

MAIDEN IRON ORE SHIPMENT FROM KARARA

Gindalbie Metals Limited (ASX: **GBG** – “Gindalbie”) is pleased to announce that the **maiden shipment of iron ore** from its **Karara Iron Ore Project** in Western Australia’s Mid West region is scheduled today from the Port of Geraldton after being railed to Port earlier this week.

High grade Karara hematite lump ore is currently being loaded onto the Panamax vessel, M.V. “Ju Da”, which is scheduled to sail for China on Thursday evening. The Karara lump ore makes up part of the shipment, with the balance coming from Sinosteel Midwest Corporation’s (“SMC”) Koolanooka operations under the terms of the recently signed ore sales agreement between the two companies.



Train Loading at Tilley



Ship Loading at Geraldton Port

Once ramp-up has been achieved Karara expects approximately 5-6 times train loads per week to Geraldton for the duration of the 8-month contract with SMC, which amounts to approximately 60,000 tonnes per month. Once blended by SMC, the Karara ore will effectively make up approximately one-third of each shiload.

The ore sales agreement with SMC is for a total of 480,000 tonnes of high-grade hematite lump and fines ore mined as part of a Trial Mining Project at Karara underway since late last year. The 8-month contract is based on the delivery of hematite mined from the Karara South and Karara East trial open pits to Geraldton using SMC’s existing rail facilities (Tilley Siding and ore wagons) and port facilities at Geraldton.

The direct shipping ore (DSO) phase of operations, which is based on multiple high-grade hematite deposits at Karara, is expected to ramp up to an initial production level of up to 2Mtpa next year, once construction of the Karara Project’s on-site processing infrastructure, rail network and port facilities are completed by the end of this year.

Gindalbie’s Managing Director, Mr Garret Dixon, said the railing and shipping of the first load of hematite ore from the Karara Project marked a very significant milestone for Gindalbie and its partner Ansteel, as well as for the emerging iron ore industry of the Mid West region.

“This is another fantastic step forward for the Mid West iron ore industry and we are very grateful for the cooperation and support of Sinosteel Midwest Corporation, which has enabled us to achieve this milestone of shipping our first hematite ore well ahead of schedule.

“While the magnetite operation is obviously the main game at Karara in terms of revenues and cash flows, the hematite phase of operations will grow to become a significant contributor to the overall operation and we are very pleased that our hematite business is now officially in operation.

"Karara is now officially in production and I would like to take this opportunity to acknowledge the hard work that has been put in by our staff and contractors to achieve this result."

Once the DSO operation has ramped up to full production next year, high-grade hematite from Karara will be sold to Gindalbie's joint venture and off-take partner, Ansteel, as part of the long-term sales and off-take arrangements covering all production from the Karara Project.

ENDS

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