

DALE HARRIS TO LEAD KARARA MINING LIMITED

Gindalbie Metals Limited (ASX: **GBG** – “Gindalbie”) today announced that Dale Harris will be seconded from his role as Managing Director of Gindalbie to become Chief Executive Officer (CEO) of Karara Mining Limited (KML) to directly oversee KML’s operation, the continued debottlenecking and ramp-up of production at the Karara Project.

As outlined recently, the technical review work undertaken by KML has determined a pathway for the Karara Concentrator to achieve sustainable production at nameplate capacity of 8.8Mtpa. However, the review identified a constraint in the crushing circuit and further work to assess options to resolve this constraint is in progress.

As CEO Mr Harris will oversee ongoing programs designed to achieve design commercial production levels. His appointment has the unanimous support of all Directors of Gindalbie and Karara. The Directors of both companies believe Mr Harris is best placed to lead KML moving forward.

The Board of Gindalbie and KML would like to express their thanks to Mr Sims for his significant contribution to the Company as Chief Financial Officer and more recently as acting CEO. Mr Sims has decided to resign from the company, however, at the Board’s request, he has agreed to remain an employee of KML until July 2014 and will support Mr Harris and the broader KML team during this period.

Mr Harris, who joined Gindalbie as Managing Director last year, is a highly accomplished mining executive with extensive iron ore experience. Prior to joining Gindalbie, he was Chief Operating Officer with Rio Tinto Iron Ore based in Perth, having previously held a number of other senior positions with the Rio Tinto iron ore business.

As a result of this appointment, Mr Harris will step down from his position as Managing Director of Gindalbie. Mr Michael O’Neill has been appointed as Acting Managing Director of Gindalbie. Mr O’Neill has been a Director of Gindalbie since April 2006 and held a number of senior positions with ANZ over a career spanning 39 years. Mr O’Neill is an independent director of the Perth Market Authority and is on the board of the Australian Institute of Sport.

Gindalbie’s Chairman, Mr Keith Jones, said: “Ansteel and Gindalbie have decided to appoint Dale Harris into a hands-on, front-line role as CEO of KML to take the project forward. We have every confidence in Dale’s ability to oversee this process given the insights that he has gained into the Karara Project since joining Gindalbie last year and his own extensive experience in managing large-scale iron ore operations.

“While a great deal has been achieved in establishing the Karara Project, the Board of Gindalbie acknowledges and shares the disappointment felt by shareholders in the ongoing delays in the ramp-up of the Concentrator.

“However, the Board remains firmly committed to working closely with Ansteel to resolve the outstanding technical issues and to achieve nameplate production levels as soon as possible,” Mr Jones said.

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