

HD **Ansteel takes majority Karara stake**
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Chinese steelmaker Ansteel has taken majority ownership of the Karara **iron ore** project, lifting its **stake** above that of Gindalbie Metals after converting shareholder loans to new **equity** in Karara **Mining**.

Ansteel will be issued with a total of 13.9 **million** new Karara **Mining** shares at \$4.31 per share, taking its ownership of the **company** to 52.1 per cent against joint venture partner Gindalbie's 47.8 per cent.

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The steelmaker last year provided Karara **Mining** with two loans worth a combined \$60 **million**, with the caveat that Ansteel could convert all or part of the loans into Karara **Mining equity**.

Ansteel also has the option to subscribe for further new **equity** in Karara **Mining** in exchange for \$US230 **million** in working capital under an agreement announced in October last year.

Should that condition be exercised, Ansteel would lift its **stake** in the project to about 62 per cent.

Under the terms of the new ownership arrangement, Ansteel nominee and Karara **Mining** chairman Chen Ping has been appointed managing director of the **company**.

Neil Meadows has meanwhile been appointed chief operating officer.

The Karara **Mining** board will increase in size to five directors, with three from Ansteel and two from Gindalbie.

Its chairman will be one of three directors appointed by Ansteel and will have a casting vote at board meetings.

Decisions concerning the pricing and quality of product sold by Karara **Mining** to Ansteel, amendments to existing offtake sales agreements and general product pricing will require unanimous support from the Karara **Mining** board but all other decisions will simply require a majority.

While the Karara project has been subject to a number of delays, Gindalbie said earlier this month that it expects magnetite concentrate output to reach 75 per cent of nameplate capacity by the end of the month as it works to overcome bottlenecks in its tailings system.

CO gingol : Gindalbie Metals Ltd
IN i22 : Primary Metals | i221 : Iron/Steel/Ferroalloys | ibasicm : Basic Materials/Resources | i211 : Metal Ore Mining | imet : Mining/Quarrying
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