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HD Gindalbie produces 4 mil mt magnetite over Jul-Dec

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WC 423 words

PD 11 March 2014

SN [Platts SBB Steel Markets Daily](#)

SC STEELDLY

VOL ISSN: 1935-7354, Volume 8, Issue 49

LA English

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LP [Gindalbie Metals](#) said Tuesday it produced 4.08 million mt of magnetite concentrate over July-December 2013 at its Karara joint venture project with China's Ansteel, in Western Australia, despite continuing to grapple with commissioning issues.

Karara had been expected to achieve its nameplate capacity of 8 million mt/year of magnetite last April, but has been struggling with commissioning problems since magnetite production began in January last year. The project is located around 225 kilometers (139 miles) east of Geraldton in Western Australia's midwest region, some distance from the Pilbara region where most of Australia's iron ore is produced.

TD Gindalbie said Tuesday Karara exported a total 4.12 million mt of magnetite and hematite direct shipping ore over July-December 2013.

The company said it expects to complete a technical review of Karara, which will determine how and when the project can reach its full design output by the end of March. Output over January-June is expected to be in the range of 2.4 million-2.7 million mt for magnetite and 1.8 million-2 million mt for hematite, the company said.

Delays in the ramp-up of Karara and lower-than-forecast output has impacted Gindalbie's working capital. The company said in Tuesday's half-year report it expects it will need a further \$150 million-200 million in 2014 to address plant bottlenecks and reach full production of 8 million mt/year magnetite and 2 million mt/year hematite.

Gindalbie posted a net profit of A\$2.9 million (\$2.6 million) for July-December 2013, swinging from a net loss of A\$18.8 million a year earlier.

Separately, Ansteel subsidiary Pangang Group Vanadium Titanium & Resources Co., which manages the company's investments in Gindalbie and Karara, said Tuesday it had approved a further \$169 million in a one-year term for the project's daily operations. This is the second funding tranche from Pangang after a \$113 million facility in August 2013.

Pangang officials could not be reached for comment Tuesday, but the company in January said it had no intention of reducing its exposure to the Karara project or Gindalbie, which remain part of its long-term strategic investment plans. Pangang holds a 35.89% stake in Gindalbie and a 52.16% stake in Karara and is the mine's chief offtake customer. Gindalbie owns the rest of Karara.

Marnie Hobson, Hongmei Li

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