PRP**). The PRP enables the Company to provide its executives with long term incentives which create a link between the delivery of value to shareholders, financial performance and rewarding and retaining the executives.

The cost of Performance Rights issued under the PRP is measured by reference to their fair value at the date at which they are granted. The fair value is determined using either a Black-Scholes or Monte Carlo option valuation model.

Loan share plan

There is a Mount Gibson Iron Limited Loan Share Plan (**LSP**). The LSP enables the Company to provide its executives with long term incentives which create a link between the delivery of value to shareholders, financial performance and rewarding and retaining the executives. This plan is accounted for as an in-substance option award.

The cost of these share rights is measured by reference to the fair value at the date at which they are granted. The fair value is measured by reference to the quoted market price on the Australian Stock Exchange and using a Monte Carlo simulation model.

Equity-Settled Transactions Generally

The cost of equity-settled transactions is recognised, together with a corresponding increase in equity, over the period in which the performance conditions are fulfilled, ending on the date on which the relevant employees become fully entitled to the award (**vesting date**).

The cumulative expense recognised for equity-settled transactions at each reporting date until vesting date reflects (i) the extent to which the vesting period has expired and (ii) the number of awards that, in the opinion of the Directors of the Group, will ultimately vest. This opinion is formed based on the best available information at balance date. No adjustment is made for the likelihood of market performance conditions being met as the effect of these conditions is included in the determination of fair value at grant date.

No expense is recognised for awards that do not ultimately vest, except for awards where vesting is conditional upon a market condition.

Where the terms of an equity-settled award are modified, as a minimum an expense is recognised as if the terms had not been modified. In addition, an expense is recognised for any increase in the value of the transaction as a result of the modification, as measured at the date of modification.

Where an equity-settled award is cancelled, it is treated as if it had vested on the date of cancellation, and any expense not yet recognised for the award is recognised immediately. However, if a new award is substituted for the cancelled award, and designated as a replacement award on the date that it is granted, both the cancelled and new award are treated as if they were a modification of the original award, as described in the previous paragraph.

The dilutive effect, if any, of outstanding options, Performance Rights and LSP shares is reflected as additional share dilution in the computation of earnings per share.

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29. Earnings Per Share

Basic earnings per share are calculated by dividing net profit for the year attributable to ordinary equity holders of the Company by the weighted average number of ordinary shares outstanding during the year.

Diluted earnings per share amounts are calculated by dividing the net profit attributable to ordinary equity holders of the Company by the weighted average number of ordinary shares outstanding during the year plus the weighted average number of ordinary shares that would be issued on the conversion of all the dilutive potential ordinary shares into ordinary shares.

The following reflects the income and share data used in the calculations of basic and diluted earnings per share:

	Notes	2024 $'000	2023 $'000
Profit used in calculating basic and diluted earnings per share:			
Profit attributable to ordinary equity holders of the Company		6,430	5,179
		Number of Shares	**Number of Shares**
Weighted average number of ordinary shares used in calculating basic earnings per share		1,204,253,233	1,202,968,123
Effect of dilution			
- Restricted shares (in-substance options)	(i)	-	-
Weighted average number of ordinary shares used in calculating diluted earnings per share		1,204,253,233	1,202,968,123
Earnings per Share (cents per share):			
Basic earnings per share		0.53	0.43
Diluted earnings per share		0.53	0.43

(i) 10,630,500 restricted shares that could potentially dilute basic earnings per share in the future were not included in the calculation of diluted earnings per share because they were antidilutive during the reporting period.

Conversions, calls, subscriptions or issues after 30 June 2024

There have been no issues of shares or exercises, conversions or realisations of options, performance rights or restricted LSP shares under any of the Company's share-based payment plans since 30 June 2024.

Recognition and measurement

Basic earnings per share is calculated as net profit attributable to members of the parent, adjusted to exclude any costs of servicing equity (other than dividends) and preference share dividends, divided by the weighted average number of ordinary shares, adjusted for any bonus element.

Diluted earnings per share are calculated as net profit attributable to members of the company, adjusted for:

i) costs of servicing equity (other than dividends) and preference share dividends;
ii) the after tax effect of dividends and interest associated with dilutive potential ordinary shares that have been recognised as expenses; and
iii) other non-discretionary changes in revenues or expenses during the period that would result from the dilution of potential ordinary shares;

divided by the weighted average number of ordinary shares and dilutive potential ordinary shares, adjusted for any bonus element.

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	2024 $'000	2023 $'000

30. Dividends Paid and Proposed

Declared and paid during the year:

[a] Dividends on ordinary shares:

During the year ended 30 June 2024, no dividends were declared or paid in respect of the 2022/23 financial year.

[b] Dividends not recognised at the end of the reporting period:

The Company has not declared a dividend for the year ended 30 June 2024.

[c] Franked dividends:

The amount of franking credits available for the subsequent financial year are:

Franking account balance as at the end of the financial year at 30%	2,664	1
Franking credits that will arise from the payment of income tax payable as at the end of the financial year	362	-
The amount of franking credits available for future reporting periods:	**3,026**	**1**
Impact on the franking account of dividends proposed or declared before the financial report was authorised for issue but not recognised as a distribution to equity holders during the period	-	-
	3,026	**1**

Tax rates

The tax rate at which paid dividends have been franked is 30%.

31. Contingent Liabilities

1. The Group has a Performance Bonding facility drawn to a total of $6,586,000 as at balance date (2023: $6,681,000). The performance bonds secure the Group's obligations relating primarily to environmental matters and infrastructure assets.
2. Certain claims arising with customers, employees, consultants, and contractors have been made by or against certain controlled entities in the ordinary course of business, some of which involve litigation or arbitration. The Directors do not consider the outcome of any of these claims will have a material adverse impact on the financial position of the consolidated entity.

32. Key Management Personnel

[a] Compensation of Key Management Personnel

	2024 $	2023 $
Short-term	3,021,396	2,937,613
Post employment	130,852	160,575
Long-term	50,089	83,193
Share-based payment	359,270	360,096
	3,561,607	**3,541,477**

[b] Other Transactions and Balances with Key Management Personnel

There were no other transactions and balances with key management personnel during the year.

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33. Related Party Transactions

Ultimate parent

Mount Gibson Iron Limited is the ultimate Australian parent company.

Director-related entity transactions

Sales

During all or part of the year, Mr Lee and Mr Ferguson were directors of APAC Resources Limited (**APAC**) which has a 37.40% beneficial shareholding in Mount Gibson Iron Limited.

During the period, a sale agreement was in place for the sale of 20% of iron ore from Koolan Island's available mined production over the life of mine to APAC.

During the financial year, the Group sold 876,740 wmt (2023: 694,582 wmt) of iron ore to APAC.

Amounts recognised at the reporting date in relation to director-related entity transactions:

	2024 $'000	2023 $'000
Assets and Liabilities		
Current Assets		
Receivables – APAC	528	-
Total Assets	**528**	**-**
Current Liabilities		
Payables – APAC	-	450
Total Liabilities	**-**	**450**
Sales Revenue		
Sales revenue – APAC	142,566	104,886
Total Sales Revenue (before shipping freight)	**142,566**	**104,886**

34. Auditor's Remuneration

	2024 $	2023 $
Amounts received or due and receivable by EY for:		
▪ Fees for auditing the statutory financial report of the parent covering the group and auditing the statutory financial reports of any controlled entities	323,554	334,340
▪ Special purpose fees for auditing the statutory financial report of Gibson Minerals Limited for the years ended 30 June 2017 to 30 June 2022	-	100,000
▪ Other services in relation to the entity and any other entity in the consolidated entity	1,247	4,471
	324,801	**438,811**

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35. Segment Information

The Group has identified its operating segments based on the internal reports that are reviewed and used by the Chief Executive Officer and the executive management team in assessing performance and in determining the allocation of resources.

Since the divestment of the Group's Mid-West iron ore mining and infrastructure assets in July 2023, the Group had one reportable segment during the year ended 30 June 2024. The Koolan Island segment includes the mining, crushing and sale of iron ore direct from the Koolan Island iron ore operation.

Operating results for each reportable segment are reviewed separately by management for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on operating profit or loss and is measured consistently with operating profit or loss in the consolidated financial statements.

Except as noted below, the accounting policies applied for internal reporting purposes are consistent with those applied in the preparation of the financial statements.

For the purposes of segment reporting, revenue is disclosed net of shipping freight costs on a Free on Board (FOB) basis and includes quotation period price adjustments and realised gains and losses on foreign exchange and commodity forward sale contracts.

There have been no inter-segment revenues.

Items that are managed on a Group basis and are not allocated to segments as they are not considered part of core operations of any segment are as follows:

- Finance costs and revenue on investments
- Interest revenue
- Foreign exchange gains/(losses)
- Unrealised gains/(losses) on derivatives
- Corporate costs

During the year ended 30 June 2024, revenue received from the sale of iron ore comprised purchases by the following (unnamed) buyers who each on a proportionate basis equated to greater than 10% of total sales for the period:

Customer	2024 $'000
# 1	527,946
# 2	142,566
Other	(2,834)
	667,678

During the year ended 30 June 2023, revenue received from the sale of iron ore comprised purchases by the following (unnamed) buyers who each on a proportionate basis equated to greater than 10% of total sales for the period:

Customer	2023 $'000
# 1	345,804
# 2	104,886
Other	(104)
	450,586

Revenue from external customers by geographical location is based on the port of delivery. Iron ore shipments were predominantly to China during the year ended 30 June 2024.

All segment assets are located within Australia.

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Notes to the Consolidated Financial Report (continued)

35. Segment Information (Continued)

	Mid-West		Koolan Island		Unallocated*		Consolidated	
	2024 $'000	2023 $'000	2024 $'000	2023 $'000	2024 $'000	2023 $'000	2024 $'000	2023 $'000
Segment revenue								
Revenue from sale of iron ore, net of shipping freight and realised gains/(losses) on derivatives	-	-	667,678	450,586	-	-	667,678	450,586
Interest revenue	-	-	-	-	16,802	2,028	16,802	2,028
Segment revenue, net of shipping freight	**-**	**-**	**667,678**	**450,586**	**16,802**	**2,028**	**684,480**	**452,614**
Segment result								
Earnings/(loss) before impairment, interest, tax, depreciation and amortisation	-	8,254	325,235	238,553	35,347	(13,382)	360,582	233,425
Write down of inventories to net realisable value (i)	-	(159)	(22,676)	1,504	-	-	(22,676)	1,345
Impairment expenses (ii)	-	(1,105)	(159,100)	(74,300)	-	-	(159,100)	(75,405)
Earnings/(loss) before interest, tax, depreciation and amortisation	-	6,990	143,459	165,757	35,347	(13,382)	178,806	159,365
Depreciation and amortisation	-	(490)	(121,289)	(121,639)	(657)	(658)	(121,946)	(122,787)
Segment result	**-**	**6,500**	**22,170**	**44,118**	**34,690**	**(14,040)**	**56,860**	**36,578**
Finance costs							(4,406)	(6,125)
Profit before tax							**52,454**	**30,453**
(i) Write down of inventories to net realisable value:								
Write down of consumables inventories	-	159	830	1,544	-	-	830	1,703
Write down/(reversal of write down) of ore inventories	-	-	21,846	(3,048)	-	-	21,846	(3,048)
	-	159	22,676	(1,504)	-	-	22,676	(1,345)
(ii) Impairment expenses (note 19):								
Impairment of property, plant and equipment	-	-	37,632	12,203	-	-	37,632	12,203
Impairment of right-of-use assets	-	1,105	-	-	-	-	-	1,105
Impairment of mine properties	-	-	121,468	62,097	-	-	121,468	62,097
	-	1,105	159,100	74,300	-	-	159,100	75,405

* 'Unallocated' includes interest revenue of $16,802,000 (2023: $2,028,000), net realised loss on foreign exchange transactions of $512,000 (2023: $87,000 loss), unrealised marked-to-market loss on financial assets held for trading of $3,238,000 (2023: $2,442,000), net gain on disposal group of $35,942,000 (2023: $nil) and corporate expenses such as head office salaries and wages.

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Notes to the Consolidated Financial Report (continued)

35. Segment Information (Continued)

	Mid-West		Koolan Island		Unallocated*		Consolidated	
	2024 $'000	2023 $'000	2024 $'000	2023 $'000	2024 $'000	2023 $'000	2024 $'000	2023 $'000
Segment assets								
Current financial assets	-	3,780	18,563	18,457	449,523	147,253	468,086	169,490
Assets associated with disposal group classified as held for sale	-	2,058	-	-	-	-	-	2,058
Other current assets	-	502	59,910	109,090	1,917	2,009	61,827	111,601
Property, plant and equipment	-	27	25,302	51,118	577	235	25,879	51,380
Right-of-use assets	-	-	11,872	23,248	493	984	12,365	24,232
Deferred exploration and evaluation costs	-	-	-	-	2,480	1,946	2,480	1,946
Mine properties	-	-	81,671	260,138	-	-	81,671	260,138
Other non-current assets	-	-	-	165	-	-	-	165
Deferred tax assets	-	-	-	-	11,990	55,933	11,990	55,933
Total assets	**-**	**6,367**	**197,318**	**462,216**	**466,980**	**208,360**	**664,298**	**676,943**
Segment liabilities								
Financial liabilities	-	1,260	51,190	64,258	3,679	5,485	54,869	71,003
Liabilities associated with disposal group classified as held for sale	-	9,125	-	-	-	-	-	9,125
Other liabilities	-	470	60,620	54,537	2,636	2,577	63,256	57,584
Total liabilities	**-**	**10,855**	**111,810**	**118,795**	**6,315**	**8,062**	**118,125**	**137,712**
Net assets/(liabilities)	**-**	**(4,488)**	**85,508**	**343,421**	**460,665**	**200,298**	**546,173**	**539,231**

* 'Unallocated' current financial assets include cash and cash equivalents of $21,574,000 (2023: $39,396,000), term deposits of $387,340,000 (2023: $103,700,000), financial assets held for trading of $18,539,000 (2023: $3,427,000), other financial assets of $20,745,000 (2023; $nil), trade debtors and other receivables of $1,127,000 (2023: $534,000) and derivatives of $198,000 (2023: $196,000).
'Unallocated' financial liabilities include trade and other payables of $3,136,000 (2023: $2,923,000), interest-bearing loans and borrowings of $543,000 (2023: $2,218,000) and derivatives of $nil (2023: $344,000).

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36. Events After the Balance Sheet Date

Subsequent to year end, the business interruption insurance claim resulting from the Koolan Island processing plant fire in August 2022 has been finalised with insurers for the negotiated amount of $27,270,000 after deductible. It is anticipated the business interruption claim proceeds will be received in the first quarter of the 2024/25 financial year.

On 9 August 2024, the Company made a payment of $3,125,000 to exercise 12,500,000 options at $0.25 per option held in Fenix.

Subsequent to year end, the Board of Directors has approved an on-market share buy-back of up to 5% of the Company's issued shares as part of its capital management strategy.

Other than the above, as at the date of this report there are no significant events after balance date of the Company or of the Group that require adjustment of or disclosure in this report.

37. Financial Instruments

[a] Financial risk management objectives

The Group's principal financial instruments, other than derivatives, comprise bank, cash and short-term deposits, financial assets held for trading, trade and other receivables, trade and other payables, and lease liabilities.

The main purpose of these financial instruments is to manage short term cash flows for the Group's operations.

The Group has various other financial instruments such as trade receivables and trade creditors, which arise directly from its operations.

The Group also enters into derivatives transactions, principally forward currency contracts, and from time to time also enters into foreign currency collar options and iron ore swaps. The purpose is to manage the currency and commodity price risks arising from the Group's operations.

The main risks arising from the Group's financial instruments are foreign currency risk, interest rate risk, credit risk, commodity price risk and liquidity risk. The Board reviews and agrees management's recommended policies for managing each of these risks, as summarised below and in accordance with the Company's Financial Risk Management Policy.

[b] Foreign currency risk

The Group is exposed to the risk of adverse movement in the A$ compared to the US$ as its iron ore sales receipts are predominantly denominated in US$. The Group has used derivative financial instruments to manage specifically identified foreign currency exposures by hedging a proportion of forecast US$ sales transactions in accordance with its risk management policy. The primary objective of using derivative financial instruments is to reduce the volatility of earnings and cashflows attributable to changes in the A$/US$ exchange rate and to protect against adverse movements in this rate.

The Group recognises derivative financial instruments at fair value at the date the derivative contract is entered into. The Group applies hedge accounting to forward foreign currency contracts and collar option contracts that meet the criteria of cash flow hedges.

At 30 June 2024, the notional amount of the foreign exchange hedge book totalling US$15,000,000 is made up exclusively of collar option contracts with maturity dates in the 3 months ended 30 September 2024 and with an average cap price of A$1.00/US$0.6750 and an average floor price of A$1.00/US$0.6275.

As at 30 June 2024, the net marked-to-market unrealised gain on the total outstanding US dollar foreign exchange hedge book of US$15,000,000 was $198,000. This was recognised in the profit or loss as at balance date.

It is the Group's policy to negotiate the terms of the hedge derivatives to match the terms of the hedged item to maximise hedge effectiveness.

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37. Financial Instruments (Continued)

The Group uses the following derivative instruments to manage foreign currency risk from time to time as business needs and conditions dictate:

Instrument	Type of Hedging	Objective
Forward exchange contracts	Cash flow hedge	To hedge sales receipts against cash flow volatility arising from the fluctuation of the A$/US$ exchange rate.
Collar options	Cash flow hedge	To hedge sales receipts against cash flow volatility arising from the fluctuation of the A$/US$ exchange rate by limiting exposure to exchange rates within a certain range of acceptable rates.

[i] Foreign exchange contracts – cash flow hedges

At balance date, the following foreign exchange contracts designed as a hedge of anticipated future receipts that will be denominated in US$ were outstanding:

	2024				2023			
	Average Contract Rate A$/US$	Contract Amount US$ $'000	Contract Amount A$ $'000	Fair Value A$ $'000	Average Contract Rate A$/US$	Contract Amount US$ $'000	Contract Amount A$ $'000	Fair Value A$ $'000
Collar Option Contracts								
Within one year:		15,000	23,904	198		6,000	8,571	(166)
- *call strike price*	*0.6750*				*0.7000*			
- *put strike price*	*0.6275*				*0.6750*			
Within one year:		-	-	-		6,000	8,571	(117)
- *call strike price*					*0.7000*			
- *put strike price*					*0.6685*			
Within one year:		-	-	-		6,000	8,571	(15)
- *call strike price*					*0.7000*			
- *put strike price*					*0.6395*			
Within one year:		-	-	-		10,000	14,286	35
- *call strike price*					*0.7000*			
- *put strike price*					*0.6104*			
Within one year:		-	-	-		24,000	34,286	(46)
- *call strike price*					*0.7000*			
- *put strike price*					*0.6371*			
Within one year:		-	-	-		16,000	23,188	161
- *call strike price*					*0.6900*			
- *put strike price*					*0.6150*			
Total		**15,000**	**23,904**	**198**		**68,000**	**97,473**	**(148)**

At balance date, the following foreign exchange contracts were recognised on the balance sheet and income statement:

	Notes	2024 $'000	2023 $'000
Current assets	12	198	196
Current liabilities	22	-	(344)
Total collar option contracts		198	(148)

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37. Financial Instruments (Continued)

[ii] Foreign currency sensitivity

The following table details the effect on profit and other comprehensive income after tax of a 10% change in the A$ against the US$ from the spot rates at 30 June 2024 and 30 June 2023.

Sensitivity to a 10% change in A$ against US$ at balance date	Net Profit		Other Comprehensive Income	
	2024 $'000	2023 $'000	2024 $'000	2023 $'000
10% appreciation in the A$ spot rate with all other variables held constant	(680)	(759)	1,268	3,769
10% depreciation in the A$ spot rate with all other variables held constant	830	928	(760)	(4,457)

The sensitivity analysis of the Group's exposure to the foreign currency risk at balance date has been determined based on the change in value due to foreign exchange movement based on exposures at balance sheet date. A positive number indicates an increase in profit and other comprehensive income.

At balance date, the Group's exposure to foreign currency risks on financial assets and financial liabilities, excluding derivatives, which are primarily denominated in US dollars, are as follows:

		2024 $'000	2023 $'000
Financial Assets			
Cash	(included within note 6)	10,504	12,321
Trade and other receivables	(included within note 10)	461	18
Financial Liabilities			
Trade and other payables	(included within note 20)	(284)	(409)
Net exposure		**10,681**	**11,930**

The net exposure in US dollars at balance date is U$7,075,000 (2023: U$7,910,000).

[c] Interest rate risk

The Group's exposure to market interest rates relates primarily to the Group's cash and cash equivalents, term deposits and subordinated notes, trade debtors, financial assets at fair value through profit or loss and financial assets held for trading (tradeable corporate bonds).

The Group's policy is to manage its interest costs using a mix of fixed and variable rate debt (as appropriate).

The Group regularly analyses its interest income rate exposure. Within this analysis, consideration is given to potential renewals of existing positions and alternative financing arrangements.

At balance date, the Group's exposure to interest rate risks on financial assets and financial liabilities was as follows:

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Notes to the Consolidated Financial Report (continued)

37. Financial Instruments (Continued)

CONSOLIDATED	Floating interest rate		Fixed interest rate maturing in: 1 year or less		Fixed interest rate maturing in: Over 1 to 5 years		Non-interest bearing		Total carrying amount per balance sheet		Weighted Average Interest	
	2024 $'000	2023 $'000	2024 $'000	2023 $'000	2024 $'000	2023 $'000	2024 $'000	2023 $'000	2024 $'000	2023 $'000	2024 %	2023 %
i) ***Financial assets***												
Cash	36,252	55,034	-	-	-	-	6	4	**36,258**	**55,038**	4.50	2.90
Term deposits	-	-	337,201	103,950	50,289	-	-	-	**387,490**	**103,950**	5.59	5.15
Financial assets held for trading	-	-	1	153	-	-	18,538	3,274	**18,539**	**3,427**	6.50	7.00
Other financial assets	-	-	-	-	-	-	20,745	-	**20,745**	**-**	-	-
Trade and other receivables	-	-	-	-	-	-	4,856*	6,879	**4,856**	**6,879**	-	-
Derivative financial assets	-	-	-	-	-	-	198	196	**198**	**196**	-	-
Total financial assets	**36,252**	**55,034**	**337,202**	**104,103**	**50,289**	**-**	**44,343**	**10,353**	**468,086**	**169,490**		
ii) ***Financial liabilities***												
Trade and other payables	-	-	-	-	-	-	43,018	47,614	**43,018**	**47,614**	-	-
Interest-bearing loans and borrowings	-	-	9,144	11,194	2,707	11,851	-	-	**11,851**	**23,045**	5.47	5.25
Derivative financial liabilities	-	-	-	-	-	-	-	344	**-**	**344**	-	-
Total financial liabilities	**-**	**-**	**9,144**	**11,194**	**2,707**	**11,851**	**43,018**	**47,958**	**54,869**	**71,003**		

* Includes trade receivables at fair value amounting to $461,000 (2023: $18,000) that expose the Group to interest rate risk.

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37. Financial Instruments (Continued)

[i] Interest rate sensitivity

The following table details the effect on profit and other comprehensive income after tax of 25 basis points change in interest rates, in absolute terms.

Sensitivity of 25 basis points change in interest rates	Net Profit		Other Comprehensive Income	
	2024 $'000	2023 $'000	2024 $'000	2023 $'000
• 25 basis points increase in interest rate with all other variables held constant	731	277	-	-
• 25 basis points decrease in interest rate with all other variables held constant	(731)	(277)	-	-

The sensitivity analysis of the Group's exposure to Australian variable interest rates at balance date has been determined based on exposures at balance sheet date. A positive number indicates an increase in profit and equity.

[d] Credit risk

The Group's maximum exposures to credit risk at balance date in relation to each class of recognised financial assets, other than derivatives, is the carrying amount of those assets as indicated in the balance sheet.

In relation to derivative financial instruments, whether recognised or unrecognised, credit risk arises from the potential failure of counterparties to meet their obligations under the contract or arrangement. The Group's maximum credit risk exposure in relation to forward exchange and collar exchange contracts is the full amount of the foreign currency it will be required to pay or purchase when settling the forward or collar exchange contract, should the counterparty not pay the currency it is committed to deliver to the Group.

The majority of the Group's customers are located in China. The Group minimises concentrations of credit risk in relation to trade receivables by undertaking transactions with a number of customers and by the use of advance payments and letters of credit which effectively protect at least 95% of the estimated receivable amount at the time of sale.

Credit risk from balances with banks and financial institutions is managed in accordance with a Board-approved policy. Investments of surplus funds are made only with approved counterparties with an acceptable Standard & Poor's credit rating and within credit limits assigned to each counterparty. Counterparty credit limits are reviewed by the Board on an ongoing basis, and may be updated throughout the year. The limits are set to minimise the concentration of risks and therefore mitigate financial loss through potential counterparty failure. No material exposure is presently considered to exist by virtue of the possible non-performance of the counterparties to financial instruments.

There are no significant concentrations of credit risk within the Group.

[e] Commodity price risk

The Group's operations are exposed to commodity price risk as the Group sells iron ore to its customers. The majority of the Group's sales revenue is derived under long term sales offtake contracts. The pricing mechanism in these contracts reflects a market based clearing index. The pricing mechanism adopts the Platts Iron Ore Index Price (**Platts Index**) which is published daily for iron ore "fines" with Fe content ranging from 52% to 65% and is quoted on a US$ per dry metric tonne "Cost and Freight" North China basis. "Lump" iron ore typically receives a premium to the published Platts Index "fines" price.

During the period, the Group also entered into iron ore collar option contracts totalling 595,000 tonnes of iron ore at prices of A$175 to A$195 per tonne (CFR, including shipping freight), with maturity dates over the period October 2023 to June 2024. Movement in the market value of the collar option contracts were taken to the income statement.

[f] Equity risk

The Group's listed equity investments are susceptible to market price risk arising from uncertainties about future values of the investment securities. The Group manages the equity price risk through diversification and by placing limits on individual and total equity instruments.

At the reporting date, the exposure to equity investments at fair value listed on the Australian Securities Exchange ("ASX") was:

		2024 $'000	2023 $'000
Financial assets held for trading	(included within note 8)	18,538	3,274
Other financial assets	(included within note 9)	20,745	-
		39,283	**3,274**

Given that the changes in fair values of the equity investments held are strongly positively correlated with changes of the ASX market index, the Group has determined that an increase/(decrease) of 10% on the ASX market index could have an impact of approximately $3,901,798 (2023: $326,824) increase/(decrease) on the income and equity attributable to the Group.

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37. Financial Instruments (Continued)

The Group enters into provisionally priced ore sales contracts and iron ore collar option contracts, for which price finalisation is referenced to relevant market indices at specified future dates. The open sales contracts that are subject to provisional pricing adjustments as at 30 June 2024 is $135,783,000 (2023: $173,866,000). The Group's exposure at balance date to the impact of movements in the iron ore price upon provisionally invoiced sales volumes and iron ore collar derivatives is set out below:

Sensitivity at Balance Date	2024 $'000	2023 $'000
Ore Sales Revenue:		
- 10% increase in iron ore prices	13,578	17,387
- 10% decrease in iron ore prices	(13,578)	(17,387)

The sensitivities have been determined as the dollar impact of a 10% increase and decrease in benchmark iron ore prices on trade receivables subject to provisional pricing and on derivative financial liabilities at each reporting date, while holding all other variables, including foreign exchange rates, constant. The relationship between iron ore prices and exchange rates is complex, and movements in exchange rates can impact commodity prices. The above sensitivities should therefore be used with caution.

[g] Liquidity risk

The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of its cash reserves. The Group manages liquidity risk by continuously monitoring forecast and actual cash flows and matching maturity profiles of financial assets and liabilities.

The Group's capital risk management objectives are to safeguard the business as a going concern, to provide appropriate returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure in order to reduce the cost of capital (being equity and debt).

Mount Gibson does not have a target debt/equity ratio but has a policy of maintaining a flexible financing structure so as to be able to take advantage of new investment opportunities that may arise.

At 30 June 2024, the Group had unutilised performance bonding facilities totalling $13,414,000 (2023: $13,319,000). Refer note 21.

Tabulated below is an analysis of the Group's financial liabilities according to relevant maturity groupings based on the remaining period from the balance sheet date to the contractual maturity date. As the amounts disclosed in the table are the contractual undiscounted cash flows, these balances will not necessarily agree with the amounts disclosed in the balance sheet.

	30 June 2024					30 June 2023				
	Less than 6 months $'000	6 to 12 months $'000	1 to 5 years $'000	Over 5 years $'000	Total $'000	Less than 6 months $'000	6 to 12 months $'000	1 to 5 years $'000	Over 5 years $'000	Total $'000
Financial Liabilities										
Trade and other payables	43,018	-	-	-	43,018	47,614	-	-	-	47,614
Interest-bearing loans and borrowings	4,895	4,702	2,756	-	12,353	7,088	5,079	12,353	-	24,520
Derivatives	-	-	-	-	-	344	-	-	-	344
	47,913	**4,702**	**2,756**	**-**	**55,371**	**55,046**	**5,079**	**12,353**	**-**	**72,478**

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37. Financial Instruments (Continued)

[h] Fair value of financial assets and financial liabilities

All financial instruments for which fair value is recognised or disclosed are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is material to the fair value measurement as a whole:

Level 1 – quoted market prices in an active market (that are unadjusted) for identical assets or liabilities

Level 2 – valuation techniques (for which the lowest level of input that is material to the fair value measurement is directly or indirectly observable)

Level 3 – valuation techniques (for which the lowest level of input that is material to the fair value measurement is unobservable)

The fair values of other financial assets (options) are valued internally using the Black Scholes valuation techniques with prevailing short and long term observable market inputs sourced from Bloomberg to determine an appropriate mid-price valuation (level 2).

The fair values of derivative financial instruments are sourced from an independent valuation by the Group's treasury advisors using the valuation techniques with prevailing short and long term observable market inputs sourced from Reuters/Bloomberg to determine an appropriate mid-price valuation (level 2).

The fair values of quoted notes and bonds (classified as either financial assets held for trading or at fair value through other comprehensive income) and listed investment shares are determined based on market price quotations at the reporting date (level 1).

The fair values of trade receivables classified as financial assets at fair value through profit and loss are determined using a discounted cash flow model incorporating market observable inputs sourced from Platts index pricing (level 2). This model also incorporates interest rate and credit risk adjustments.

The fair values of cash, short-term deposits, other receivables, trade and other payables and other interest-bearing borrowings approximate their carrying values, as a result of their short maturity or because they carry floating rates of interest.

The carrying amounts and fair values of the financial assets and financial liabilities for the Group as at 30 June 2024 and 30 June 2023 are shown below.

	Notes	2024 Carrying Amount $'000	2024 Fair Value $'000	2023 Carrying Amount $'000	2023 Fair Value $'000
Financial assets					
Cash	6	36,258	36,258	55,038	55,038
Term deposits	7	387,490	387,490	103,950	103,950
Financial assets held for trading	8	18,539	18,539	3,427	3,427
Subordinated notes	9	20,745	20,745	-	-
Derivatives	12	198	198	196	196
Trade debtors and other receivables	10	4,856	4,856	6,879	6,879
		468,086	468,086	169,490	169,490
Financial liabilities					
Trade and other payables	20	43,018	43,018	47,614	47,614
Interest-bearing loans and borrowings	21	11,851	11,851	23,045	23,045
Derivatives	22	-	-	344	344
		54,869	54,869	71,003	71,003
Net financial assets		**413,217**	**413,217**	**98,487**	**98,487**

Recognition and measurement

Initial recognition and measurement

Financial assets are classified, at initial recognition, and subsequently measured at amortised cost, fair value through other comprehensive income (**OCI**), or fair value through profit or loss.

The classification of financial assets at initial recognition that are debt instruments depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. With the exception of trade receivables that do not contain a material financing component or for which the Group has applied the practical expedient, the Group initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables that do not contain a material financing component or for which the Group has applied the practical expedient for contracts that have a maturity of one year or less, are measured at the transaction price determined under the revenue accounting policy (see note 3).

In order for a financial asset to be classified and measured at amortised cost or fair value through OCI, it needs to give rise to cash flows that are 'solely payments of principal and interest' (**SPPI**) on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level.

The Group's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Group commits to purchase or sell the asset.

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Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in four categories:

- Financial assets at amortised cost (debt instruments)
- Financial assets at fair value through OCI with recycling of cumulative gains and losses (debt instruments)
- Financial assets designated at fair value through OCI with no recycling of cumulative gains and losses upon derecognition (equity instruments)
- Financial assets at fair value through profit or loss

Financial assets at amortised cost (debt instruments)

The Group measures financial assets at amortised cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding

Financial assets at amortised cost are subsequently measured using the effective interest rate (**EIR**) method and are subject to impairment. Interest received is recognised as part of finance income in the statement of profit or loss and other comprehensive income. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

The Group's financial assets at amortised cost include term deposits, trade receivables (not subject to provisional pricing) and other receivables (see notes 7 and 10).

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss include financial assets held for trading (see note 8), financial assets designated upon initial recognition at fair value through profit or loss or financial assets mandatorily required to be measured at fair value, i.e., where they fail the SPPI test. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. Derivatives, including separated embedded derivatives, are also classified as held for trading unless they are designated as effective hedging instruments. Financial assets with cash flows that do not pass the SPPI test are required to be classified and measured at fair value through profit or loss, irrespective of the business model.

Financial assets at fair value through profit or loss are carried in the statement of financial position at fair value with net changes in fair value recognised in profit or loss.

As the Group applies the SPPI test to determine the classification of financial assets, the requirements relating to the separation of embedded derivatives is no longer needed for financial assets. An embedded derivative will often make a financial asset fail the SPPI test thereby requiring the instrument to be measured at fair value through profit or loss in its entirety. This is applicable to the Group's trade receivables subject to provisional pricing (see note 10). These receivables relate to sales contracts where the selling price is determined after delivery to the customer, based on an index price at the end of the relevant quotational period stipulated in the contract. This exposure to the market-based index price causes such trade receivables to fail the SPPI test. As a result, these receivables are measured at fair value through profit or loss from the date of recognition of the corresponding sale, with subsequent movements being recognised in other revenue (see note 3).

Financial assets at fair value through OCI

The Group measures debt instruments at fair value though OCI if both of the following conditions are met: -

- The financial asset is held with a business model with both the objective of both holding to collect contractual cash flows and selling; and
- The contractual terms meet the SPPI test.

For debt instruments at fair value through OCI, interest income and impairment losses are recognised in profit and loss and computed in the same manner as for financial assets carried at amortised cost. The remaining fair value changes are recognised in OCI. Upon derecognition, the cumulative fair value change recognised in OCI is recycled to profit and loss.

Impairment of financial assets

The Group recognises an allowance for expected credit losses (**ECLs**) for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original EIR. ECLs are recognised in two stages. For credit exposures for which there has not been a material increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (**12-month ECL**). For those credit exposures for which there has been a material increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (**lifetime ECL**).

For trade receivables (not subject to provisional pricing) and other receivables due in less than 12 months, the Group applies the simplified approach in calculating ECLs. Therefore, the Group does not track changes in credit risk, but instead, recognises a loss allowance based on the financial asset's lifetime ECL at each reporting date. The Group has established a provision matrix for trade receivables that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment. For any other financial assets carried at amortised cost (which are due in more than 12 months), the ECL is based on the 12-month ECL when there has not been a material increase in credit risk since origination. The 12-month ECL is the proportion of lifetime ECLs that results from default events on a financial instrument that are possible within 12 months after the reporting date.

When there has been a material increase in credit risk since origination, the allowance will be based on the lifetime ECL. When determining whether the credit risk of a financial asset has increased materially since initial recognition and when estimating ECLs, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's historical experience and informed credit assessment including forward-looking information. The Group considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows and usually occurs when past due for more than one year and not subject to enforcement activity.

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Derivative financial instruments and hedging

Derivative financial instruments are initially recognised at fair value on the date the derivative contract is entered into and are subsequently remeasured to fair value.

Any gains and losses arising from changes in the fair value of derivatives, except those that qualify as cash flow hedges, are taken directly to net profit or loss for the year.

For the purpose of hedge accounting, hedges are classified as either fair value hedges when they hedge the exposure to changes in the fair value of a recognised asset or liability, or cash flow hedges where they hedge exposure to variability in cash flows that is either attributable to a particular risk associated with a recognised asset or liability or a forecasted transaction. All hedges are currently classified as cash flow hedges.

In relation to cash flow hedges to hedge firm commitments which meet the conditions for hedge accounting, the portion of the gain or loss on the hedging instrument that is determined to be an effective hedge is recognised directly in equity and the ineffective portion is recognised in the income statement.

When the hedged firm commitment results in the recognition of an asset or a liability, then, at the time the asset or liability is recognised, the associated gains or losses that had previously been recognised in equity are included in the initial measurement of the acquisition cost or other carrying amount of the asset or liability.

For all other cash flow hedges, the gains or losses that are recognised in equity are transferred to the income statement in the same year in which the hedged firm commitment affects the net profit and loss, for example when the future sale actually occurs.

Effectiveness is tested at inception of each hedge and monthly thereafter until the hedge expires. The cumulative dollar offset method is applied in the measurement of effectiveness. The cumulative approach involves comparing the cumulative change (to date from inception of the hedge) in the hedging instrument's fair values to the cumulative change in the hedged item's (or USD cash flow) attributable to the risk being hedged.

Effectiveness of the forward exchange contracts is monitored by comparing the forward net present value of the underlying cash flows to the forward net present value of the fair value associated with the hedging instrument. Prospective and retrospective testing is undertaken by the Group's treasury advisors.

At each balance date, the Group measures ineffectiveness using the ratio offset method. For foreign currency cash flow hedges if the risk is over hedged, the ineffective portion is taken immediately to other income or expense in the income statement.

Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated or exercised, or no longer qualifies for hedge accounting. At that point in time, any cumulative gain or loss on the hedging instrument recognised in equity is kept in equity until the forecasted transaction occurs. If a hedged transaction is no longer expected to occur, the net cumulative gain or loss recognised in equity is transferred to the income statement.

38. Parent Entity Information

	2024 $'000	2023 $'000
[a] Information relating to Mount Gibson Iron Limited:		
Current assets	7,000	6,024
Total assets	1,134,017	1,162,032
Current liabilities	362	781
Total liabilities	587,844	622,801
Issued capital	633,102	633,102
Issued capital – restricted shares under Loan Share Plan	7,419	6,353
Accumulated losses	(452,999)	(458,516)
Dividend distribution reserve	335,739	335,739
Share based payments reserve	22,912	22,553
Total Shareholder's Equity	546,173	539,231
Net profit after tax of the parent entity	5,517	4,985
Total comprehensive profit of the parent entity	5,517	4,985

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[b] Details of any guarantees entered into by the parent entity

There are cross guarantees given by Mount Gibson Iron Limited in relation to the debts of its subsidiaries as described in note 14 and note 21.

The parent entity has further provided bank guarantees in respect of obligations to various authorities. Refer to note 21.

[c] Details of any contingent liabilities of the parent entity

The parent entity had contingent liabilities as at reporting date as set out in note 31. For information about guarantees given by the parent entity, refer [b] above.

[d] Details of any contractual commitments by the parent entity for the acquisition of property, plant and equipment

There are no contractual commitments by the parent entity for the acquisition of property, plant and equipment as at reporting date.

[e] Tax Consolidation

The Company and its 100%-owned entities have formed a tax consolidated group. Members of the Group entered into a tax sharing arrangement in order to allocate income tax expense to the wholly-owned controlled entities. The agreement provides for the allocation of income tax liabilities between the entities should the head entity default on its tax payment obligations. At balance date, the possibility of default is remote. The head entity of the tax consolidated group is Mount Gibson Iron Limited.

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39. New and Amended Accounting Standards and Interpretations

A. New and amended Accounting Standards and Interpretations adopted from 1 July 2023

Since 1 July 2023, the Group has adopted all Accounting Standards and Interpretations mandatory to annual periods beginning on or before 1 July 2023. Adoption of these standards and interpretations did not have a material effect on the financial position or performance of the Group.

B. New and amended Accounting Standards and Interpretations issued but not yet effective

Other Australian Accounting Standards and Interpretations relevant to the Group that have recently been issued or amended but are not yet effective for the Group's reporting period, have not been adopted by the Group for the period ended 30 June 2024 are outlined in the table below:

Reference	Title	Summary	Application date of standard	Application date for Group
AASB 2020-1	Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-current	A liability is classified as current if the entity has no right at the end of the reporting period to defer settlement for at least 12 months after the reporting period. The AASB recently issued amendments to AASB 101 to clarify the requirements for classifying liabilities as current or non-current. Specifically: ► The amendments specify that the conditions which exist at the end of the reporting period are those which will be used to determine if a right to defer settlement of a liability exists. ► Management intention or expectation does not affect classification of liabilities.	1 January 2024	1 July 2024
AASB 2022-6	Amendments to AASs – Non-Current Liabilities with Covenants	► In cases where an instrument with a conversion option is classified as a liability, the transfer of equity instruments would constitute settlement of the liability for the purpose of classifying it as current or non-current. A consequence of the first amendment is that a liability would be classified as current if its repayment conditions failed their test at reporting date, despite those conditions only becoming effective in the 12 months after the end of the reporting period. In response to this possible outcome, the AASB has proposed further amendments: ► Specifying that conditions with which an entity must comply after the reporting period do not affect the classification at the reporting date ► Adding presentation and disclosure requirements for non-current liabilities subject to conditions in the next 12 months ► Clarifying specific situations in which an entity does not have a right to defer settlement for at least 12 months after the reporting date These amendments are applied retrospectively. Earlier application is permitted.	1 January 2024	1 July 2024

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Reference	Title	Summary	Application date of standard	Application date for Group
AASB 2014-10	Amendments to Australian Accounting Standards – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	The amendments to AASB 10 *Consolidated Financial Statements* and AASB 128 *Investments in Associates and Joint Ventures* clarify that a full gain or loss is recognised when a transfer to an associate or joint venture involves a business as defined in AASB 3 *Business Combinations*. Any gain or loss resulting from the sale or contribution of assets that does not constitute a business, however, is recognised only to the extent of unrelated investors' interests in the associate or joint venture. These amendments are applied prospectively. Earlier application is permitted.	1 January 2025	1 July 2025
AASB 2014-10	Amendments to Australian Accounting Standards – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	The amendments to AASB 10 *Consolidated Financial Statements* and AASB 128 *Investments in Associates and Joint Ventures* clarify that a full gain or loss is recognised when a transfer to an associate or joint venture involves a business as defined in AASB 3 *Business Combinations*. Any gain or loss resulting from the sale or contribution of assets that does not constitute a business, however, is recognised only to the extent of unrelated investors' interests in the associate or joint venture. These amendments are applied prospectively. Earlier application is permitted.	1 January 2025	1 July 2025
AASB 18	Presentation and Disclosure in Financial Statements	Effective for annual reporting periods beginning on or after 1 January 202713 AASB 18 has been issued to improve how entities communicate in their financial statements, with a particular focus on information about financial performance in the statement of profit or loss. The key presentation and disclosure requirements established by AASB 18 are: ► The presentation of newly defined subtotals in the statement of profit or loss ► The disclosure of management-defined performance measures (MPM) ► Enhanced requirements for grouping information (i.e. aggregation and disaggregation) AASB 18 is accompanied with limited consequential amendments to the requirements in other accounting standards, including AASB 107 Statement of Cash Flows. AASB 18 introduces three new categories for classification of all income and expenses in the statement of profit or loss: operating, investing and financing. Additionally, entities will be required to present subtotals for 'operating profit or loss', 'profit or loss before financing and income taxes' and 'profit or loss'. For the purposes of classifying income and expenses into one of the three new categories, entities will need to assess their main business activity, which will require judgement. There may be more than one main business activity. AASB 18 also requires several disclosures in relation to MPMs, such as how the measure is calculated, how it provides useful information and a reconciliation to the most comparable subtotal specified by AASB 18 or another standard. AASB 18 will replace AASB 101 Presentation of Financial Statements.	1 January 2027	1 July 2027

The Group has elected not to early adopt any of these new standards or amendments in these financial statements. The Group intends to adopt these standards when they become effective. An impact assessment of the standards issued but not yet effective is yet to be performed.

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Consolidated Entity Disclosure Statement

As at 30 June 2024

Name of entity	Type of entity	% of share capital	Country of incorporation	Country of tax residence
Mount Gibson Mining Limited	Body Corporate	100	Australia	Australia
Geraldton Bulk Handling Pty Ltd	Body Corporate	100	Australia	Australia
Gibson Minerals Limited	Body Corporate	100	Australia	Australia
Aztec Resources Limited	Body Corporate	100	Australia	Australia
Koolan Iron Ore Pty Ltd	Body Corporate	100	Australia	Australia
Koolan Shipping Pty Ltd	Body Corporate	100	Australia	Australia
Brockman Minerals Pty Ltd	Body Corporate	100	Australia	Australia
KIO SPV Pty Ltd	Body Corporate	100	Australia	Australia

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Directors' Declaration

In accordance with a resolution of the directors of Mount Gibson Iron Limited, I state that:

1. In the opinion of the Directors:

   (i) the financial statements, notes and the additional disclosures included in the Directors Report designated as audited of the Group are in accordance with the *Corporations Act 2001*, including:

      A. giving a true and fair view of the financial position of the Group as at 30 June 2024 and of its performance for the year ended on that date;

      B. complying with Accounting Standards and the *Corporations Regulations 2001*;

   (ii) the financial statements and notes also comply with International Reporting Standards as disclosed in note 1;

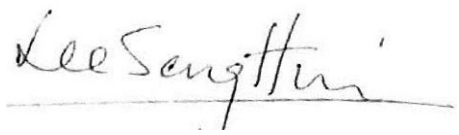
   (iii) there are reasonable grounds to believe that the Group will be able to pay its debts as and when they become due and payable;

   (iv) the consolidated entity disclosure statement required by section 295(3A) of the *Corporations Act 2001* is true and correct; and

   (v) as at the date of this declaration, there are reasonable grounds to believe that the Company and the subsidiaries identified in Note 14 will be able to meet any obligations or liabilities to which they are or may become subject to, by virtue of the Deed of Cross Guarantee between the Company and those subsidiaries.

2. This declaration has been made after receiving the declarations required to be made to the Directors in accordance with section 295A of the *Corporations Act 2001* for the financial year ended 30 June 2024.

Signed in accordance with a resolution of the directors.



LEE SENG HUI
Chairman

Date: 20 August 2024

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Independent auditor's report to the members of Mount Gibson Iron Limited

Report on the audit of the financial report

Opinion

We have audited the financial report of Mount Gibson Iron Limited (the Company) and its subsidiaries (collectively the Group), which comprises the consolidated balance sheet as at 30 June 2024, the consolidated income statement, consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated cash flows statement for the year then ended, notes to the financial statement, including material accounting policy information, the consolidated entity disclosure statement and the directors' declaration.

In our opinion, the accompanying financial report of the Group is in accordance with the *Corporations Act 2001*, including:

a. Giving a true and fair view of the consolidated financial position of the Group as at 30 June 2024 and of its consolidated financial performance for the year ended on that date; and

b. Complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial report* section of our report. We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial report of the current year. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, but we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the *Auditor's responsibilities for the audit of the financial report* section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial report. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying financial report.

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1. Provision for rehabilitation

Why significant	How our audit addressed the key audit matter
As a consequence of its operations the Group incurs obligations to rehabilitate and restore its mine sites. Rehabilitation activities are governed by local legislative requirements. As at 30 June 2024 the Group's consolidated balance sheet includes provisions of $54.7 million in respect of these obligations (refer to note 23). We considered this to be a key audit matter because estimating the costs associated with these future activities requires judgement and estimation for factors such as timing of when rehabilitation will take place, the extent of the rehabilitation and restoration activities and economic assumptions such as inflation rates and discount rates which are used to determine the provision amount.	We evaluated the assumptions and methodologies used by the Group in arriving at their rehabilitation cost estimates. In doing so we: ▸ Involved our climate change and sustainability services specialists to assess the competence, qualifications and objectivity of the Group's external expert whose work formed the basis of the Group's cost estimates. ▸ Tested the reasonableness of the timing of the rehabilitation cashflows and the resultant inflation and discount rate assumptions used in the Group's provision estimates, having regard to available economic data on future inflation and discount rates. ▸ Evaluated the adequacy of the Group's disclosures relating to rehabilitation obligations in the financial report and considered the treatment applied to changes in the rehabilitation and restoration provision.

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2. Impairment assessment for the Koolan Island Cash Generating Unit (CGU)

Why significant	How our audit addressed the key audit matter
The carrying value of the Group's property, plant and equipment and mine property assets at 30 June 2024 was $107.6 million. Of this total amount $107.0 million related to the Koolan Island CGU. Management undertook an impairment trigger assessment at 30 June 2024 and concluded that an impairment trigger had occurred in respect of the Koolan Island CGU. Accordingly, management performed an impairment assessment for the Koolan Island CGU at 30 June 2024 and based on this assessment concluded that an impairment charge of $159.1 million was required (refer to note 19). We considered this to be a key audit matter because of the significant judgement and estimation required in the determination of the recoverable amount of the Koolan Island CGU including assumptions relating to future iron ore prices, exchange rates, operating and capital costs and an appropriate discount rate to reflect the risk associated with the forecast cash flows having regard to the current status of the project.	We assessed the reasonableness of the Group's impairment assessment process and the recoverable amount of the Koolan Island CGU. Our audit procedures included the following: ▸ In conjunction with our valuation specialists, we evaluated the reasonability of key input assumptions and valuation methodologies used by the Group to determine recoverable amount. We assessed the key input assumptions such as forecast foreign exchange rates, forecast iron ore prices and discount rate with reference to market prices (where available), market research, market practice, market indices and broker consensus forecasts. ▸ Tested the mathematical accuracy of the Group's discounted cash flow model used to measure recoverable amount and agreed relevant data, including assumptions on timing and future capital and operating expenditure, to the Group's feasibility studies for the Koolan Island CGU and the latest Board approved life of mine plan. ▸ Assessed the work of the Group's internal expert with respect to the capital and operating assumptions used in the cash flow forecasts. This included understanding the underlying cost estimation process, information in Board reports and releases to the market. We also examined the qualifications, competence and objectivity of the experts and assessed whether key capital and operating expenditure assumptions were consistent with information in Board reports and releases to the market. ▸ Assessed the work of the Group's external expert with respect to the reserve assumptions used in the cash flow forecasts. This included understanding the Group's reserve estimation process. We also examined the qualifications, competence and objectivity of the Group's experts, and assessed whether key reserve economic assumptions were consistent with those used elsewhere in the financial report.

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Why significant	How our audit addressed the key audit matter
	▸ Assessed the impact of a range of sensitivities to the economic assumptions underpinning the Group's impairment assessment. ▸ Assessed the allocation of the impairment expense to the non-current assets. ▸ Evaluated the adequacy of the Group's disclosures in the financial report with respect to the Group's impairment assessment and resultant impairment expense for the Koolan Island CGU.

Information other than the financial report and auditor's report thereon

The directors are responsible for the other information. The other information comprises the information included in the Company's 2024 annual report other than the financial report and our auditor's report thereon. We obtained the directors' report that is to be included in the annual report, prior to the date of this auditor's report, and we expect to obtain the remaining sections of the annual report after the date of this auditor's report.

Our opinion on the financial report does not cover the other information and we do not and will not express any form of assurance conclusion thereon, with the exception of the Remuneration Report and our related assurance opinion.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the directors for the financial report

The directors of the Company are responsible for the preparation of:

a. The financial report (other than the consolidated entity disclosure statement) that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001*; and;

b. The consolidated entity disclosure statement that is true and correct in accordance with the *Corporations Act 2001*; and for such internal control as the directors determine is necessary to enable the preparation of:

   i. the financial report (other than the consolidated entity disclosure statement) that gives a true and fair view and is free from material misstatement, whether due to fraud or error; and

   ii. the consolidated entity disclosure statement that is true and correct and is free of misstatement, whether due to fraud or error.

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In preparing the financial report, the directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

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We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated to the directors, we determine those matters that were of most significance in the audit of the financial report of the current year and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on the audit of the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included in pages 12 to 19 of the directors' report for the year ended 30 June 2024.

In our opinion, the Remuneration Report of Mount Gibson Iron Limited for the year ended 30 June 2024, complies with section 300A of the *Corporations Act 2001*.

Responsibilities

The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

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Ernst & Young

J K Newton
Partner
Perth
20 August 2024

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Corporate Governance Statement

The Company's Board is committed to protecting and enhancing shareholder value and conducting the Company's business ethically and in accordance with high standards of corporate governance. In determining those standards the Company has had reference to the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations 4th Edition* ("**ASX Recommendations**") during the reporting period. The Company believes that its practices are substantially consistent with the ASX Recommendations and will continue to adapt its governance practices to be consistent with them and make changes as appropriate, having regard to the nature and scale of the Company's business.

A description of the Company's main corporate governance practices is set out in its Corporate Governance Statement available online at www.mtgibsoniron.com.au. The practices reflect the Company's existing corporate governance policies and is current as at 30 September 2024. The Corporate Governance Statement has been approved by the Board.

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Additional ASX Information

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(a) Distribution of equity securities

As at 10 September 2024 the number of Shareholders, by size of holding, in each class of share, are as follows:

			Ordinary Shares		
			Number of holders	Number of Shares	% of Issued Capital
1	-	1,000	1,624	818,354	0.07
1,001	-	5,000	3,476	9,760,752	0.80
5,001	-	10,000	1,645	13,148,572	1.08
10,001	-	100,000	2,935	95,728,471	7.86
100,001	Over		488	1,098,899,384	90.20
TOTAL			**10,168**	**1,218,355,533**	**100.00**

Unmarketable parcels

The minimum $500 parcel size at $0.2750 per share is 1,819 shares. 2,545 shareholders hold unmarketable parcels comprising a total of 2,077,218 shares.

(b) Equity security holders

As at 10 September 2024 the names of the twenty largest holders of shares are:

		Ordinary Shares	
		Number of Shares	% of Shares Held
1	EVERBRIGHT SECURITIES INVESTMENT SERVICES (HK) LTD <CLIENT A/C>	220,257,802	18.08
2	APAC RESOURCES INVESTMENTS LIMITED	209,867,038	17.23
3	TRUE PLUS LIMITED	163,866,874	13.45
4	CITICORP NOMINEES PTY LIMITED	120,287,089	9.87
5	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	71,847,235	5.90
6	J P MORGAN NOMINEES AUSTRALIA PTY LIMITED	43,846,953	3.60
7	BNP PARIBAS NOMS PTY LTD	28,252,772	2.32
8	DEBORTOLI WINES PTY LIMITED	27,591,539	2.26
9	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED <NT-COMNWLTH SUPER CORP A/C>	19,354,888	1.59
10	PRECISION OPPORTUNITIES FUND LTD <INVESTMENT A/C>	8,885,181	0.73
11	MR PETER KERR	7,395,203	0.61
12	TREASURY SERVICES GROUP PTY LTD <NERO RESOURCE FUND A/C>	5,763,100	0.47
13	BNP PARIBAS NOMINEES PTY LTD <IB AU NOMS RETAILCLIENT>	4,942,721	0.41
14	MR DAVID JOHN STOKES	3,899,035	0.32
15	BNP PARIBAS NOMINEES PTY LTD <HUB24 CUSTODIAL SERV LTD>	3,780,022	0.31
16	MS GILLIAN DOBSON	3,717,600	0.31
17	BNP PARIBAS NOMS (NZ) LTD	3,398,488	0.28
18	SAVIVE PTY LTD <SAVIVE SUPER FUND A/C>	2,757,262	0.23
19	MR JINGYUN OUYANG	2,700,000	0.22
20	JETOSEA PTY LTD	2,638,111	0.22
Top 20 Holders		**955,048,913**	**78.39**
Total Remaining Holders Balance		**263,306,620**	**21.61**
Total Issued Ordinary Shares		**1,218,355,533**	**100.00**

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(c) Substantial Shareholders

The names of Substantial Shareholders who have notified the Company in accordance with section 671B of the Corporations Act 2001 are provided below, together with details, as at the date of the Substantial Shareholder notification:

	Number of Shares	% of current issued share capital
1. APAC Resources Limited and its subsidiaries	452,767,297	37.40%
2. Allied Properties Investments (1) Company Limited and its related corporate entities	452,767,297	37.40%
Note: Substantial shareholdings 1 and 2 are not cumulative and arise through common shareholdings.		
3. Shougang Corporation and Shougang Concord International Enterprises Company Limited and each of their controlled entities	154,166,874	13.64%
4. Shougang Fushan Resources Group Limited, True Plus Limited and its subsidiaries	154,166,874	13.64%
Note: Substantial shareholdings 3 and 4 are not cumulative and arise through common shareholdings.		
5. Paradice Investment Management Pty Ltd	114,552,189	9.433%

(d) Voting rights

All ordinary Shares carry one vote per Share without restriction.

No voting rights attach to options.

(e) Schedule of interests in mining tenements

Location	Tenement	Status	Percentage Held
Tenements Held by MGX			
Koolan Island	M04/416-I	Live	100%
Koolan Island	M04/417-I	Live	100%
Koolan Island	E04/1266-I	Live	100%
Koolan Island	L04/29	Live	100%
Koolan Island	L04/68	Live	100%
Koolan Island	L04/101	Live	100%
Tallering Peak	M70/1062-I	Live	100%
Tallering Peak	M70/896-I	Live	100%
Tallering Peak	E70/3732	Live	100%
Tallering Peak	E70/5298	Live	100%
Tallering Peak	L70/60	Live	100%
Tallering Peak	L70/69	Live	100%
Tallering Peak	G70/192	Live	100%
Tallering Peak	E70/6560	Pending	100%
MGX Has Interests In			
Fields Find[1]	E59/1268-I	Live	
Fields Find[1]	M59/63-I	Live	
Fields Find[1]	E59/1996	Live	
Fields Find[1]	E59/1997	Live	
Fields Find[1]	E59/2382	Live	
Fields Find[1]	E59/2383	Live	
Murchison[2]	E09/2299	Live	50%
Murchison[2]	E09/2499	Pending	

[1] Tenements are held by another party. MGX holds rights to Iron on a portion of these tenements.
[2] Tenements are held by another party. MGX is in a Farm-in and JV to earn 75% of these tenements.

Notes

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Corporate Directory

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Board of Directors

Lee Seng Hui
Chairman, Non-Executive Director

Alan Jones
Non-Executive Director

Ding Rucai
Non-Executive Director

Paul Dougas
Non-Executive Director

Simon Bird
Non-Executive Director

Evian Delfabbro
Non-Executive Director

Company Secretary

David Stokes

Registered Office

Level 1, 2 Kings Park Road
West Perth 6005, Western Australia
Telephone: +61 8 9426 7500
Facsimile: +61 8 9485 2305
Email: admin@mgx.com.au
Website: www.mtgibsoniron.com.au

Solicitors

King & Wood Mallesons
Level 30, QV1 Building
250 St Georges Terrace,
Perth 6000, Western Australia

Auditors

Ernst & Young
Ernst & Young Building
11 Mounts Bay Road
Perth 6000, Western Australia

Bankers

HSBC Bank Australia Ltd
188-190 St George's Terrace
Perth 6000, Western Australia

Stock Exchange Listing

The company's shares are listed on the Australian Securities Exchange.
ASX Code: MGX

Share Registry

Computershare Investor Services Pty Ltd
Level 17, 221 St George's Terrace
Perth 6000, Western Australia
Telephone: 1300 787 272
Facsimile: +61 8 9323 2033

Annual General Meeting of Shareholders

Mount Gibson will hold a hybrid AGM at 10:30am AWST (1:30pm AEDT) on Wednesday 20 November 2024. Information explaining how shareholders who are unable to attend the meeting in person may access, vote and ask questions at the meeting is provided in the Company's Notice of AGM released to the ASX in October 2024.

Easy Access to Information

See our website at **www.mtgibsoniron.com.au** for regular quarterly reports and financial results. Additionally, shareholders or interested parties can register to receive emailed updates shortly after the company makes any regular or major announcement.

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