

21 August 2012

## ABU DABBAB – ALLUVIAL TIN PROJECT UPDATE SECOND SHIPMENT COMPLETED

### Highlights:

- Second cassiterite shipment despatched to Malaysia Smelting Corporation Bhd ('MSC')
- High grade and purity of the cassiterite products continues to exceed expectations
- Expectations of grades of the alluvial tin deposits at Abu Dabbab continue to be confirmed by commercial scale operations
- Opportunities to increase production being evaluated

Gippsland Limited ('Gippsland' or the 'Company') [ASX: GIP; FRA: GIX] provides the following update for Tantalum Egypt JSC's ('TE') Abu Dabbab Alluvial Tin Project in Egypt, previously referred to in ASX announcements dated 25 April 2011, 3 August 2011, 7 October 2011, 23 January 2012, 27 February 2012, 12 June 2012 and 3 July 2012.

The Company is pleased to advise that a second shipment of tin concentrates was dispatched ex mine site on 30 July 2012 and shipped to Malaysia Smelting Corporation Bhd ('MSC'). The shipment totalled approximately 9,000 kilograms of cassiterite concentrate independently assayed by Bureau Veritas Egypt to contain 85% SnO<sub>2</sub> (approximately 67% Sn) with low impurities as set out in the table below. Concentrates of this quality are readily saleable. The amenability of the material to processing and the grade of product able to be produced using simple gravity techniques continue to exceed expectations.

Grade %	Constituent
3.21	Fe
3.76	Al <sub>2</sub> O <sub>3</sub>
1.21	TiO <sub>2</sub>
4.20	SiO <sub>2</sub>
0.89	Mn
0.02	WO <sub>2</sub>
0.13	As

Production during July was adversely affected by test work conducted in early July and the start of Ramadan on 20 July 2012.

As previously announced the Company holds 50% of the issued capital in TE and is entitled to 45% of the distributed profits after repayment of all outstanding TE shareholder loans. Gippsland Ltd will be entitled to 100% of the net proceeds of these shipments as they constitute repayment of such shareholder loans, until the shareholder loans have been fully repaid according to the audited financial statement.

In the light of recent operating experience, Gippsland management is currently evaluating low capital cost opportunities for process improvement and capacity enhancement to dramatically

increase tin concentrate production and expects to be able to announce details of such proposed developments before the end of this month.



**Fig 1:** Sampling of each bag in the presence of a representative of Bureau Veritas.

Yours faithfully  
**Gippsland Limited**

A handwritten signature in blue ink, appearing to read 'Jon Starink'.

**Jon Starink**  
Executive Director

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