

## KARARA SHIPS FIRST COMMERCIAL IRON ORE FROM GERALDTON

### *FIRST SHIPMENT OF DSO HEMATITE DEPARTS FROM KARARA EXPORT TERMINAL FOR CHINA*

Gindalbie Metals Limited (ASX: **GBG** – “Gindalbie”) is pleased to announce that the first commercial shipment of iron ore from the Karara Project in Western Australia has been dispatched from the new **Karara Export Terminal** in Geraldton, marking another significant milestone for the Karara Project and the first time the integrated Mine, Rail and Port logistics chain servicing the Project has been utilized.

Loading of the shipment of hematite direct shipping ore (DSO), onto the Panamax vessel M.V. Jai Tai, was completed yesterday afternoon and the ship departed Geraldton on last night’s high tide, bound for China.

The maiden shipment comprised approximately 58,000 tonnes of hematite DSO.



This first shipment of DSO marks the start of regular shipments of hematite from Karara, with production and shipments expected to ramp up to an annualised rate of 2Mtpa towards the end of 2012.

This follows the official opening of the Karara Export Terminal by the WA Treasurer and Transport Minister, Troy Buswell, on 18 September, 2012.

The new facilities at Geraldton comprise a dedicated berth (Berth 7) and 5,000tph ship-loader, a 255,000t storage facility and a twin-car rotary dumper for train unloading. The Karara Export Terminal is capable of handling up to 16Mtpa, which is sufficient for Stage One and the anticipated Stage Two of the Karara Project.

Karara currently has stockpiles of approximately 1.8 million tonnes of hematite DSO. This has been a specific risk management strategy, enabling the commissioning of the entire logistics chain to be completed ahead of the commissioning of the magnetite processing facility and then for this logistics chain to continue being fully used while production of magnetite concentrate progressively ramps up over a forecast six-month period from the first production.

Gindalbie’s Managing Director, Tim Netscher, said the first DSO shipment was the achievement of yet another milestone for the Karara Project, with each milestone further demonstrating delivery of management’s promises in a difficult project environment and also representing the elimination of one more start-up risk.

“This marks the start of the ramp-up phase for the DSO component of the project, which represents an important source of early cash flow and will also enable us to get full use from our logistics chain, while giving us a chance to focus on magnetite concentrate commissioning and ramp-up,” Mr Netscher said.

“This is another exciting and very significant milestone for the Karara Project and the Midwest region, as we move ever closer towards our goal of becoming Australia’s newest iron ore producer and exporter.”

**ENDS**

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